

# WEEKLY **Television Digest**

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

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**NAB'S 40th—GROWING CONFIDENCE & STRENGTH** pervades industry, Collins' supporters insisting his leadership staved off bitter legislative medicine (p. 1).

**MINOW'S UPDATED VIEWS ON MAJOR MATTERS** offered in pre-NAB interview covering Congress, allocations, local hearings, network regulation, program ratings, magazine concept, revocations, fees, etc. (p. 2).

**SKIDS GREASED FOR ALL-CHANNEL BILL**, House Commerce Committee approving measure which would withhold from FCC power to prescribe "minimum performance" (p. 2).

**ABC'S COLOR PLANS WELCOMED AS HYPO** in autumn start. Last 2 major set-maker holdouts—Motorola & Westinghouse—also taking plunge (p. 3).

**DIRECT SPACECASTING** to home TV sets rejected in NASA-supported study as "extravagant, unnecessary" and probably impossible in near future (p. 3).

**FCC WINS 'SEEK-OUT-NEEDS' COURT CASE**, judges holding Commission has power to ask applicant to study community, stating freedom-of-speech issue not involved (p. 4).

**FCC MULLING STAFF REVIEW BOARD**, considering kinds of cases to be delegated—to free commissioners for major policy work (p. 4).

**USIA TV GROWING BY LEAPS & BOUNDARIES**, serving over 80 foreign countries. New director Hill calls program quality increase essential (p. 4).

**DENVER PAY-TV TEST** asked by KTVR in FCC filing. Teleglobe system would be used in Bartell-backed experiment, with at least 2,000 subscribers (p. 5).

### Consumer Electronics

**FTC HITS MOTOROLA FOR 'DECEPTIVE CLAIMS'** for TVs & radios. Motorola says charges "unfounded," will contest down the line (p. 9).

**COMPONENTS MAKERS SOLD MORE** for less in 1961. Aggregate sales of 15 manufacturers rose to \$1.04 billion from \$1.018 billion in 1960, but their profits sloughed off (p. 9).

**NEW-LINE CALENDAR** gives dates & locations of showings of 1963 merchandise by major manufacturers (p. 10).

**FAR-OUT ELECTRONIC** devices discussed at IRE offer preview of future consumer products: 3-D TV without glasses, electrostatic picture recording, TV radar (p. 12).

**ADMIRAL CHARTS PROFIT COURSE**. Buoyed by best 4th quarter since 1954, company reverses 1960's \$2.5-million loss with \$2.5-million profit in 1961 (p. 13).

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**NAB'S 40th—GROWING CONFIDENCE & STRENGTH:** NAB 40th convention starts in spirit of rising confidence & optimism—marked contrast to dismay & anger which pervaded last year's convention.

There are responsible broadcasters who retain misgivings about intrusions of Minow-led FCC into industry affairs and would have NAB Pres. LeRoy Collins attack govt. on every front.

But there's large and growing belief that Collins' approach is correct—that industry should acknowledge some shortcomings and do a job of positive self-regulation.

Collins and his associates haven't slightest doubt about efficacy of that course. They point to:

(1) NAB-prompted Oct. 6 program-form conference with FCC, asserting that this is saving industry enormous expenditures of money & effort.

(2) Strengthening of Codes—getting network cooperation in programs as well as commercials—with result that Congress & FCC are easing pressures.

(3) Research & training program will be "real," will feed back results to industry in usable form. For example, research will include effort to determine TV's role, if any, in juvenile delinquency.

(4) Collins' work for all-channel-receiver legislation and his efforts to stave off network regulation. They believe Congress won't pass network regulation bill and that Collins' efforts will be instrumental in blocking it.

(5) FCC's concern with radio overcrowding stems from Collins' missionary work.

Collins' supporters insist that if industry had done nothing but oppose implacably every govt. move Congress would now be seriously considering legislation of shocking scope, more restrictive than anything yet seen. Collins' speech may be expected to reflect assurance & confidence in path NAB has followed.

As for FCC Chmn. Minow, no one expects him to make another "vast wasteland" speech. He might even say something pleasant. (For his current views on major topics, see below.)

**MINOW'S UPDATED VIEWS ON MAJOR MATTERS:** We interviewed FCC Chmn. Newton Minow just before he left for Chicago NAB convention last week, got quick rundown of his current views on number of major topics. Excluded, of course, was discussion of radio's problems—which is major theme of his NAB speech. Herewith are his comments:

(1) Congress & legislation. "I've appeared before many committees and I've found them very fair, very cooperative—contrary to what some people told me to expect. I wish I could spend more time exchanging views with individual members.

"I'm gratified with the House Commerce Committee's action on the all-channel-receiver bill—and optimistic about its chances for passage. The legislation may turn the tide. We may now see innovations in uhf—such as higher power."

(2) Chicago-type local hearings. "We haven't heard the other side yet. I've talked with Comr. Lee—who, incidentally, is doing a fine job—and he believes it will prove a useful process. It shows promise as a new means of communications among FCC, the public and broadcasters. Will we have more? Perhaps. It also depends on the results and the budget."

(3) Network regulations. "We hope to develop a speedy report on the hearings. When the record is analyzed, I think that it will clearly show need for direct regulation of networks. The telecasts of the hearings, by the way, stimulated more reaction from the public to the Commission—most of them saying that something should be done about network practices."

(4) Program ratings. "The question is whether they're employed properly. The Harris committee is studying it—and we're cooperating."

(5) Magazine concept. "This has been suggested seriously by knowledgeable people. But it's involved in the network proceeding and we can't prejudge it."

(6) Revocations, renewal denials, fines. We've met these problems head on. It shows everyone that we're serious. I don't think we need more or less action than we've taken."

(7) License fees. "The principal objection is that the move isn't govt.-wide. I appreciate this—but have our own responsibility, too. Fees or no fees, we need to reorganize to speed processes. Applicants are entitled to speed. I think there's a real need for broad delegations to the staff in non-adjudicatory actions. I'm also impressed with the concept of separating FCC's administrative & legislative functions from the judicial."

**SKIDS GREASED FOR ALL-CHANNEL BILL:** Prospects for all-channel-set law are very strong now, following House Commerce Committee's approval of HR-8031. FCC members and telecasters were happy about it, though some at Commission didn't like one amendment which would prevent it from specifying "minimum performance" of sets. Telecasters would have preferred to have prohibition against deintermixture en-cased in law itself—but they and House Committee are satisfied that FCC's word on de-mix moratorium is binding (Vol. 2:13 p2).

Most set makers remain opposed to bill—but EIA spokesman said they were glad at least to see minimum-performance power withheld from Commission.

One FCC member commented: "At first blush, I was concerned about the elimination of the minimum-performance feature, fearing that some set makers would put a mere token uhf tuner in their sets. However,

American industry doesn't work that way. Manufacturers will compete for quality, as they always do." An AMST spokesmen said group has no quarrel with the amendment: "We expect that any manufacturer worth his salt will abide by the spirit as well as the letter of the law. We think the bill has very good prospects—but it will take very intense effort by the industry to get it through."

Bill presumably will come up for House vote soon, then Senate Commerce Committee takes over. Some observers foresee effort in Senate to get minimum performance feature reinstated. Key paragraph of bill provides that FCC will:

"Have authority to require that apparatus designed to receive television pictures broadcast simultaneously with sound be capable of receiving all frequencies allocated by the Commission to television broadcasting when such apparatus is shipped in interstate commerce, or is imported from any foreign country into the United States, for sale or resale to the public." Old bill would have permitted FCC to "prescribe minimum performance capabilities" of sets.

If bill doesn't pass this session, it's understood House members will fight for House resolution asking FCC to hold off de-mix until next session can again consider all-channel bill.

**ABC'S COLOR PLANS WELCOMED AS HYPO:** ABC-TV's plan to start colorcasting in the fall, joining lonesome NBC-TV, comes as welcome shot in arm to industry. Starting initially with at least *Flintstones*, *Matty's Funday Funnies* and new Sun. p.m. feature films, network reports it will then expand. There's no change in CBS policy, i.e., it will get into it when there's enough viewer interest and receivers.

ABC's 5 o&o's will carry all color shows—as will those affiliates equipped to rebroadcast them. AB-PT Pres. Leonard Goldenson said public's interest in color has grown to point justifying ABC's entrance, noted that ABC has studied color for long time and has nucleus of experts.

Manufacturers primarily welcome ABC's offerings—and with Motorola & Westinghouse planning introduction of color lines this fall, last 2 major set-maker holdouts have joined fold. Watch the predictions of color set sales now rise.

**NASA STUDY REJECTS TV SPACECASTING:** Telecasting from satellites direct to home TV receivers would be "an extravagant & unnecessary demonstration of technical competence" which may be well-nigh impossible in near future, anyway.

These were conclusions reached by Stanford Research Institute in special study for NASA, which included feasibility & desirability of telecasting from satellites—as presented to IRE convention last week by SRI engineer Richard G. Gould. Direct TV broadcasting from space has been proposed by several industry leaders as way of wiping out illiteracy, spreading education, telling American story to whole continents simultaneously. In his paper, Gould made these points:

(1) Programming problems make such telecasting undesirable. Even in U.S., he pointed out, there are very few live nationwide telecasts because of time zone problems. Aside from sports, only 16 hours of programming were carried coast-to-coast live by CBS-TV last year. From standpoint of live foreign events, he pointed out, Olympic Games occur every 4 years, world fairs average of every 10 years, coronations average every 25 years—and satellites must be paid for 24 hours a day.

(2) Language & frequency barriers impose additional difficulties. Most hemispheres, or even continents, have many languages and TV frequency standards. Even in the Western Hemisphere, 22% of TV sets outside U.S. use 625-line, rather than 525-line standards.

(3) Receiver problems would be almost insurmountable. Each home would have to have extra receiving antenna—parabolic unit, 10 ft. in diameter, aimed skyward. If vhf channel is used, existing stations would have to be displaced. Ch. 13, for example, is used by 38 stations in U.S., 5 each in Canada & South America. If uhf is used, transmitter power would have to be increased vastly; conversion would be problem.

(4) Transmitter power requirements are far greater than some sources indicate. On basis of present receiving sets, vhf transmission would require transmitter power of 100 kw, ERP of 300 kw; uhf would need 265-kw transmitter, 796-kw ERP. Proposed SNAP-8 nuclear power generator would yield power of about 60 kw.

Gould concluded that only practical TV programming use of satellites is in field of transmission to networks, rather than to homes. Stanford-NASA study also included feasibility of FM & AM broadcasting from satellites, but conclusions of this portion of project weren't disclosed.

**FCC WINS 'SEEK-OUT-NEEDS' COURT CASE:** To surprise of very few, FCC won "Suburban" case in Court of Appeals last week—and powers of Commission in one programming field appear to remain unchanged.

As you'll recall (Vol. 17:27 p1), Commission denied application of Suburban Bcstrs. for Elizabeth, N.J. FM station on grounds principals did nothing to show they had tried to seek out programming needs of community. Suburban took Commission to court on grounds of censorship and violation of freedom of speech.

Court unanimously stated that Commission certainly has power to ask applicants to "seek out needs." Judges Bazelon, Bastian & Burger, in decision written by Bazelon, carefully & explicitly said they didn't need to worry about basic constitutional freedom grounds in this case. Rather:

"We think these broad contentions are beside the narrow point at issue upon this record. It may be that a licensee must have freedom to broadcast light opera even if the community likes rock & roll music, although that question is not uncomplicated. Even more complicated is the question whether he may feed a diet of rock & roll music to a community which hungers for opera. These are questions, however, that we need not here decide. As we see it, the question presented on the instant record is simply whether the Commission may require that an applicant demonstrate an earnest interest in serving a local community by evidencing a familiarity with its particular needs and an effort to meet them."

U.S. Supreme Court's 1943 decision in NBC case, Court said, settled issue in favor of FCC: "In sustaining the regulations, the Supreme Court held that the Commission may impose reasonable restrictions upon the grant of licenses to assure programming designed to meet the needs of the local community." Suburban's attorneys said client hasn't decided whether to appeal.

**FCC MULLING STAFF REVIEW BOARD:** New FCC staff Review Board, contemplated by reorganization law designed to relieve commissioners of routine chores, will be considered by Commission at special April 12 meeting. Proposed revisions of rules, as drafted by staff under Commission instructions, are understood to include requirement that Board:

- (1) Would handle interlocutory matters now acted upon by full FCC or Motions Commissioner.
- (2) Review all AM & FM initial decisions except revocations & renewals, multiple ownership, Class II-A operations on clear channels.
- (3) Review initial decisions on TV translators, safety & special service proceedings, certain common carrier proceedings, suspension of operator permits.

Proposed changes are said to leave Commission plenty of discretion in making exceptions to foregoing. Also, new rules would have Commission deciding, on case-to-case basis, which initial decisions should be reviewed by one commissioner or a panel of them.

Appeals could be taken, under proposed rules, to full Commission by any applicant who loses in decision by Review Board, panel of commissioners, etc.—but Commission can grant or deny such appeals without giving reasons.

Staff draft acknowledges that changes may be needed from time to time—and recommendations of private practitioners would be invited. It's understood that Comr. Lee doesn't believe Review Board would have enough to do. He recommends that 5 more hearing examiners be appointed and that Review Board job be rotated among examiners who would preside at hearings when not on Board.

**USIA TV GROWING BY LEAPS AND BOUNDARIES:** USIA's fledgling TV service, only 3½ years old, is picking up steam in race to catch up with big radio Voice of America. TV division's programs now reach estimated 180 million viewers in some 80 foreign countries (see table below).

Constant improvement & growth in techniques, programming, facilities and staff is essential to keep pace with explosive growth of new nations around the globe, according to service's young (38) new director, Charles N. Hill, who is no stranger to getting message across to large audiences. As producer-director for CBS & NBC, he worked on such notable series as *See It Now*, *Nation's Future*, *Person to Person*, *Conquest*, *State of the Nation*, *Walter Cronkite & the News*.

Service will have 2 new fully-equipped studios in Washington's Old Post Office Bldg. about Sept. 15. Studios include tape and kinescope equipment. Biggest emphasis will be on increased programming quality, which Hill describes as essential to meet needs of rapidly-becoming-sophisticated foreign audiences. Programs in the works include *Latin American Forum*, in which South American students question U.S. officials on world events, and tentative series called *The World of Ideas* being developed by Hill to dramatize advances in technology by various nations.

Long-range outlook for USIA TV service, according to Hill: "Within the next 10 years, the TV division should come close to or match VOA radio."

Here are TV service's latest estimated figures & projections of its worldwide coverage:

	December 1961		June 1962		June 1963	
	Transmitters	Receivers	Transmitters	Receivers	Transmitters	Receivers
Far East	194	10,508,973	232	11,810,850	274	14,547,425
Near East	20	321,985	32	356,425	52	499,050
Africa	15	118,850	22	159,300	46	248,650
Latin America	130	4,163,950	153	4,827,900	172	5,504,020
W. Europe	<u>1162</u>	<u>28,359,060</u>	<u>1244</u>	<u>31,151,500</u>	<u>1398</u>	<u>34,727,000</u>
Total Free World	1521	43,472,818	1683	48,305,975	1942	55,526,145
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Communist Bloc (not covered by USIA TV)	393	10,661,650	513	13,379,200	659	17,322,500

**TELEGLOBE FILES FOR DENVER PAY-TV TEST:** Application for on-air pay-TV test using Teleglobe system was filed with FCC at week's end by KTVR Denver (Ch. 2). Two-thirds of Denver franchiseholder Teleglobe-Denver is held by Macfadden-Bartell Corp. (Macfadden publications, Bartell broadcasting interests), remainder by Teleglobe Pay-TV System Inc.

Teleglobe system, possibly simplest pay-TV technique proposed so far, involves no signal scrambling, no attachments to TV set (although antenna-mounted coding devise may be made available later for sporting events). Station merely broadcasts picture without sound, audio portion being carried to separate speakers in homes via telephone company lines. Billing is done from central point, using scanning technique and punched paper tape recording.

Applicants told FCC they hope to get started within 6 months after authorization, or as soon as 2,000 subscribers have signed up. They hope to provide at least 14 hours weekly of prime-time programming at charges of \$1-\$2 per program.

Subscribers would pay \$10 interconnection charge imposed by phone company and monthly minimum charge of \$3.25 a week—same minimum as that to be charged in Zenith-RKO Phonevision experiment scheduled to start on WHCT Hartford (Ch. 18) in June. Subscribers would not pay for loudspeaker which would be provided by Teleglobe-Denver, and which would be fed piped-in music (plus announcements of coming pay-TV attractions) when no pay-TV programs were on air.

Teleglobe speakers, to be made by Sylvania, would cost company less than \$20 each, Teleglobe pres. Sol Sagall said at N.Y. news conference. Billing costs, using machines to be built by Automatic Electric (which, like Sylvania, is a GT&E subsidiary), would come to about \$1 per year per subscriber, he said, comparing these costs with \$167 per subscriber, which he said was cost to Zenith of its pay-TV decoders.

Bartell-Macfadden expects to spend \$350,000 getting system going, will invest that sum in Teleglobe-Denver. KTVR is currently owned by J. Elroy McCaw, but its transfer to CATV owner & broker Bill Daniels is pending. Both McCaw & Daniels have agreed to financial arrangements for compensation of station, which provide for stock options in Teleglobe Pay-TV System Inc., cash payment out of profits by Teleglobe-Denver equivalent to KTVR's one-time national card rate for pay-TV programming time, plus 20% of Teleglobe-Denver's annual net profit before taxes. KTVR has no network affiliation, is one of 4 Denver commercial stations, all vhf.

## CURRENT CAPSULES

Ex-ABC-TV Pres. Oliver Treyz wound up logically & fast at Warner Bros. after sudden dismissal by ABC (Vol. 2:13 p1); on May 1 he becomes vp & world-wide sales mgr. at 666 Fifth Ave., N.Y. Treyz had pushed hard to get Warner's output on ABC-TV, wound up as exclusive network customer of the film producer—pioneering such successes as *Maverick*, *77 Sunset Strip*, etc. Warner's now wants to diversify into CBS-TV & NBC-TV, expand foreign market, produce more "serious" shows of type ABC-TV had turned down.

As if to punctuate Treyz departure, new ABC-TV chief Thomas Moore announced return of *Voice of Firestone*, Sun. 10 p.m., starting Sept. 30. Firestone had complained bitterly to FCC & Congress when it left ABC-TV in 1959 after network couldn't come up with satisfactory time period. Moore was busy shifting lineup like mad, including addition of 30 post-1955 UA feature films for Sun. 8-10 p.m. starting in fall.

Print media get clobbered, for a change. TV mogul David Susskind writes in *Saturday Evening Post* that mediocrities have taken over in practically every phase of American life, including movies, books, magazines, newspapers, clergy, education and politics. Mediocre newspapers outnumber good ones by more than 20 to 1, he declares. With notable exceptions, he adds, press is filled with more sex & violence every day than you can find in 3 weeks of solid televiewing. Close on Susskind's heels was Chrysler Corp. vp Byron J. Nichols, blasting publications whose editorial integrity gives way to advertising pressure. Recent survey of 15,000 editorial personnel by his PR dept. turned up "disconcerting number" who said "unless you advertise with us, we're not interested in any news from you," he declared. Nichols told San Diego Ad Club there's no room for pressures of any kind on broadcasting & publishing.

Compromise communications satellite bill was approved by Senate Space Committee last week, most parties apparently satisfied except Sen. Kefauver (D-Tenn.), whose anti-trust subcommittee began hearings, fearing "monopoly." Modified bill reported by Space Committee calls for issuance of one class of stock at \$100 per share, 50% to public, 50% to international communications companies. Of public portion, maximum of 20% could be purchased by foreign govts. Corporation would be directed by 15-member board, 6 each named by companies and private shareholders, 3 appointed by President with Senate approval. Although bill provides for ownership of ground stations by the new corporation, it also will allow individual companies to own these facilities, subject to FCC approval. Bill now goes before Senate Commerce Committee, where hearings are expected to start next week.

Next move in industry-ASCAP music-license dispute is expected in about a month. N.Y. Federal Judge Sylvester Ryan indicated last week that he expected to rule within that time on whether he has power to act on TV industry's petition for new license principle—clearance at the source and limited license. Industry group had informed him of its rejection of his recommendation that stations divest themselves of BMI ownership in exchange for 17% cut in ASCAP fees (Vol. 2:13 p4). Hamilton Shea, chmn. of TV negotiating group, reported that Judge Ryan "accepted the fact that we had made a conscientious effort in considering his recommendation." If judge rules he doesn't have power to act on industry's petition—as expected—industry group will appeal to U.S. Supreme Court; if he rules opposite, ASCAP will appeal. Case has long way to go.

Radio WNOE New Orleans has been hit with \$10,000 "forfeiture" under Harris-Pastore Act penalty provisions, on evidence that station "conducted a 'rigged' contest," FCC ruled last week. Commission charged WNOE held sweepstakes station promotion contest from Feb. 1960 to May 1961, offering from \$1 to \$1,060, but held possible winners to limit of \$100 by not issuing winning tickets for more. Although investigation revealed that station Chmn. James A. Noe Sr. wasn't aware of scheme, FCC stated, this didn't absolve him from responsibility. In other action, Commission dunned radio KOLS Pryor, Okla. \$1,000 for going on air prior to local sunrise sign-on time as "regular practice" during winter months.

Very little difference between vhf & uhf within 25 miles of transmitter has been found by FCC in its N.Y. tests. However, uhf project chief Arnold Skrivseth cautioned IRE audience in N.Y. convention last week that sample of 100 locations "is very limited" and shouldn't yet be taken as valid for N.Y. as a whole. Of measurements taken beyond 25 miles, he said, "uhf is inferior to vhf at the greater distances in rough terrain. In smooth terrain, uhf compares favorably with vhf out to line of sight distances, in this case 50 miles."

N.Y. to Rochester closed-circuit "Theatrelevision" telecast of Paddy Chayefsky's Biblical play "Gideon" drew packed house of 2,500 at Rochester's Auditorium Theatre on opening night last week (Vol. 2:9 p4). Four-day experiment by Dynamic Theatre Networks Inc. nearly failed to get off ground because of dispute with AFTRA, which finally agreed to settlement calling for 2 weeks salary or minimum of \$400 each for 25 in cast, plus other payments. With tickets priced at \$1.50 to \$3, vs. \$3 to \$7.50 on Broadway, Dynamic Pres. Nathan Zucker said company would take loss even if project is sellout, explained firm is shooting for big stakes in future, when one show booked into 100 theatres could gross \$1 million per week.

Distorted "image" of U.S. is being exported via TV, BBC Director-General Hugh Carleton Greene told audience at Alfred I. duPont Awards Foundation dinner in Washington last week: "One cannot help wondering whether the good that has been done by program after program of foreign aid is in danger of being undone by the image of America as it appears on program after program on the television screens of the world." He questioned doctrine of "giving the public what it wants," said TV has duty to consider minority interests and to influence public taste.

Nomination of Dr. Irvin Stewart as Director of Telecommunications Management (Vol. 2:13 p4) was confirmed by Senate last week. He'll probably be sworn in this week, told us he wouldn't pick staff until he'd been on job for a while.

## Personals

Robert F. Lewine, CBS Films vp. named CBS-TV Hollywood program vp, succeeding Guy della Cioppa (Vol. 2:13 p2) . . . Theodore F. Shaker promoted to ABC-TV o-&o stations pres., succeeding Julius Barnathan, who moves up to network vp & gen. mgr. . . . Ross Bagwell, ex-NBC, named New Merritt Enterprises (TV packaging) program merchandising mgr.

Bernard Tabakin elected NTA pres. . . . Paul Williams, ex-Ampex International video consultant, named educational KQED (Ch. 9) San Francisco chief engineer.

Clark Mollenhoff, *Des Moines Register & Tribune* and *Minneapolis Star & Tribune* Washington correspondent, and Morris S. Novik, N.Y. radio programming consultant, named members of U.S. Advisory Commission on Information. . . . Fred L. Vance promoted to KVOA-TV Tucson and KOAT-TV Albuquerque gen. mgr.

Leonard I. Kornblum promoted to Independent TV Corp. vp & treas. . . . Keith Glatzer, ex-radio WFOR Hattiesburg, Miss. program & news dir. named KTVE El Dorado, Ark. program dir.; W. R. Eason promoted to business mgr.

Ralph Nimmons promoted to WFGA-TV Jacksonville station mgr.; Rusty Bruton moves up to special assignments dir.; Robert Manning becomes production mgr.; Herb Gold promoted to film dir.

Joseph Savalli promoted to pres. of John E. Pearson Co. . . . John Pinto promoted to RKO General Phonevision vp, N.Y.

John F. White, National Educational TV & Radio Center pres., was invited to address British Parliament members in London March 29 on U.S. ETV. NET International Div. Dir. Basil Thornton accompanied him.

John F. Baxter, U. of Fla. prof., awarded American Chemical Society's James T. Grady Medal for "outstanding contributions to the public's understanding of chemistry and chemical progress." He teaches "Modern Chemistry" series on NBC's *Continental Classroom*.

Sidney P. Allen, ex-CKLW-TV & CKLW Detroit-Windsor sales mgr. in N.Y., named RKO General agency & client relations mgr. . . . Wallace Dunlap, ex-WFYI Mineola, N.Y. gen. mgr., named KDKA-TV Pittsburgh asst. sales mgr. . . . Vernon G. Doering, ex-Jam Handy, named dir., Norwood Films, Washington.

Jack V. Arbib, ex-N.Y. *Daily News* circulation sales mgr., named Screen Gems Cellomatic div. national sales dir.; Robert Shaftan, ex-Miller & Hornstein, appointed business mgr. . . . Robert Laphorne promoted to mgr. of Fremantle International's new company, Fremantle (Australia) Pty Ltd., Caltex House, Sydney.

Morton B. White, ex-Sterling Information Services gen. mgr., named an Advertising Council campaigns mgr., succeeding Col. Robert P. Keim, resigned.

## Obituary

Joseph E. Wasilewski, 36, brother of NAB exec. vp Vincent Wasilewski, died suddenly of heart attack in Athens, Ill. home March 25. He had no previous history of heart disease. Unmarried, he is survived by mother, 4 brothers, 3 sisters.

Complaint of NCTA about FCC's warning to city manager of Salinas, Cal. about impact of CATV on local stations (Vol. 2:9 p5), in letter to Commission, was answered by Chmn. Minow last week. NCTA Pres. William Dalton had sought conference with Minow. Latter said it wasn't appropriate for Commissioners to discuss subject—in light of pending matters. However, he said, his special asst. James Sheridan and Broadcast Bureau Chief Kenneth Cox would meet with Dalton and NCTA board for general discussion in late April.

Vhf & uhf translators will be licensed for 3 years instead of one, under revised FCC rules. Licenses will be issued on staggered renewal basis according to 18 geographical areas, with renewal applications required 90 days prior to expiration instead of present 60.

Add Minow activities & awards: (1) Named by Secy. of State Rusk as a member of U.S. National Commission for UNESCO. (2) Received Newspaper Guild of N.Y. 1962 "Page One Citation" in TV-radio "for making TV more aware of its responsibilities." (3) Named "Speaker of the Year" for 1961 by Tau Kappa Alpha, forensic honor society, in field of "educational, scientific & cultural activities." (4) Last week, was photographed with Mrs. Eleanor Roosevelt for publicity in connection his appearance on her *Prospects of Mankind* program over educational WGBH-TV Boston April 29; former Comr. Clifford Durr accompanied Mrs. Roosevelt. (5) Donated set of Encyclopaedia Britannica (his old client) to FCC library.

Base salary standards at minimum levels and according to size of market in determining exemptions for executives, administrative & professional employees, NAB has urged Labor Dept.'s Wage-Hour Div. In statement filed in hearings to determine whether present salary test figures should be raised as result of recent minimum wage increase, NAB pointed out that salaries for similar duties vary widely from small to large markets, suggested Labor Dept. look into possibility of market-size salary tests.

WFIL-TV Philadelphia received special award for "outstanding service to the Allied Command Atlantic" for half-hour color TV film production *Battleground: North Atlantic* depicting activities of NATO Supreme Allied Command Atlantic (SACLANT). Plaque was presented to Triangle Stations vp Roger Clipp by Capt. A. H. Ashton USN, at Washington premier of film—luncheon attended by Christian Herter, chmn. of Atlantic Council of United States, members of Congress, FCC members, et al.

"First class communications disaster" is description given U.S. broadcasters' handling of news reports of the 1941 Pearl Harbor attack by Stanford U. film dir. Ernest D. Rose. After reviewing tapes of commentators' newscasts on that day, he writes in *Journal of Broadcasting*: "The catastrophe of December 7, 1941 was as much due to rationalization, inaccuracy and lack of coordination in our communication network as it was to our inadequate military preparedness for surprise attack."

Closed-circuit intercity TV "twist festival," planned by TelePrompTer for April 7, has been cancelled due to lack of sufficient sites. Coast-to-Coast telecast, starring twist idols Chubby Checker and Joey Dee, was dropped when company found that arenas and auditoriums capable of accommodating dancing in conjunction with show wouldn't be available because of prior commitments. TelePrompTer also dropped plans to stage similar event in conjunction with Seattle World Fair opening.

Short wave radio WRUL N.Y. reports \$400,000 in ad revenues in 1961, anticipates \$600,000 this year from businessmen seeking sales abroad. Metromedia Worldwide Broadcast div. Pres. Ralf Brent says station was losing \$10,000 weekly when purchased, will be in black by end of 1962.

Huntley-Brinkley team, backed by staff of 1,000, will cover 1962 elections for NBC-TV beginning at 7:30 p.m., Nov. 6. William R. McAndrew, network news exec. vp, said it will be most thorough coverage ever attempted in broadcasting, including 1960 presidential election.

WWTW Cadillac, Mich. has been ordered by NLRB to end unfair labor practices and to bargain with NABET. Three-member Board panel upheld initial decision by Examiner Lee J. Best issued Dec. 28, 1961.

"Television has drained the money and the muscle and the energies from the other mass media; now it must shoulder the burden itself. It has the talent and the dough." This judgment from *N.Y. Herald Tribune* TV critic John Crosby in March 28 column. He lauds NBC's March 25 *White Paper No. 9*: "Arms and the State," but warns solemnly that this type of information must be given public by TV because "they are almost the only ones left to do it." Day of the telecast, he reports, *Saturday Evening Post* announced cutback from 52 to 45 issues a year, because publisher Curtis lost \$11 million in the first 9 months of 1961, "because television has taken the audience and the advertising."

U.S. TV & movies are helping Communist propaganda give distorted and "mythological" picture of U.S. to underdeveloped countries, Asst. Secy. of State Philip H. Coombs told an educators conference in Washington last week. Innocent misrepresentations in TV & movie packages sent to these nations can be misleading, he warned: "What is entertaining to us, is educational to them." He told of a Nigerian informing a U.S. official that he knew all about this country from watching TV & movies, and asking: "When are you going to stop riding horses and have automobiles as we have?"

Complete line of station equipment will be offered through combination of facilities of ITA Electronics (FM-AM transmitters, monitors, other audio station equipment) and EMI/US (TV & audio studio equipment, cameras, etc.). Combination will be for sales purposes only, with neither company having any ownership in the other. Substantial interest in ITA is held by Triangle Publications Inc. EMI/US is electronics subsidiary of Capitol Records, which in turn is owned by EMI Ltd. (Great Britain), which supplies most EMI/US broadcast equipment.

FCC allocations actions: (1) Finalized shift of Ch. 14 from Modesto to San Mateo, Cal., reserving it for educational use, dropped in Ch. 17 at Modesto; shifted Ch. 19 from Palm Springs to Indio, Cal., substituting Ch. 27 at Palm Springs, deleting latter from San Diego. (2) Invited comments by April 30 on proposed shift of commercial Ch. 24, Coldwater, Mich. to E. Lansing, Mich. for educational use; on shift of Ch. 2 from Henderson to Las Vegas.

Sale of KODE-TV & KODE Joplin, Mo. to Michigan businessman James S. Gilmore Jr. for \$1,850,000 has been announced by United Printers & Publishers. Company will purchase 40% of WVUE-TV New Orleans for \$850,000, also owns WSTV-TV & WSTV Steubenville, O., WBOY-TV & WBOY Clarksburg, W. Va., WRGP-TV Chattanooga, WRDW-TV Augusta, Ga., radios WPIT Pittsburgh, WSOL Tampa.

Guidelines for producing TV commercials are offered in new TvB pamphlet *Do's and Don'ts for Successful TV Commercials*. Publication also outlines 3 TvB aids available to producers: film & tape library, tape clinic, retail productions unit.

Civic Television Inc., Miami, will file application for city's Ch. 10, now operated as WLBW-TV by L. B. Wilson Inc. Civic is composed of 12 Miami civic leaders, headed by former Dade County Comr. Charles H. Crandon.

Sierra Leone, new African nation, will begin telecasting Aug. 1, initially limited to Freetown area, later extended inland.

RKO General has opened Detroit sales-service office headed by Joseph E. Campeau.



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**FTC HITS MOTOROLA FOR 'DECEPTIVE CLAIMS':** FTC took out after a big one last week—Motorola—charging it with "false, misleading & deceptive" claims for TV & radio. Company promptly labeled charges "unfounded," said it would contest all of them—though radio models involved are no longer made.

FTC attacked these "typical" claims for Model 8X26 radio: ". . . 9 times more selectivity . . . Like carrying a full 10-tube radio in your pocket! . . . Plays hundreds of hours at peak performance on penlite batteries you buy for pennies." Model L14 was hit for this claim: "Revolutionary new chassis and audio system."

As for TV, FTC called following "false": "Golden Tube Sentry System . . . It's engineered to eliminate 3 out of 4 service calls . . . Triples TV life expectancy . . . New tube-saver electron gun . . . that makes Golden 'M' picture tubes 10 times more reliable than ordinary picture tubes . . . The only TV line with completely hand-wired chassis and tuner."

Radios with Japanese parts are inadequately labeled, according to FTC which said that "company does not place markings on radio sets, their containers, instructions or warranties stating that various essential parts of the sets are imported from Japan. Certain encased parts bear markings showing they are manufactured in Japan, but these are either concealed or too small to disclose they are of foreign origin."

Since FTC itself has no clear-cut policy on foreign-parts marking, industry regarded that charge as "fishing expedition."

**COMPONENTS MAKERS SOLD MORE FOR LESS IN 1961:** Attrition of Japanese imports, fierce competition and price cutting (Vol. 1:6 p6) eroded profits in components industry last year despite combined strong sales increase, analysis of available year-end reports reveals.

Unlike OEM users of their products who in main posted solid 1961 sales & profit gains (Vol. 2:11 p7), components makers in aggregate were far off their 1960 profit pace. Combined 1961 earnings of 15 representative components manufacturers totaled \$30,306,877, after deducting a \$606,568 loss registered by one company. These manufacturers earned \$37,822,391 in 1960, and did it on appreciably lower sales volume.

Their combined 1961 sales totaled \$1,040,150,738—up from \$1,018,640,758 in preceding year. Although many of companies analyzed produce products other than components, they are representative of industry. They are: Aerovox, Amphenol-Borg, CTS, Clevite, Electro-Voice, Erie Resistor, General Instrument, Globe-Union, Indiana General, International Rectifier, International Resistance, P. R. Mallory, Oak Mfg., Standard Kollsman Industries, Thompson Ramo Wooldridge.

Overwhelming majority of components makers—12 out of 15—registered 1961-over-1960 sales gains. Conversely, majority—8 out of 15—earned less in 1961 than they did preceding year, and one, Aerovox, wound up in red by \$606,568.

Record 1961 performance was turned in by International Resistance which scored company highs in both sales & earnings. CTS, Elkhart, Ind., which claims to be "world's largest mass production manufacturer of variable resistors," had record sales, also increased profits. General Instrument, in 9 months to Nov. 30, also posted record sales, but earnings fell below \$1 million from more than \$2.3 million year earlier.

Major profit gains were posted by Electro-Voice, to \$270,660 (9 months) from \$8,061; Globe-Union, to \$2.6 million from \$1.8 million. Among profit drops: Aerovox, which lost \$606,568 vs. 1960's \$121,672 profit; Thompson Ramo Wooldridge, to \$6.5 million from \$10.2 million; Amphenol-Borg, to \$623,299 from \$2.2 million.

Here's 1961-vs.-1960 performance of 15 representative components manufacturers:

	SALES		EARNINGS	
	1961	1960	1961	1960
Aerovox	\$ 22,307,735	20,521,815	\$ (606,568)	\$ 121,672
Amphenol Borg.	73,204,641	67,804,593	623,299	2,185,530
CTS Corp.	21,468,189	20,047,758	1,822,734	1,649,881
Clevite	90,080,200	94,012,038	5,142,689	6,825,635
Electro-Voice (9 mo. to Nov. 30)	8,903,699	7,415,992	270,660	8,061
Erie Resistor	23,691,861	25,902,646	495,050	616,517
General Instrument (9 mo. to Nov. 30)	63,605,646	57,643,265	938,942	2,309,717
Globe Union	62,518,783	60,677,064	2,592,505	1,774,593
Indiana General	22,034,915	19,631,041	1,790,663	1,429,811
International Rectifier (6 mo. to Dec. 31)	7,748,801	6,941,832	501,413	602,204
International Resistance	23,005,304	20,824,173	2,021,432	1,943,450
P. R. Mallory	85,197,027	83,586,283	4,513,224	4,367,463
Oak Mfg.	23,017,077	17,642,295	557,662	351,310
Standard Kollsman	104,289,860	95,568,805	3,183,966	3,459,992
Thompson Ramo Wooldridge	409,077,000	420,421,158	6,459,206	10,176,555
<b>TOTALS</b>	<b>\$1,040,150,738</b>	<b>\$1,018,640,758</b>	<b>\$30,306,877</b>	<b>\$37,822,391</b>

**CALENDAR OF TV-RADIO-PHONO SHOWINGS:** Most 1963 lines of home entertainment instruments will be unveiled for distributor inspection from mid-May to late June again this year. Dates so far set for new line showings compare pretty much with year ago, give or take a week.

For easy reference, we've compiled all available time & place information in table below. We'll update calendar as additional data is obtained from these & other manufacturers.

While it's still much too early to develop patterns on basis of information so far available, it does appear that new-line showings this year will be less costly & elaborate. RCA, for example, which had been toying with European junket for this year, has junked it in favor of more economical meeting in Chicago. Motorola is showing at home, as are Muntz Tv, Packard Bell, GE, and Zenith. Philco will show in Philadelphia, possibly also in Chicago. Here's schedule of showings so far available:

Manufacturer	Products Shown	Dates	Event & Location
Admiral	TV, radio	late May	Distributors. Dates & locations not firmed
Du Mont	TV	early June	Dates & location not firmed
Emerson	TV, radio	early June	Dates & location not firmed
GE	TV, console phonos	May 21	Distributors. Louisville, Ky.
Magnavox	TV, radio, phono	June 24-28	Distributors & dealers. Music Show, N.Y.
Motorola	TV, radio	June 4	Distributors. Hilton Hotel, Chicago
Muntz TV	Drop-in models	July	Key dealers. Wheeling, Ill. plant. Date not set
Olympic	TV	June 4	Distributors. Chase Hotel, St. Louis
Packard Bell	TV, radio	late June	Distributors. Los Angeles
Philco	TV, radio	early June	Distributors. East Coast & midwest regional meetings. Phila., possibly Chicago
RCA	TV, stereo, some radio	May 11	Distributors. Edgewater Beach Hotel, Chicago
Sylvania	TV, radio, phono	May	Distributors. Location & date not set
Symphonic	TV, phono	June 24-28	Distributors & dealers. Music Show, N.Y.
Westinghouse	TV, radio, phono	early June	Distributors. Location & date not set
Zenith	TV, radio, phono	early June	Distributors. Chicago

**TV-RADIO PRODUCTION:** EIA statistics for week ended March 23 (12th week of 1962):

	March 17-23	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV	129,899	128,905	98,865	1,556,267	1,212,065
Total radio	361,343	243,136	290,853	4,281,953	3,323,321
auto radio	131,132	122,064	75,964	1,531,212	1,009,192

**TOPICS & TRENDS**

Fierce price competition in transistor radios was intensified at week's end when RCA chopped \$5 from list of its leader 6-transistor pocket set, slashing it to \$14.95—lowest price for major U.S. brand. This price undercuts year's low of \$16.95, established by GE, Motorola and others. Predecessor of RCA's \$14.95 set carried list of \$24.95 until February, when it was superseded by present set (then \$19.95). RCA also cut \$5 from gift-pack version of set (now \$19.95) and step-up model (now \$24.95).

News came on heels of Admiral's introduction of new transistor line, starting with 6-transistor at \$16.95 and including new 11-transistor FM-AM set at \$99.95.

New low-price trend in portable TVs continued last week with introduction of 10-set line by Admiral—all 19-in.—starting at \$139.95, with 3 wireless remote models beginning at \$199.95. Du Mont introduced new 19-in. portable at \$169.95—\$20 below its starting model year ago. It also followed lead of parent Emerson by re-introducing 17-in. portable, but at \$149.95. Other new sets: Airline (Montgomery Ward) is bringing out three 27-in. sets at less than \$300.

A great name fades: Confirming what most in industry have known since last fall (Vol. 1:9 p6), General Dynamics announced last week, in its annual report the demise of Stromberg-Carlson name in consumer electronics field. Last year, Stromberg appeared to be achieving success with expanded stereo line, was even considering re-entering TV field, when it suddenly stopped production, began liquidating product.

General Dynamics' whopping losses on its Convair jet transport program were blamed at the time. But annual report states that electronics div. "had substantial losses during 1961, due to unprofitable programs in both consumer & govt. markets." General Dynamics/Electronics will continue to use Stromberg-Carlson name on commercial communication products. (For financial summary, see table on p. 14.)

Shake-up in Australian TV market, partly as result of slow sales during 1960-61 govt. credit restrictions, sees some long familiar names disappear from market, changes in ownership of others. Biggest casualty is Standard, owned by ITT affiliate Standard Telephones & Cables, which is leaving TV-radio-appliance field in Australia after 30 years to concentrate on industrial electronics & telecommunications. Bank of New South Wales has appointed receiver for Stromberg-Carlson Australasia. Familiar Ekco tradename has disappeared as result of consolidation of its British parent E. K. Cole with Pye Ltd. Admiral Corp. (U.S.), through its Admiral International, has sold its 50% interest in Admiral of Australia to General Industries, now 100% owner. Leaving TV field earlier were Bush-Simpson (British), Ferris, Southern Cross. New arrival in Australian TV field is GE, which has taken over Crosley TV plant from James N. Kirby Mfg. Co. Among other remaining Australian TV makers are EMI, Amalgamated Wireless, Pye, Pope, Thorn-Atlas.

Diagonal screen-size measurements aren't mentioned in unique Magnavox ads to appear in *New Yorker* and *U.S. News & World Report* as well as trade publications. Captioned, "How much is TV worth to you," ads sell away from "peep-show TV," identify screen sizes only as "330 sq. in., twice as large as 19-in. screens," "400 sq. in., biggest, most spectacular picture of all," and "color TV with 244 sq. in. screen." For the uninitiated, including some within industry, 330 sq. in. is 24-in., 400 sq. in. is 27-in., 244 sq. in. is 21-in. color.

IBM has developed method of beaming low-power microwave signals over horizon without aid of relay stations. Technique, known as "knife-edge diffraction," deflects some of signals off narrow ridges of mountain range. IBM said development represents economical high-speed method of radioing electrical data, TV signals and computer data. By adapting low-power transmitters to high-power sending technique, IBM said it can transmit 500,000 bits of computer information a second at distances of up to 1,000 miles.

## Trade Personals

William H. Eutzky appointed operations mgr., Westinghouse TV-Radio Div., Metuchen, N.J. . . . Robert Cheshire rejoins Emerson Radio as Du Mont Div. Eastern zone mgr. . . . Earl L. Hadley, ex-Westinghouse TV-Radio Div. & onetime Bendix TV-Radio Div. ad mgr., joins Marketing Sales Plans Co., N.Y., which has relocated at 250 Park Ave.

A. G. Handschumacher, Lear Inc. pres., appointed chief executive officer following resignation of William P. Lear Sr. as chmn. & board member.

William A. Larson appointed gen. mgr. of Admiral Sales Corp.'s Chicago Div., succeeding Earl G. Erickson, resigned. Larson had been sales mgr. of Chicago branch.

Donald C. Bright, ex-Hoffman Electronics Instrument-Industrial div. vp & marketing dir., named Zenith govt. & special products div. dir.

Harold K. Pedersen elected General Dynamics treas. . . . Robert T. McCarthy, ex-Thompson Ramo Wooldridge Bell Sound Div., named Motorola new product planner . . . Christopher S. Carver appointed product planning mgr., GE audio products, a new post.

Howard C. Rymer appointed Warwick Mfg. TV Products Div. vp-gen.mgr., headquartering at Zion, Ill.; W. G. Paradis named vp-gen. mgr., Radio Products Div., Niles, Ill.

Dr. Zvi Prihar, former Israel Director General (Postmaster General) and RCA Administrator of Special Studies-Communications, named Scientific Advisor to Dir. of Research & Development, Page Communications Engineers, Washington. . . .

E. M. Gage, Pacific Industries exec. vp, appointed a dir. . . . J. A. Keith Comly, ex-Canadian Admiral, named Admiral International sales mgr., headquartering in Chicago.

Kenneth Kefauver, Philco PR staffer since 1953, resigns effective April 15 to become PR dir. of non-electronics firm in midwest.

Richard L. Young, ex-Charlotte News managing editor and onetime Ford southern PR mgr., named Philco asst. PR dir., a new post. . . . Edward Shafer, ex-Intercontinental Electronics Corp. marketing mgr., named Entron gen. sales mgr.

Dr. Daniel M. Ekstein appointed Medical Developments Inc. research vp & corporate officer, headquartering at Jersey City, N.J.; Mitchell Freidman named principal mechanical design engineer.

Radio Standards Laboratory of National Bureau of Standards, Boulder, Colo., has been divided into Radio Standards Div. and Circuit Standards Div. Former is headed by Yardley Beers, will handle research in physical quantities of radio science; latter is under Dr. George E. Schafer, will study radio circuits and measurement techniques. Walter B. Chadwick has been named chief of Central Radio Propagation Laboratory's Liaison & Program Development Office, succeeding Alan H. Shapley.

Impex Co. has been established in Dallas to import transistorized tape recorders, walkie-talkie equipment, and Citizens Band radio gear from Japan & West Germany. President is Paul Kanagy, ex-Braniff International Airways. Impex also is studying importation of transistor radios & phonographs.

**Preview of Coming Attractions:** Electronics industry's technical horizons, as explored at annual IRE conventions, veer further away from consumer field every year. Yet at same time, military & commercial breakthroughs serve as preview of coming attractions in consumer field—because nearly all of these have potential long-term consumer applications.

At this year's IRE convention & show, 2 topics received greatest attention: (1) Commercial announcements of lasers by several firms. (2) Developments in integrated semiconductor circuits. The former has long-term implications for TV networking & broadcasting, the latter for smaller (and potentially lower-priced) receivers. Some other near- & long-term consumer product implications may be found in these IRE convention events:

(1) **3-D display device.** It may be tens of years before any TV application is possible, but intriguing avenues for discussion were opened up by stereoscopic display for radar and similar data which uses no CR tube or vacuum, no 3-D viewing glasses and can be viewed from any angle. Dome-shaped device contains electroluminescent flat panel which spins around at speed fast enough so that only lighted points are visible, giving correct depth perspective. This one was described by Avco Corp.'s J. L. Coddington, but it's understood that other work in 3-D displays has been conducted by CBS Labs & ITT Labs, using spinning cathode ray tubes. Thus, with some imagination, stereoscopic TV set of future can be visualized as glass case, visible from all 4 sides and top—in which different view & perspective is seen from different angles, and with true depth.

(2) **Electrostatic recording.** Paper by Armour Research Foundation & du Pont film scientists told of important development in recording by electrostatic charge rather than present magnetic method. Big breakthrough is achievement of permanence in recording (which was done on Mylar tape). Indicated life of recordings was given as "hundreds of years." It's too early to tell what advantages electrostatic recording may have for audio or video tape (if any), but development could profoundly affect field of home TV or audio recording.

(3) **Televised radar.** Getting closer to present day, there were indications that day is coming soon when every small boat owner can (and may even be required to) have his own "radar"—at the cost of a TV set (about 1/10 the cost of cheapest radar). As displayed by Raytheon in one of big attention-getters of IRE show, radar set-up uses nothing but a standard TV receiver (with uhf), and this alone could open up significant new market for TV.

Coast Guard is experimentally transmitting radar pictures of N.Y. harbor on uhf Ch. 47. Bright large display is received on any uhf-equipped TV set. General Precision Inc. delivered paper on slight modifications to transmitter (and none to receiver) which permit boat user to identify his own "blip" on screen.

(4) **Slow-scan TV.** New low-cost electrostatic vidicon introduced by Westinghouse may expand news horizons of small TV stations. Picture from camera using new tube can be sent by telephone, by AM or FM radio, or may be recorded on standard home audio tape recorder. Quick news pictures could be flashed at low cost from scene to TV station by using camera and standard citizens band radio transmitter. Slow-scan pictures do not show motion, of course.

**Admiral Charts Profit Course:** Buoyed by its best 4th quarter since 1954, Admiral reversed 1960's \$2.5-million loss with a \$2.5-million profit on \$192-million sales in 1961 (see financial table). Pres. Ross D. Siragusa said sales in 1961's final quarter topped \$56 million, noted that surge continued into 1962's opening quarter.

"If there is no upsetting steel strike, and if there are no major international crises," he said, "we can expect a continuation of good business throughout the year." He attributed Admiral's strong profit comeback to 3 major factors: Centralization of all consumer electronics production at Harvard, Ill., "continued emphasis on achieving more efficient operations," and increased sales "at the upper end of the TV, stereo and appliance lines." He said that 19-in. & 23-in. TVs now account for 85% of industry's total TV sales.

Reviewing Admiral's international activities, Siragusa pointed to "strong improvements" in sales & earnings of Canadian Admiral and Admiral de Mexico, forecast that Admiral Italiana would be operating profitably by year's end after turning in a 1961 loss because of "high starting costs" at its new production facilities.

ITT posted record sales & revenues and earnings in 1961 (see financial chart) and projected for 1962 a vigorous continuation of expansion program initiated last year. Pres. Harold S. Geneen told stockholders that 22 additional manufacturing facilities are now under, or slated for, construction this year, compared with 15 completed in 1961. "The major portion of our initial expansion is taking place in Europe, to provide needed production increases in the fast-growing European Common Market," he said. ITT's European plant expenditures are budgeted at \$39 million for 1962—up from \$28 million in 1961 & an average \$18 million for 5 previous years. ITT last week also placed on market \$50 million of 4.90% sinking fund debentures due 1987. Underwriters are headed by Kuhn, Loeb & Co.

Mobilization of scientific skills of free world to benefit humanity was urged by RCA Chmn. Brig. Gen. David Sarnoff in principal address at golden anniversary banquet of IRE in N.Y. He called for formation of "Free World Community of Science" to demonstrate superiority of science in non-Communist world and to attack common problems in 5 broad fields: genetics & heredity, communications & space, conversion of saline to fresh water, new sources of food, new sources of energy.

Pacific Industries expects sales in its 1962 fiscal year ending Aug. 31 to rise to \$24 million from \$17.9 million in fiscal 1961. Pres. Henry L. McIntyre forecast earnings of 55-60¢ a share, down from fiscal-1961's 99¢, which reflected benefit of tax credits. McIntyre said that sales & earnings of Electronics Instruments Div. are running 50% ahead of a year ago.

SEC has asked federal court to dismiss Davega Stores' Chapter 11 bankruptcy proceedings and place them under Chapter 10, which would transfer responsibility for solving Davega's problems from management to court-appointed trustee. SEC termed Chapter 11 approach "inadequate to meet the rehabilitation needs" of 26-store discount chain.

Varian Associates & Paris-based Compagnie Francaise Thompson-Houston will form a jointly-owned company in France to make & sell microwave tubes in Europe. New company will begin operations July 1, with Thompson-Houston holding majority interest.

RCA's ties with Whirlpool were getting considerably looser this week end as RCA prepared to sell one million shares of Whirlpool stock to public, reducing its hold on the white goods maker from more than 18% to about 3.5% of the common stock. RCA acquired 1,158,563 shares of Whirlpool in Sept. 1955 through transfer of net assets of \$21.6 million. At current market price, this stock is now worth \$38.2 million (Whirlpool closed March 30 at 33). The stock RCA is selling is worth about \$33 million; it is retaining 158,563 shares, now worth about \$5.3 million. RCA Pres. Elmer W. Engstrom said capital is needed to provide more cash for requirements of growth in color TV, computers and space business, and that RCA Whirlpool brand name will continue on Whirlpool products. Weakening of bonds between RCA and Whirlpool was foreshadowed in these pages last October when we discussed new tendencies toward separate distribution for the 2 brands (Vol. 1:4 p8). Total outstanding Whirlpool common stock is about 6.26 million shares.

Philco has revised its Consumer Products Div. factory field sales force by establishing 6 regional sales mgrs., each with district representatives, in lieu of previous arrangement of 4 area mgrs. and 5 divisional mgrs. The district reps will handle consumer electronic products, home appliances, and laundry equipment. Gen. sales mgr. Kenneth A. Cooper said: "The regional sales managers and district representatives will cover both factory distributor branches and independent distributors in their areas." The new regional sales mgrs. and their headquarters: James T. McMurphy, Atlantic region, Jenkintown, Pa.; William Satterfield, Western, San Francisco; David Hallett, Midwest, Chicago; John E. Ramsey, Southern, Atlanta; John L. Goldschmeding Jr., Texas, Houston; Harold Sheer, Northeast, N.Y.C.

Philco has reduced workforce of Lansdale Div. by 500 persons. Affected are employees of Division's TV picture & receiving tube plant at Lansdale, Pa., and semiconductor facility at Spring City, Pa. Cutback, effective March 31, was attributed to reduction in production requirements.

Reports & comments available: Lafayette Radio Electronics, analysis, J. R. Williston & Beane, 115 Broadway, N.Y. 6. "New Prosperity Ahead for the Electronics Industry," monthly letter, Goodbody & Co., 115 Broadway, N.Y. 6. Astro-Science Corp., prospectus, W. C. Langley & Co., 115 Broadway, N.Y. 6. MCA, prospectus, Lehman Brothers, One William St., N.Y. 4. Kann-Ellert Electronics, prospectus, Rubin, Rennett & Co., 56 Beaver St., N.Y. 4. RCA, profile in Mar. 28 *Financial World*. Lab for Electronics, review, Boenning & Co., 1529 Walnut St., Phila. 2. "International Electronic Research", 14-page analysis, Schwabacher & Co., 100 Montgomery St., San Francisco 4. Voi-Shan Industries, prospectus, A. G. Becker & Co., 60 Broadway, N.Y. 4.

Arvin Industries anticipates first-quarter earnings of approximately 40¢ a share, compared with year-ago loss of \$79,632. Sales for 3 months to April 2 are expected to climb to \$18.5 million from \$13.6 million. Stockholders at annual meeting approved an increase to 2 million shares from 1.5 million. Arvin has 1,186,270 shares outstanding.

Wilcox-Gay has been awarded "Recordio" name it leased to Recordio Corp. when the now-bankrupt Charlotte, Mich. corporation was formed in 1959 (Vol. 2:9 p11). Ruling was made by Referee Edward H. Benson at bankruptcy hearing.

## 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	Common Share Per	Common Shares
AB-PT	1961—year to Dec. 31	\$ 363,100,000 <sup>1</sup>	—	\$ 9,906,000 <sup>1,2</sup>	\$2.31 <sup>4</sup>	—
	1960—year to Dec. 31	333,437,000	—	10,475,000 <sup>3</sup>	2.46 <sup>4</sup>	—
Admiral Story on p. 13	1961—year to Dec. 31	192,119,625	\$ 5,882,265	2,450,929 <sup>5</sup>	1.21	2,415,636
	1960—year to Dec. 31	187,865,196	(3,025,371)	(2,493,371) <sup>6</sup>	—	2,407,136
Canadian Westinghouse	1961—year to Dec. 31	127,400,000	—	(2,607,000)	—	—
	1960—year to Dec. 31	123,200,000	—	307,000	.60	—
Desilu Productions	1962—9 mo. to Jan. 27	11,937,730	—	293,416	.25	1,155,940
	1961—9 mo. to Jan. 27	14,432,798	—	264,949	.23	1,155,940
	1962—qtr. to Jan. 27	4,531,939	—	163,121	.14	1,155,940
	1961—qtr. to Jan. 27	5,970,303	—	144,032	.13	1,155,940
Dynamics Corp. of America	1961—year to Dec. 31	47,517,284	3,810,215	1,922,714	.52 <sup>4</sup>	2,930,563
	1960—year to Dec. 31	48,676,897	3,833,144	1,853,512	.50 <sup>4</sup>	2,787,027
Electronic Assistance	1962—year to Jan. 31	3,282,000	591,149	281,149	.22	1,307,668
	1961—year to Jan. 31	3,745,258	434,111	210,200	.16	1,307,668
General Dynamics	1961—year to Dec. 31	2,062,377,998	(168,066,854)	(143,203,459) <sup>7</sup>	—	9,997,064
	1960—year to Dec. 31	1,987,748,715	(61,770,851)	(27,055,851) <sup>8</sup>	—	9,982,079
Hallicrafters	1962—6 mo. to Feb. 28	35,599,000	1,742,000	842,000	.35	2,429,000
	1961—6 mo. to Feb. 28	29,659,000	1,516,000	728,000	.30	2,416,800
	1962—qtr. to Feb. 28	15,840,000	826,000	396,000	.16	2,429,000
	1961—qtr. to Feb. 28	17,442,000	820,000	388,000	.16	2,416,800
Industrial Electronic Hardware	1961—9 mo. to Dec. 31	3,482,060	—	92,738	.15	661,199
	1960—9 mo. to Dec. 31	3,541,442	—	84,453	.14	641,807
ITT Story on p. 13	1961—year to Dec. 31	930,499,931 <sup>1</sup>	—	36,059,034 <sup>1,9</sup>	2.18	16,375,060
	1960—year to Dec. 31	869,506,958	—	32,103,309 <sup>10</sup>	1.96	16,189,906
National Video	1962—9 mo. to Feb. 28	14,780,412	—	870,047	.71	1,223,334
	1961—9 mo. to Feb. 28	13,827,715	—	912,728	.74	1,223,334
	1962—qtr. to Feb. 28	5,088,810	—	231,185	.19	1,223,334
	1961—qtr. to Feb. 28	3,483,890	—	144,685	.12	1,223,334
Pacific Industries	1962—6 mo. to Feb. 28	11,348,712	—	413,158	.25	1,627,239
	1961—6 mo. to Feb. 28	8,692,263	—	783,283	.55	1,415,354
Republic Corp.	1962—qtr. to Jan. 27	10,686,162	—	414,696	.13 <sup>4</sup>	2,443,448
	1961—qtr. to Jan. 27	7,094,067	—	559,677	.23 <sup>4</sup>	2,004,190
Sprague Elec- tric	1961—year to Dec. 31	77,254,031 <sup>1</sup>	—	6,092,473 <sup>1</sup>	4.14	1,471,709
	1960—year to Dec. 31	64,523,956	—	4,882,042	3.40	1,433,449
Stanley Warner	1962—26 wks. to Feb. 24	67,371,250	2,774,984	1,559,984	.77	2,033,924
	1961—26 wks. to Feb. 24	64,867,714	4,451,828	2,346,828	1.16	2,026,374
	1962—13 wks. to Feb. 24	32,087,800	337,264	247,268	.12	2,033,924
	1961—13 wks. to Feb. 24	31,516,560	1,631,213	876,213	.43	2,026,374
Terminal-Hudson Electronics	1961—year to Dec. 31	11,452,807	820,629	417,983	.41	1,026,804
	1960—year to Dec. 31	10,691,905	461,258	242,001	.25	963,304
Times-Mirror	1961—year to Dec. 31	126,374,499	—	5,476,822	1.30	4,199,358
Transcontinent TV Corp.	1960—year to Dec. 31	112,560,118	—	4,617,628	1.10 <sup>11</sup>	4,179,397 <sup>11</sup>
	1961—year to Dec. 31	15,464,184 <sup>1</sup>	—	1,331,179 <sup>1</sup>	.75	2,168,612
	1960—year to Dec. 31	13,117,251	—	1,185,056	.67	2,167,712

Notes: <sup>1</sup> Record. <sup>2</sup> Before capital gains of \$5.1 million (\$1.20 a share).  
<sup>3</sup> Before capital gains of \$1.3 million (32¢). <sup>4</sup> After preferred dividends.  
<sup>5</sup> After \$464,336 write-down on book value of Canadian subsidiary's assets because of currency devaluation. <sup>6</sup> After \$1.3-million tax credit

& \$750,000 in special charges. <sup>7</sup> After \$24.8-million tax credit. <sup>8</sup> After \$34.7-million tax credit. <sup>9</sup> Before \$7.6 million (47¢) in special items.  
<sup>10</sup> Before \$7.9 million (49¢) in special items. <sup>11</sup> Adjusted to reflect 4% stock dividend Jan. 1961.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Capitol Records	Q (Omitted)			
Gross Telecasting	Q	\$0.40	May 10	Apr. 25
Gross Telecasting-B	Q	.07½	May 10	Apr. 25
Lear Inc.	Q	.10	June 11	May 11

National Co., Malden, Mass. electronics manufacturer, reports a 10% gain in both sales & earnings for 1962's first 2 months. Last year, National lost \$311,917 on \$6,127,915 sales.

Walter Reade-Sterling Inc. filed registration statement (SEC File 2-20048) for 462,857 shares of common stock, to be offered on one-to-one exchange basis for outstanding Class A & B common of Sterling TV Co. Inc. If exchange is completed, firm will produce & distribute feature films and shorts for TV & theatres, lease & operate theatre chain in N.J. and N.Y. After exchange, Walter Reade-Sterling will have 1,488,571 common shares outstanding, Walter Reade Inc. owning 68.9%, Pres. S. J. Turell 10.4%.

Wilcox-Gay Corp. posted 24.1% sales gain in 1961 to \$11,786,334 from \$9,495,498 in 1960. Earnings were not available.

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

Full Texts of Addresses by

**Newton N. Minow, Chairman, FCC**

and

**LeRoy Collins, President, NAB**

To 40th Annual Convention of the National Association of Broadcasters  
Chicago, Ill. April 1-4, 1962

**Newton N. Minow**

Governor Collins, distinguished guests, ladies and gentlemen.

Last year, as some of you will recall, I submitted to your convention some ideas that seemed to strike a few sparks. I like to think that one was the spark of heightened broadcaster responsibility.

Of course, not everyone approved. Just after I had finished, a worried-looking man rushed up to me and said: "Mr. Minow, I didn't like your speech very much." I thanked him for his opinion and moved on. But I was only halfway off the podium when he grabbed me again and nervously whispered, "Mr. Minow, I think I should tell you that your speech was pretty bad." I thanked him again for his views. A few minutes later, as I was about to leave the room he dashed up again and shouted, "The more I think about it, that speech was outrageous!" As he departed, a friend near by said, "Don't mind that fellow, Newt. He has no mind of his own. He just repeats everything he hears!"

My speech last year ran about 6 thousand words. Only two of those words seem to have survived. Since last May those two little words about television have been repeated over and over again—on the air, in the press and, some of you broadcasters tell me, in your sleep.

All of you know the two words I mean—"public interest."

Thinking about the public interest is a healthy occupation for all of us. But for those of us directly concerned with broadcasting, it is more than just healthy. It is mandatory. That you here have been thinking about the public interest has become increasingly apparent on the television tube. We at the Federal Communications Commission have also been thinking about it and increasingly doing something about it. I'll have more to say about this later.

But first, I want to discuss with you a subject I passed over last year when I spoke almost exclusively about television. I'm told that some of you involved in radio didn't like it. This shouldn't have bothered you radio broadcasters—most of the television broadcasters didn't like it either.

Today, I suggest that together we examine the problems, the triumphs, and the future of radio in this country.

A few years back, it was predicted that radio was doomed to oblivion. The reports of radio's decline and fall

were grossly exaggerated. Television drove radio from the living room, but with characteristic flexibility, radio quickly headed for the kitchen, the bedroom, the study, the workbench, the office, the automobile, the outdoors and, with the development of the pocket radio, to the garden, the grandstand, the subway, the fishing camp, the mountain trail. And I hear from some of my professor friends that radio even shows up in the back of the classrooms during the more boring lectures, especially during the World Series.

Motorized or on foot, we've become a nation wired for sound. Radio became America's roommate, America's travelling companion, and America's best medicine for loneliness and boredom, wherever you are.

Radio survived television because of its unique gifts—intimacy, immediacy, accessibility, and portability.

But radio has not survived unscathed. It has been subjected to drastic changes, changes still occurring. Radio has found a place . . . many places . . . in today's crowded schedule. It has flowed into many small and large vacuums, wherever the gap existed. But many of us wonder if radio has really found its proper place, its most suitable, most valuable service. Some radio veterans tell me that the industry today is undergoing troubles reminiscent of the chaotic days of the 1920's.

**Trend of Radio Since World War II**

What are the facts? In 1946, when our population stood at 141 million people, there were 34,000,000 radio homes. An average of 32 per cent of the sets, reaching about 11,000,000 homes were used at night. An average of 16 per cent, reaching 5,500,000 homes were in use during the day.

By 1961, when the population was almost 184 million, we had 50,000,000 radio homes. But sets in use during the evening averaged only 6 per cent and reached only 3,000,000 homes. By day, sets in use averaged 9 per cent, reaching 4,500,000 homes.

These figures do not, however, reflect the enormous increase in the number of car radios. Indeed over 20 per cent of radio listening today is in automobiles. There are now more cars with radio—over 40 million—than there were total United States homes with radio just eleven years ago. But when we compare the total radio audience with television's average audience of over 27 million homes in the evening prime viewing hours and over 10 million homes in the daytime, it is clear that a massive section of the mass audience has deserted radio for television.

This is only part of radio's trouble.

In 1946, there were 996 AM stations, excluding those owned and operated by the networks. These stations reported income before taxes of \$57 million. In 1960, there were 3,451 AM stations, excluding those owned and operated by the networks, and they reported income before taxes of \$51 million.

This adds up to a simple but depressing equation: more people, more radios, more stations—but smaller audiences and smaller profits.

Obviously some of you radio broadcasters—too many of you—are losing money. Specifically, in 1960, the last year for which we have complete figures, about one-third of the radio stations reported a loss. Further, of those stations showing a profit, almost 30 per cent were barely in black ink, reporting a profit of less than \$5,000.

#### Financial Picture and Program Quality

Paradoxically, we find radio in a peculiar state of financial health. Despite these thin-ice, marginal figures for so many stations, our backlog of new applicants piles up today even as we meet in this convention. And the prices of stations continue to spiral up, a contradiction of red ink and rising values.

Let's look now at the product—the service radio is giving.

The basic format, of course, has become music plus news plus commercials. Or perhaps it should be the other way around. Some of the results have been astonishingly good. Sometimes a listener is treated to exceptionally varied fare, of well prepared newscasts, imaginative entertainment, a drama, a children's program, enlightening commentary, breath-taking variety. But in too many cases the results are incredibly bad. In too many communities, to twist the radio dial today is to be shoved through a bazaar, a clamorous Casbah of pitchmen and commercials which plead, bleat, pressure, whistle, groan, and shout. Too many stations have turned themselves into publicly franchised jukeboxes. Elmo Ellis, of WSB, Atlanta, who has given several penetrating speeches about radio the past year, reminds us:

“ . . . you have all driven from one city to another in your cars, with your radio on, listening to one station after another—some are dull—dreary—full of decay and desolation. Others are wild as a hurricane—blasting off continually with an insane symphony of sound and fury—signifying what? How are they helping the broadcaster himself, who is plagued by too many bills, too few accounts and too little audience? Is this the wave of the future? Is radio destined to sink into a rut of raunchy records, tasteless chatter by adolescent disk jockeys, and rip-snorting inaccurate news reports?”

But there are encouraging signs that this kind of operation has seen its worst days and nights. In most areas of the country, and certainly in the larger cities, the listener today who is willing to look for it can usually find what he wants in the way of music—serious music, light classics, the standard popular repertoire, or even rock and roll. Radio's function as a news medium is of essential value to this country. More people are apt to hear of a major news event from radio than from any other medium of communication. Radio brackets and punctuates the day, enabling a listener to participate in events both great and small.

Added to this, radio now has become an intensely local service, and the stations that set the pace and return the highest profits are the stations most closely identified with their communities. Radio is finding its voice not only for news but also for expressions of opinion about important issues. Each year a few more stations begin to editorialize, to become a force in shaping events as well as reporting them.

Radio is slowly developing a new personality—its own unique personality. It is trying on new clothes. It is sowing seeds of a creative re-birth. But the question facing the Commission is whether we have created conditions that will encourage the maturing of this new personality or will stifle and warp it, whether we are compounding rather than solving radio's problems.

Let me state the general dilemma as I see it. We believe in free enterprise and all the benefits that flow from a competitive system. We believe the nation benefits from as many voices and as many choices as the airwaves permit. The Commission's highest duty is to encourage as wide a diversity of service to the public as is possible.

But we are finding that in our competitive system, radio stations seem to have no mortality rate. Few radio stations ever decide—voluntarily—to leave the air. Radio stations do not fade away; they just multiply.

Many seem to figure this way: what have I got to lose if I can't make it? If I can't sell commercial spots for \$1, I can always find a buyer who'll try selling them for 50¢. And if he can't make it, there will always be someone else who'll try selling spots for 25¢. We'll work out a long-term pay-out deal, so I don't need much cash to give it a try.

The result is too familiar: a string of IOU's to several past owners who went through the same process, more and more raucous commercials for the public, and a licensee so pre-occupied with servicing his debts that he can't give much attention to servicing his listener's needs and interests.

Is this the business of the Commission? If there are “jungle” markets over-populated by quick-buck operators where you have to scream at the listener to survive, is the Commission responsible? Or is this the price all of us should willingly pay for our free, competitive system of broadcasting?

#### Problem: Free Enterprise vs. Overcrowding

I say to you clearly that my vote is for our competitive system, with all of its short-term drawbacks. Its advantages are much more basic and enduring, and the Supreme Court wisely told us in the *Sanders* case 22 years ago to be concerned with the economic implications of competition only when competition harmed the public interest.

The question before the house, as always, is the public interest. And the public interest, as we all know, is very much the Commission's business—indeed, it is the Commission's only business.

Although we know something should be done to protect the public interest, we also know there is no simple answer to the dilemma.

Last year I said to you that I hoped the FCC would not become so bogged down in the mountain of papers, hearings, memoranda, orders, and the daily routine that we closed our eyes to the wider view of the public interest.

But we continue to be bogged down in paper work. We face the largest backlogs in Commission history for new or improved AM radio facilities. If you file an application for a new AM station today, you'd be lucky if our engineers could pick it up for processing a year from now. We continue to regulate case by case, kilowatt by kilowatt, transfer by transfer. We continue to spend at least six times as much time on radio matters as we do on television. All seven of us debate whether an increase in power of a 250 watt station will interfere too much with another station, in a community already well served with many stations. We are so busy grinding out grants of new licenses that we need to step back and take a look at why we're doing it.

An intensive search for answers is overdue, and a search for policies that conform to the answers is impera-



tive. This year marks radio broadcasting's fortieth anniversary as an advertiser-supported medium. Colonel Glenn has shown us that life not only begins at 40. It is a good age for venturing to new horizons.

How to make a start? It was also 40 years ago, in the radio chaos of the 1920's, that Herbert Hoover, then Secretary of Commerce, convened four landmark radio conferences in four successive years. These conferences produced constructive and enduring results. I propose to the National Association of Broadcasters another such radio conference. During the past year, we had one informal conference at the initiative and request of Governor Collins and it proved to be most helpful on some questions before us.

What I suggest now is an informal, face to face, shirtsleeves working conference at which all sections of the radio industry would be represented.

The first question I would ask of such a conference would be whether a breathing spell is in order. Should we pause in issuing new AM licenses while we study the inflation on our airwaves?

The next question is one well stated by Commissioner Ford in a recent significant speech. Commissioner Ford asked this question:

“. . . should our engineering standards be altered? Should our processing line rules be modified in such a way that priority would be given to processing applications in areas where the number of services or the number of stations is minimal, or should the economic question be met head on in every case?”

My own view is that AM engineering standards must be tightened and our processing priorities sharply revised.

The next question is whether we should encourage mergers in some communities and then delete stations to permit operation based on sounder engineering standards. I find great merit in this suggestion if it is guided by the principles of no significant loss of service and an avoidance of monopoly or undue concentration of control.

Next we must be concerned about the future of the radio networks. The networks remain the stalwart backbone of radio's own national and international news gathering organizations. Would the networks be encouraged to expand, rather than contract their services, if they were permitted to own more radio stations?

The present rule limiting to seven the number of stations a network might own was adopted when there were 2509 AM stations. What if they now owned 10 or 12? What effect would this have on service to the public? What effect would it have on concentration of power in the medium of radio which has undergone such convulsive change?

And what about the number of commercials?

#### Self-Discipline or Government Regulation

There are many of you here today to whom the public interest is a way of life. For you, maintaining high standards on the frequency and volume of commercials comes naturally and you advocate self-regulation. But I quote to you your own Robert Swezey, Director of your Code Authority, on self-regulation. The NAB has made great progress on this the past year, for as Bob Swezey reminds you,

“Human nature being what it is, its interest in self-regulation is generally in direct proportion to the immediate pressures for outside regulation.”

But, and I quote Mr. Swezey again,

“In radio broadcasting, for example, our subscribership at the present time, totals 1,115 AM stations and 320 FM stations. We actually have 55% of the NAB membership itself and 32% of all of the stations in the industry. We have tremendous holes in our membership in practically every

community in the country. Even if our entire membership conforms religiously to the spirit and letter of the Radio Code, such a substantial part of the industry is completely outside of the jurisdiction of self-regulation that it is virtually impossible for us to maintain industry standards in any practical sense. The public is still being victimized by the poor programming and shoddy practices of a large segment of the industry which has no interest in standards and feels no compulsion to observe them.”

The time is past due, again quoting Bob Swezey, to “put up or shut up” on self-regulation. If you are unable to achieve self-discipline, we may have to adopt a rule on commercials which does apply to everyone. To those who would ask what limits would be set, I say perhaps the NAB Code provision could be a guideline. If our studies show prospects of improvement in the broadcaster's economic position I believe it would be in his interest, and clearly in the interest of the listening public, to consider some reasonable regulations imposing clear and certain limits on commercial time.

Next, what about financial qualifications? We approve transfers where the buyer's resources make a shoestring look like a mooring line. Are we kidding ourselves when we expect a tiny AM station with a staff of a combo man and the owner to serve as a communications medium serving the public interest? We must face up to it: a high standard of public service cannot be maintained by an under-staffed station operating at a loss.

I haven't mentioned FM radio because we already have proceedings under way to guide us in making some decisions about FM's future. FM is beginning to flourish after a dark decade. We are determined not to let FM engineering standards degenerate as they did in AM. One question talked about for years is the FM-AM duplication of service with resulting waste of frequencies. We've reached no conclusions and these questions and other FM problems are being studied by our staff. Perhaps the conference I have in mind should consider FM too, though I would presently suggest it be confined largely to AM service.

The questions outrun the answers. I'm sure you can suggest other questions too, and this will indicate to you why I suggest a conference to search together for solutions.

Whether such a conference is desirable and effective will depend on the spirit brought to it by both industry and government, sharing a common goal—the development of policies that will preserve, enhance and encourage the fullest possible use of radio in the public interest. Governor Collins, I put this suggestion of a conference to you for the NAB, and we'll await your views.

So much for radio—at the moment.

#### Summary of Year's FCC Activity

I'd like now to take a few minutes to review our work this past year at the FCC. You hear a lot about promise and performance. Last year I made promises to you. How about performance?

First and foremost, we promised to do all we could to help educational television. We opened a new office at the Commission to serve the educators, and borrowed a top man from educational television to guide the Education Branch through its infancy. We are proud that an educational television station will begin this year to serve the country's largest metropolitan area, covering parts of Northern New Jersey, New York, and Connecticut. Some day—not too far off—it will be the heart of a nationwide educational network.

Both the Senate and the House have passed legislation to aid the construction of educational stations—a landmark for educational television.

There is no greater mission than to harness television to the service of education—to hitch the art of teaching to the art and science of communications. We're on the way.

Second: We promised to break through the allocations barrier to use UHF. Our tests in the canyon city of New York over experimental station WUHF, on Channel 31, have started. Preliminary results are good as to the quality of UHF reception and detailed results will be ready later this year. We've made tangible progress in developing legislation to require that new television sets receive all television channels, and not just 1/7 of them. The House Commerce Committee has favorably reported on our bill, and we think this country will soon unlock the great potential of UHF.

It is unthinkable that the United States, now adding enough new population each year to fill a city as large as Chicago, should be satisfied to live with the restrictions of the 12-channel VHF system. Why should the country be content with 12 channels when there are 70 more channels of unexplored creativity and unmined excitement, ready and waiting to be used?

We're proud that President Kennedy is vigorously backing the all-channel receiver legislation.

Third: We promised to give Pay-TV its chance. Less than a month ago the Federal Court of Appeals for the District of Columbia upheld the FCC's approval of a large-scale experiment in Hartford. The Court said that "unless the future of television is to be confined to its present state, the FCC must be reasonably allowed opportunity for experiment."

Pay-TV has been a matter of controversy for more than ten years. It deserves the verdict, not of the Commission's chambers, but of the market place. The final decision should be in the hands of those who build and create, and those who watch and listen.

#### "Licenses Are Not Permanent"

Fourth: We promised that there would be nothing pro forma about license renewals in the future. There have been some sharp reminders this year that licenses are not permanent. And since last June, 14 stations have been put on probation with short-term renewals. When necessary, renewal hearings are being held in the home area of the broadcaster.

Since last May, 8 renewal cases have been scheduled for local hearings.

We've acted to put some clamps on trafficking with broadcast licenses and stations. These public trusts are not to be sold like sacks of potatoes.

The FCC has been busy. However, as a newcomer to the government side of the table, I often feel strangled in red tape, unwillingly diverted from large issues to trivia. Too often we seem to be, in FTC Commissioner Elman's phrase, "swatting flies with sledgehammers." At the FCC, I often think we hammer sledges with flyswatters. But we're moving to re-organize. We must act more promptly, more efficiently, more effectively. And we will.

We've joined with the FTC in supplying you with information about advertising and commercials which may be misleading.

We've simplified ways to notify the public when broadcast licenses are up for renewal. I think it only fair that you now tell your audience, on the air, of its opportunity to submit comments to the FCC about your service.

We've adopted standards for stereo, in FM broadcasting, which is already providing an exciting new service to the public, and opening opportunities for growth to the industry.

We've concluded a six-year inquiry on network policies and practices, attempting to unravel a complex structure of responsibility and accountability. Networks, which furnish the bulk of the programming, are legally account-

able to their stockholders, but not to the public. Our staff is studying the voluminous hearing record and we hope to come up with some thoughtful recommendations to Congress, to clarify and pinpoint, in particular, the precise responsibilities of stations and networks.

But our work in the past year on the network study should not obscure the performance of the individual broadcaster. Let me recall with you some of these vital words in the Commission's 1960 Programming Policy Statement, a policy which only last week won the approval of the Court of Appeals in the *Suburban* decision. Our 1960 Statement says:

"The broadcaster is obligated to make a positive, diligent and continuing effort, in good faith, to determine the tastes, needs and desires of the public in his community and to provide programming to meet those needs and interests. This again, is a duty personal to the licensee and may not be avoided by delegation of responsibility to others."

#### The Purpose of Local Hearings

In the past we have relied on information obtained from individual hearing cases and on material supplied in the individual broadcast applications. But we recognize the need to broaden the base of our knowledge when we receive substantial complaints from the public. We are conducting some local hearings—not on station renewals—but to give your audience an opportunity to express views on the service you are providing—the extent to which you are meeting the needs, interests and desires of your communities.

Man does not live by ratings alone—and neither should broadcasters. More direct communication with the audience indicates that rating services are not the only index of public opinion. Popularity can be a mere bubble.

One of the year's most promising developments is the increase in communication between the broadcaster and his community. Some broadcasters, like Mike Shapiro of WFAA, Dallas, have found exceptionally satisfying rewards in programs on the air inviting the viewer's comments on the station's service. As Demosthenes told the Athenians two thousand years ago: "Our trouble comes from those who wish to please us, rather than serve us."

Our own quest for more information has started here in Chicago, and as you know a general hearing is being conducted by Commissioner Robert E. Lee.

Yesterday, Governor Collins expressed his views about our Chicago hearings. It would be inappropriate and unfair for me to comment specifically on the testimony offered in the Chicago hearings because they are not yet completed: the Chicago broadcasters have not yet had their say.

But I must comment generally on public hearings and their function.

Some of you apparently would like us to ignore our responsibilities to the public interest. Some of you would like us to file complaints about the use of the public airwaves in the wastebasket.

Regarding Chicago, we received substantial complaints from the three major religious faiths and other citizens requesting a chance to comment on local service. I say to you frankly and positively: we will not ignore such complaints—and neither should you.

The FCC has obligations to you—an obligation to be fair, to be reasonable and to be just. But our primary responsibility is to the public. You are entitled to due process—and so is your public. You will not be censored—and neither will the public. When we receive substantial complaints from responsible leaders of your community, we have an obligation to find ways to encourage effective and fruitful expression of their views to you and to us, and your views to them and to us.

That is what the Chicago hearings are basically about. We are exploring the facts in an informal and responsible way—to provide a forum for the public to speak out and a forum for all of you to answer. And I'm confident this will lead to mutual understanding.

The renewal or revocation hearing is simply not the instrument to achieve this purpose. Legislative inquiries—such as this one and the network investigation that we have been conducting—are the sort of function for which Congress created an administrative agency, instead of a Communications Court.

No responsible broadcaster should fear the public he is licensed to serve. No responsible broadcaster should tremble and wilt under criticism instead of listening to the good and rejecting the bad.

It's about time the public had a chance to express its comments and opinions. Some broadcasters have argued that these local hearings will attract only nuts and crackpots. Yet, we have seen church, civic, business, educational, labor, and charitable leaders come forward with differing views both criticizing and praising broadcast service—a healthy indication of freedom at work. If some broadcasters regard these citizens as fanatics and loudmouths, if this is their view of their audience, I suggest that they may be in the wrong business.

Last year I invited you to sit down in front of your television set when your station went on the air and to stay there with your eyes glued to the screen until your station signed off.

As far as I am aware, no broadcaster accepted my invitation, although some criticized the "television watch" as an unfair test, and some critics termed the challenge cruel and inhuman. I suspect, however, the local audience can provide a cross-section of opinion about every segment of the broadcast day, from sign-on to sign-off.

We want to know if these people detect any signs of change and improvement. Do they see some sprouts of greenery, some blossoming of creativity, more evidences of conscience, deepening portents of responsibility?

#### Glenn Coverage Highest Public Service

The public certainly is seeing an increasing number of public affairs programs, being offered by networks and stations. There has been comment that this is more the result of some broadcasters' interest in improving their images in Washington rather than in improving their programs for the public. Is it true that the American audience has an aversion for the real world in which they live—the world of clashing viewpoints and divergent opinions, of hard solutions—in this time of trouble and national danger—and national achievement?

I don't think so—and I don't think you do either. If it were true, how would we explain last February 20? That was the day radio and television brought terrestrial activity to a halt during the flight in space of Colonel John Glenn. Broadcasting enabled every American to share Colonel Glenn's new perspective of our planet. Through radio and television, you made every one of us a partner in the encounter of courage and science in outer space. And you put every one of us in your debt for this service in the public interest.

Something happened to America that day. A handy way of measuring it is to go to your nearest elementary school and ask to see the pictures drawn by the kindergartners and first-graders the week before Colonel Glenn's flight, and the week after. This will give you some measure of the power of broadcasting on even the youngest minds. And, it will give you some sober second thoughts about your gravest responsibility—the kind of programming you are providing for our children.

We have much to learn from the great American audience. Television spends a great deal of time and effort measuring that audience. While this has been going on,

the audience has been taking the measure of television—and I think the audience is ahead of you.

Let us get this in perspective. The healthy, national appraisal of television now going forward is part of a larger appraisal that we as a people are making of our total means of communication. Everything you do well—and everything at which you fail—is the object of enormous attention. The larger issue is the use—or misuse—of man's power to merge sight and sound.

Dr. Bernard Berelson, of Columbia University, has pointed out that we debated political democracy almost 200 years ago, and debated its preservation 100 years ago. We debated educational democracy 75 years ago, and economic democracy 25 years ago. But Dr. Berelson tells us that more education, more leisure, and the development of the mass media have now shifted the focus to a "great debate on cultural democracy; how well does the system of mass communication serve the cultivation of cultural values in America, in the broadest sense?"

#### Demands of Space Communications

How well do we serve those aims? I say we serve them nowhere near well enough. And even as we debate this question, we move to still another level—international communication on a massive scale. At the FCC, we are at the heart of working with private enterprise to communicate through outer space. The first commercial space communications satellite should be in orbit next month; with it go our dreams and our vision for its peaceful use throughout the world. A few weeks ago, I was privileged to speak to delegates from some fifty countries at an international conference dealing with development of space communication satellite systems. Since then, I've been unable to put the meaning of this miracle out of my mind.

Those who do not study the past are condemned to repeat it—said a very wise man. There is nothing new about waste of our talents on emptiness. The only thing new in 1962 are the stakes. More than one hundred years ago, Henry David Thoreau wrote:

"We are in great haste to construct a magnetic telegraph from Maine to Texas; but Maine and Texas, it may be, have nothing important to communicate. Either is in such a predicament as the man who was earnest to be introduced to a distinguished deaf woman, but when he was presented, and one end of her ear trumpet was put into his hand, had nothing to say. As if the main object were to talk fast and not to talk sensibly. We are eager to tunnel under the Atlantic and bring the Old World some weeks nearer to the New; but perchance the first news that will leak through into the broad, flapping American ear will be that the Princess Adelaide has the whooping cough."

We are now building ear trumpets called ground stations rising thousands of feet in the air, stretching out to hear radio signals hundreds of miles in the sky. We must not waste these new ear trumpets and find ourselves with nothing to say.

You broadcasters are at the center of the national debate—you are in the eye of the hurricane.

Your public trust is the obligation to move forward—here, now, today—to perfect this magnificent instrument of broadcasting. The public must have its say in your planning and your building. It must, because you are much more than an industry.

For the nation, you are our theater, our concert hall, our newsroom, our stadium, our picture window to the world.

You shape the national conscience, you guide our children, and you have it in your hands and hearts to shape history.

Am I guilty of asking too much of broadcasting? Or, are you guilty of asking too little?

## LeRoy Collins

Mr. Chairman, members of the National Association of Broadcasters, and guests:

Welcome to the 40th Annual NAB Convention. Last year, as I am sure you will never forget, we held our Convention in Washington, D. C. This year, we are holding it out here in the vast Midwestland. We hope the change of scene will prove refreshing, even though some of the cast for this year's meeting remains the same.

As is traditional, the Chairman of the Federal Communications Commission will be one of our principal speakers, appearing on this rostrum tomorrow. I repeat: This is a tradition, and not an innovation to accommodate the Chicago stations in their encouragement of home-town live talent.

For those radio broadcasters who last year may have felt somewhat slighted by the attention Mr. Minow paid to television, I have good news. It is my understanding the Chairman may practice some of the program balance he has talked about and turn his attention this time to radio.

Quite seriously, though, we are grateful to Chairman Minow and his colleagues in the FCC for their participation in our Convention.

Despite some differences which broadcasters have had with the FCC and other branches of the federal government, on balance this has been a rather successful year for NAB in its government relations.

This does not mean that we have always had our way. But it does mean that we have been welcomed with respect; that our views have been listened to and regarded as helpful.

By conducting ourselves without rancor but with dignity and firmness, striving always to be constructive, our NAB efforts have proved effective. And that, I submit, is the acid test of the validity of a program of government relations.

Washington is a city filled with special-pleaders, many of whose principal ambition seems to be to make powerful sounding noises calculated to gratify the emotions of those who employ them. Few, if any, of these windmill-tilters accomplish anything beyond that.

### NAB Aims to Play it Straight

Those who are most effective in Washington, on the other hand, almost invariably are the ones who make the least racket and, above all, play it straight—telling the truth, rather than what might please emotions of the moment, and counseling the realistic rather than the specious.

This is the type of representation NAB has sought to give to the broadcasting industry in Washington this past year through its staff, boards and committees.

It has been a year in which we have embarked on a program of substance—not of sham or pretense—a constructive program for the long-range development of our industry—not one designed merely for the exigencies of the hour.

Believing that licensees are able to excel in programming only if they can succeed financially, NAB has accelerated its efforts during the past year to provide sound and useful management and engineering materials for its members.

Our Personnel and Economics Department was principally instrumental in the industry's successful fight to bring increased flexibility into the operation of small-market radio and television stations. Legislative relief was obtained from the overtime provisions of the wage-hour law for small-market broadcasters. Our Engineering Department, among many other activities, has entered into

the revision of the NAB recording and reproducing standards. Performance testing for the remote control of television transmitters is already underway.

In these and countless other efforts the Association seeks to provide technological and economic leadership for its members so that with each passing year they may be able to operate more efficiently, more profitably and, thus, more than ever, in the public interest.

During last year also major efforts were made to improve NAB's relations with state associations. These organizations have been growing tremendously of late, in number as well as in influence. In 1945, there were only 13. Today there are 49.

Some of our members have contended that the rise in strength of state associations constitutes a threat to NAB. We do not view it that way. To the contrary, we feel that strong state associations working in close relationship with NAB can add measurably to NAB's strength, just as a strong NAB can give important support to state associations.

### Editorializing Vital But Sensitive

One of the most significant projects of NAB this past year was the holding of our first Annual Conference on Editorializing, under the able chairmanship of Dan Kops. We expected 150 broadcasters to attend this meeting in Washington last month, but the actual enrollment was more than twice that many. It was an enthusiastic, enjoyable, constructive meeting. And, beyond its immediate benefits, we feel that we learned how to expand its helpfulness to broadcasters in the future.

Indeed, on-the-air editorializing is one of the most sensitive needs facing broadcasters. While the field is fraught with dangers, and it was made clear in the conference that no professionally-unprepared station should attempt to editorialize, we should take full advantage of this great potential for service to the public and for enhancement of the prestige and influence of broadcasters.

Also, preparations have been made for the launching of our new NAB Research and Training Program. You may recall that at our last convention I outlined the scope of such a program. Since then, a special committee under the splendid leadership of Don McGannon, of Westinghouse Broadcasting, has completed a feasibility study and recommended a three-year plan of implementation, which has been approved unanimously by the NAB Board.

Since the concept of such a research program was first projected—tied in with a practical, specialized training program for broadcast personnel—it has been received by our membership with great interest and approval.

Likely, the most significant development of all in NAB this year was the creation of the unified NAB Code Authority for both the radio and television codes. Not only do we have an exceptional leader in Bob Swezey as the new Director of the Code Authority, but we have strengthened importantly the functioning of the codes by vesting in the director and the codes' staff the authority for initial decision-making, while at the same time unburdening the Code Review Boards of administrative matters.

Of far-reaching significance, too, is the developing understanding for greatly increasing the liaison between the Code Authority staff and the network departments responsible for code administration. Heretofore, our staff liaison has related almost wholly to commercials, but in the future we will work together in the area of programming as well. We are appreciative of the networks' fine spirit of cooperation, and we pledge our best efforts for better code interpretation and implementation at the network level.

The Television Code Review Board, by action of the Television Board last February, has been authorized to be increased to nine members. This will allow for the appoint-

ment of one member from each of the networks, thereby assuring improvement in expertise and administration.

This has been a year of healthy growth for NAB. With the opening of this convention, NAB has 2,439 radio and 383 television members. These stations, plus our associate members, give us a total of 2,955 members plus the networks—a healthy, better-than-6½ per cent over-all gain for the year ending March 31.

Nor is that the whole story. Not only is membership at an all-time high, but interest in improving our membership is also high. During the month just ended, 514 of our radio members agreed to spend the time, effort and money to seek out and sign up at least one non-member or non-code subscriber. This campaign is bearing fruit increasingly, and I am, indeed, proud of Bill Carlisle's leadership and each broadcaster who has been assisting him so importantly.

There were many, many things—large and small—we sought to do for individual broadcasters, as well as for the industry as a whole, during the year, but I will not burden you with a detailed recounting.

I would like to emphasize, however, that in all we have done, we have endeavored to conduct ourselves and to represent broadcasters in ways which would reflect credit upon, rather than invite abuse of, the industry.

We have sought always to identify broadcast aims with the public interest. And, I feel that NAB has become more and more identified in the public mind as representative of the great body of responsible and public-spirited broadcasters of this nation.

As I look back over this past year I feel a deep sense of gratitude to many people—to the members of our headquarters staff who have been loyal and competent in their work—to the members of our boards and committees who have been dedicated, able and cooperative—to our far-flung membership which on the whole has been patient with my inexperience, understanding of my intense desire to succeed in this work, and helpful in my efforts to chart a sound course of progress and stay on it.

But it is far more important today that we look forward. Let us examine together some of the areas of special emphasis in which we should concentrate our efforts in the months to come. I suggest the following:

#### Research to be Put to Use

Let us get our research and training program into operation.

Nothing will be of more long-range value to the industry than sound research and professional training geared to exploring the fundamentals of the content and consequence of what we put on the air. Rating services, good or bad, give us mere numbers. We must have more information in depth about the impact on our listeners and viewers of what we broadcast.

Our first step will be to obtain the services of a man of exceptional abilities to head up this program—a man who not only knows scholarship and research but who also is at home with the practical problems encountered by broadcasters.

Under the research part of the program, we will be delving into some of the most fundamental problems daily facing our industry. There will be nothing blue-sky about such research projects. Nor do we intend to allow the fruits of that research to languish on the shelf.

Tied in with the research will be a practical training program, designed to pass the benefits of that research along to the broadcaster and his station personnel.

You are familiar with the executive management conference NAB has sponsored at Harvard University in the past. This is the type of training program we want to expand, so that it may include such things as editorializing, news operations, program production, special radio services and techniques for broadcasting special events.

Let us increase the effectiveness of our NAB Codes.

The fine efforts which have been made this past year to strengthen our codes provide no more than strong foundations. We must now build upon these foundations.

The job ahead will prove more and more difficult, because code administrative procedures and decisions must be respected and enforced. And this may involve for some broadcasters unhappy results.

We all want broadcasting to be free, but freedom means different things to different people. There are those who think that one is free if he is left to do as he pleases without check or hindrance. But this is not freedom.

#### Code vs. Government Interference

In fact, it is a sure way to make the loss of freedom inevitable. For the core of any truly free status is discipline. One is free when he has an opportunity to discipline himself. One loses freedom when he fails in self-discipline. He thereby not only encourages but even at times make it necessary for the government to provide discipline for him.

Our first line of defense against undesirable government interference, therefore, is the individual broadcaster's own self-discipline. Beyond this we have the further protection of voluntary collective action to encourage and make more certain individual self-discipline. And this we provide with our codes.

In my judgment, any broadcaster who refuses to support his medium's code intentionally or not is actually working against broadcast freedom, no matter how long or how loudly he may profess his devotion to it.

Now, I know there are those who say, "I have my own code, and its standards are even higher than the NAB Code. My membership, therefore, would be meaningless." I know also that there are those who say, "I won't subscribe until there is greater assurance of stronger enforcement." And so on.

I say to all these that we are in this business together. There is no immunity from injury no matter where a default may occur or who the offender may be. Further, unless we can have substantially full industry-wide subscription our whole Code program will not be accorded full weight.

I was told by a traveler once that over in Switzerland, high in the Alps, there is a little church in a very small village. To the casual visitor there appears nothing unusual about this church, but the close observer can note that there are no lights of any kind in it. When the evening services are held, tourists behold a strange sight. Each villager, as he leaves home, carries his own lamp, and, finally, coming from all directions, they all converge at the church. The church then becomes brilliantly lighted with the combined force of the lights brought by all.

In our program of self-discipline, each broadcaster is responsible for his own light. To the extent that anyone fails, the whole effort and effect are reduced.

Through our self-disciplinary code programs we have not only the answer to how to keep broadcasting free, but we also have a splendid opportunity to help set the tone and point the way for the preservation of the whole American free enterprise. Although we have a long way to go before we can honestly say we have a good code enforcement program, we are pioneers in this effort, carrying not only responsibility for our own futures but giving leadership to others who already are calling upon us for guidance and example.

#### Access for Cameras and Microphones

Let us carry forward as never before an all-out effort to obtain freedom of information.

For many years now, we have been seeking to eliminate Canon 35 of the Judicial Ethics. We thought we were making progress, especially since our Freedom of Information Committee, with the able leadership of Frank Fogarty, made its recent presentation here in Chicago before the Special Committee of the American Bar Association charged with a study of the matter. In the past

few days, however, we have been confronted with a rather severe setback from an unexpected quarter. I refer to the unfortunate resolution of the Judicial Conference of the United States, condemning the broadcast coverage of all judicial proceedings.

At the present time, the broadcasting of criminal proceedings from a federal courtroom is prohibited by Rule 53 of the Federal Rules of Criminal Procedure. The action of the Judicial Conference recommends the extension of the rule to all judicial proceedings and even to the corridors leading to the courtroom itself.

This is an action which we simply cannot allow to go unchallenged.

We make no mere plea for equality of status for the broadcast reporter with the competitor newspaper reporter, although that alone is a just cause.

But something far more important is at stake; it is the right of the people in a free society to be informed.

Our stand should be very simple: Whenever the public has a right to go and hear and see, so does the broadcaster. For, in a very real sense, it is only through the broadcaster's microphone and camera that the overwhelming number of citizens can find fulfillment of their right to know—and to understand how the government, which is their business, is being conducted.

The only reservation we should make is that we will not insist upon the right to cover any event which is not of a proper public nature or where broadcast equipment would be disruptive of the official proceedings. But we have demonstrated time and time again that with proper equipment and preparation only in the rarest of circumstances is there any justifiable objection to broadcast coverage on the ground of interference.

One of the fundamentals of our American democracy is the public trial. It came about as a reaction from European pre-colonial star-chamber proceedings, where the accused not only was at the mercy of his accusers but did not even have the benefit of public scrutiny of what was happening to him.

While the public trial was instituted as a part of the rightful protection of the individual on trial, there was another great right at stake—the right of the public generally to witness how the trial was conducted.

This was no mere sop for the satisfaction of the curious. It was done with the knowledge that the surest way of safeguarding the trial process, itself, from abuse and corruption was to keep it exposed to the view of the people, in whose hands the ultimate authority rested.

#### Coverage Will Induce Confidence

It is argued by some that to broadcast court proceedings would debase the dignity of the courts. That is absurd. To the contrary, if the courts are properly functioning there is nothing which will generate more public confidence in them than the ears and eyes of broadcast journalism.

The American Bar Association properly worries about the public image of the courts.

It grants annual awards to broadcasters for efforts to increase public understanding of the American system of law and justice—for cooperating with the bar in improving court administration—and for explaining the role of the lawyer in American life.

It makes a special effort to improve the decorum and quality of traffic courts throughout our land because it has found that the traffic courts are the ones most people see, and from them impressions are formed of what all other courts are like which the people do not get to see.

These are laudable efforts by the ABA, but how much better and more effective it would be if the lawyers would help the broadcaster to make it possible for the people to hear and see all the courts as they actually function.

In any area of public service where there is meritorious conduct and the people are allowed to see and hear it,

their confidence, interest and respect are instantly and greatly enhanced.

Let me cite an example. Mrs. Kennedy, with the help of broadcasters, recently on one evening took 56 million people through the White House. This was perhaps more people than had seen this official home of our Presidents during all its previous history. The listening and viewing audience was far greater than customarily tuned in on the programs which were temporarily displaced. The impact of the visit on the American people was enormous. Their understanding of this phase of their American heritage was broadened. Their interest in art and period furnishings was greatly enhanced. There were demands for additional showings both here and throughout the world.

Also, think of the advance in interest and understanding of science and new technology that broadcasting has made possible through its reporting of the nation's space exploration efforts.

Seeing and hearing bring knowledge, and from knowledge grow wisdom, trust and respect.

The other side of the coin is that secrecy and darkness exclude knowledge, and breed suspicion, distrust and disrespect.

So let us open our courts with reason.

#### Seek Aid of Supreme Court

I propose that we start at the top and ask the Supreme Court of the United States on a trial basis to select some cases involving issues of great interest and importance to the American public, as for example the recent one dealing with legislative apportionment, and allow the broadcasting profession to show the people what this court, which is of such great importance in our democratic system, is really like. Let the people hear the brilliant arguments of the advocates, see the judges at work. What an exciting experience for the people—what a meaningful aid this would prove in developing understanding of our government here and all over the world.

The problem, of course, is not confined to the judiciary. It exists with the legislative and executive branches of government at all levels—local, state and federal.

Wherever the public is eligible to go, broadcasting must be allowed to help them get there. This is reason and right too long and too often denied.

Let us find remedies for the over-population of radio.

We have by action of the Radio Board a new committee in the making to explore in depth this vexing problem. There is no more important work before us.

There must always be room for the small-station broadcaster. But it is equally important that there always be room for broadcasters to grow.

The economics of good broadcasting are such that a station or a network simply cannot adequately determine community needs, plan for the meeting of those needs, finance the programming required, experiment with new formats and develop new talent without an adequate revenue base.

It takes money to do well the things that are expected from broadcasting, and it is futile to think that this kind of financial base can be encouraged by the continued proliferation of an unduly large number of individual, competing broadcasting units.

The theory of multiplicity as an incentive to excellence and a safeguard against mediocrity is a fine one, but it must be borne in mind that in actual practice there is a point of diminishing returns. No one wants monopoly, but the alternative is not the extreme in the other direction—anarchy through over-population of broadcast facilities.

For when this happens, each economic unit is forced to cut back on costs, including important services in the very areas where public need requires strengthening, not lessening; creativity is stifled, and the dreary drabness of conformity sets in.

Let us prevent the over-population of television.

We have taken a firm position before the Congress in support of all-channel television receivers. But we have been equally firm in insisting that the broadening of UHF service should not occur in a manner to destroy or diminish the services of VHF broadcasters. This, I feel, is the course of soundness and one that represents the broad consensus of our members.

The ideal for television is a complementary system fully competitive, both as to networks and stations, but not a plethora of facilities far beyond the needs and capabilities of the nation's communities to support.

Let us bring NAB and state associations closer together.

This will take more than participating in state association meetings, although this is important. It will take more than holding our State Presidents Conference each year under NAB auspices, although this also is important.

I suggest that we start this year the development of a broad, joint government relations effort. In cooperation with state associations, NAB could arrange for an annual conference in Washington, where a limited number of carefully selected delegates from each state could be briefed on current and prospective issues at the federal level. Discussions could be held with members of Congress and with agency personnel, and views exchanged.

This would give us a valuable means for developing understanding, but even more importantly it would give us a well-selected action task force in every state for impressing public officials with our needs. Not only would this prove important on the federal level, but also substantial additional competence would result for meeting problems on the state and local government fronts.

Let us keep our faith in broadcasting.

The business of broadcasting has never been tranquil and serene and never will be. If we should ever have a cease-fire on the broadcast front we would know that broadcasting had ceased growing.

We are subjected to harsh criticism—some good, some bad, some motivated for constructive purposes, some for evil. Let us react with maturity and sound appraisal, benefiting from the good, casting aside that which is not. Let us realize that broadcasting is criticized because of its strength in performance and potential and because, therefore, the people along with our competitors have a deep interest and concern for what broadcasting does.

Criticism and goading are the tools of freedom—stimulators of progress. Let us make them helpful and not dissipate our energies or distort our course by wringing our hands or trying to wring the necks of our detractors.

### Stop Chicago-Type Hearings

Speaking of criticism, several have asked my views about the hearing, now being conducted by the FCC here in Chicago, inquiring into efforts of all television stations here to determine local needs and to program in response thereto.

Now, I have been advised that this hearing thus far has developed as much praise of television stations as it has blame. At the same time, I feel that it was neither well-advised, nor that it has served a good purpose, nor that it should be repeated elsewhere.

In my opinion, a hearing on such questions is justified only if there appears substantial cause for the Commission to consider revoking or refusing to renew a license. And in such a case the inquiry should be limited to the individual licensee involved, and encompass all of the rights of due process that go along with a quasi-judicial proceeding.

It is unfair and unwarranted to bring under question all licensees in a market—some with renewal applications pending, and others not—and subject them to the cost and distraction involved to provide information for the Com-

mission to use for some undetermined or undisclosed purpose.

The Commission should recognize that the broadcaster to do his job must not fear to become controversial or to make some people angry. The broadcaster who strives to please all the people all the time is one who abandons his obligations to be creative and consigns his conscience to a deep freeze.

If a broadcaster is to live under the threat of public thrashings, under legal auspices, by anyone with a grievance, then he is encouraged not to be good, but to be acceptable; not to do his best, but to get by with the least possible dissension.

I hope the Commission regards the Chicago hearing as an experiment noble in purpose and intent, but illogical in merit and effect.

In a general sense, broadcasting is criticized as the government is criticized. Everybody would like to see the government improved, too, and yet few, indeed, among our citizens would not readily admit its basic greatness, and their deep sense of loyalty to it. And let us never doubt for one moment the basic loyalty of the American people to our free system of broadcasting.

### U.S. Broadcasting the World's Best

If any one of you, however, ever feels even a mild form of inferiority complex because of criticism, I suggest that you consider well this fact:

No other nation on earth excels American broadcasting, in any category.

We cannot say this about our rockets—but we can about broadcasting.

We cannot say this about our universities—but we can about broadcasting.

We cannot say this about our art—but we can about broadcasting.

We cannot say this about our commercial transportation on land, sea or air—but we can about broadcasting.

Broadcasting progress, great as it has been, gives us no right, of course, to be at ease. The promise ahead makes the past seem dull and commonplace. American broadcasting can never settle for anything short of its best effort. This we owe to the American people and to ourselves.

To achieve our best we must have the will of purpose and dedication. Further, we must have the way of freedom.

Let us say to the stand-patters in our ranks: "The demands of our times are high. Broadcasters have the unparalleled opportunity to help shape the still undeveloped future that is before us. We must clear new grounds, fight new battles, achieve new goals."

And let us say to the FCC, to the Congress, to all exercising governmental authority over us: "We do not deny your lawful right to hold us to a good-faith effort to serve well the public interest. But do not seek to dictate or control what we broadcast, because we have the obligation in common with you to keep broadcasting free. And to this essential end we demand your understanding and cooperation—something we are as willing to give as we are anxious to receive."

In beautiful St. Paul's in London, there is the crypt which contains the mortal remains of Sir Christopher Wren, the architect who designed the restoration of that ancient church. A tablet marking the place bears this simple inscription:

"Beneath is laid the builder of the church and city, who lived above 90 years, not for himself but for the public good. Reader, if thou seekest his monument, look around."

After reading that, one instinctively and slowly looks around and in his mind relates the beauty there to Wren's genius.

As broadcasters, we are designing our own monuments. To know and understand our works, visitors to our home towns will need only to look around them—not at our towers, although they reach the sky—not at our studios, although they are splendid in appearance and equipment. But they will need to look at our people—whether they are in the libraries or jails—whether they are weak or strong—whether they are educated or illiterate—whether they are good citizens or poor.

We may cringe from the acceptance of this responsibility, but to one degree or another it is rightfully ours—not so much because we have power to do evil, but because we have so much power to do good. And proof of this has been written indelibly into the record by broadcasters—from bringing to the people a fascinating new

concept and understanding of the Universe with Colonel Glenn, to the countless large and small efforts they are making to make of America's communities better places in which to live.

There are a couple of lines in O'Shaughnessy's "Music Makers" like this:

"Each age is a dream that is dying  
Or one that is coming to birth."

As change goes on about us in broadcasting, we cannot help but be impressed with the fact that old concepts, old formulas, old dogma are constantly in the process of dying.

But in their death, new dreams are, indeed, coming to birth. And in these dreams lie not only our hope for the future, but also our present strength and salvation.

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**The authoritative service for executives in all branches of the television arts & industries****SUMMARY-INDEX OF WEEK'S NEWS****Broadcast**

**MINOW & COLLINS—A YEAR OF SEASONING.** FCC chairman seeks to relieve overcrowded radio. NAB president hailed for blasting Commission on Chicago-type hearings, other stiffening statements re govt. (p. 1).

**EQUIPMENT DISPLAYS at NAB convention** dominated by color. New videotape accessories, solid-state equipment, automation, 4½-in. cameras, FM stereo, share spotlight (pp. 3 & 4).

**STUDY OF TV'S IMPACT ON CHILDREN LAUNCHED** by HEW & Sen. Juvenile Delinquency Subcommittee. Top TV, advertising, govt. officials & educators to work on industry guidelines (p. 4).

**'CASBAH' OF IDEAS & INFORMATION.** speeches, panel sessions, etc., produce articulate presentations of problems & plans (p. 5).

**FCC PANEL POTPOURRI** most popular convention feature, gives delegates better understanding of Commission thinking on broad range of subjects (p. 6).

**Consumer Electronics**

**FM STEREO** growing pains ending, as indicated by reports of station operators at NAB. Trade cooperation growing. Equipment makers report 175 stations now equipped for stereo (p. 9).

**RCA SUES PHILCO FOR 'BLOCKING COLOR'** in \$174-million countersuit, latest move in 5-year battle stemming from Philco patent suit against RCA & others (p. 10).

**SALES OF TV REMOTES** 'soft' & slipping, our survey of industry leaders indicates. Remotes' high prices and declining sales of b&w consoles noted as major factors curtailing popularity of control units (p. 11).

**RADIO PRICE BATTLE** joined by GE, which matches RCA \$14.95 list for 6-transistor unit. (p. 12).

**NEW 14-IN. IMPORT** coming from Star-Lite; 12-hour LP record reported practical with new device; EIA urges changes in trade bill (Topics & Trends, p. 13).

**MINOW & COLLINS—A YEAR OF SEASONING:** Considerably heartened and relieved, nation's broadcasters left Chicago last week with belief that worst of storm is over. NAB conventioners remain leery of Minow and Commission generally but there was virtually unanimous agreement that Minow "did something" in a year and that his speech reflected some easing of govt. pressure. As for NAB president Collins, the 3,000 broadcasters were delighted with him, hailing his speech as evidence he's now one of the "insiders." (For full texts of both speeches, see Supplement herewith.)

Most of Minow's address was concerned with radio, and industry was pleased by his call for govt. conference designed to explore ways of reducing number of AM stations to point that each can do thereto. Now, I've accepted, asked for meeting soon.) Broadcasters applauded that, but he sounded like the old Minow when he described kind of programming brought about by such struggle as: "A clamorous Casbah of pitchmen and commercials which plead, bleat, pressure, whistle, groan, and shout." Newspapers, printing another "vast wasteland" catchline, based headlines on that sentence.

But Minow patted broadcasters on back, too. Examples: "Radio survived television because of its unique gifts—intimacy, immediacy, accessibility, and portability . . ." And for TV:

"The public certainly is seeing an increasing number of public affairs programs, being offered by networks and stations. There has been comment that this is more the result of some broadcasters' interest in improving their images in Washington rather than in improving their programs for the public. Is it true that the American audience has an aversion for the real world in which they live—the world of clashing viewpoints & divergent opinions, of hard solutions, in this time of trouble and national danger, and national achievement?"

"I don't think so—and I don't think you do either. If it were true, how would we explain last Feb. 20? That was the day radio & television brought terrestrial activity to a halt during the flight in space of Col. John Glenn. Broadcasting enabled every American to share Col. Glenn's new perspective of our planet. Through radio & television, you made every one of us a partner in the encounter of courage and science in outer space. And you put everyone of us in your debt for this service in the public interest."

Many broadcasters termed Minow "inconsistent" in his speech. He said he found "great merit" in exploring idea of letting radio stations merge to reduce competition. Yet he also said: "My vote is for our competitive system, with all of its short-term drawbacks." Then, while worrying over radio overcrowding, he at same time is seeking to foster great expansion of TV stations.

What bothered Minow's listeners as much as anything else was his assertion that if stations don't tighten up on commercial excesses—following NAB Code limitations, for example—FCC should "consider some reasonable regulations imposing clear and certain limits on commercial time."

One Minow suggestion, taken to signify "mellowness" on his part, was that FCC consider permitting networks to own 10-12 AMs instead of 7.

Then he unmellowed—altering his prepared speech to add response to Collins' blast at Chicago hearings (see below). "When we receive substantial complaints from responsible leaders of your community," he said, "we have an obligation to find ways to encourage effective and fruitful expression of their views to you and to us, and your views to them and to us. . . . We work for the public, not for the industry."

Collins gave us this reaction to Minow's speech: "Generally, it was a very constructive speech. His plan for a conference on overcrowding is outstanding. Regarding his views on the Chicago-type of hearing, I don't object to local hearings—but they should be for a serious purpose, involving renewals or revocations. I'm not surprised that he called attention to deficiencies in the Code. We know of them. His remarks should help strengthen our Code. We're just as anxious as he is, or more so, that the Code cover the whole industry. I don't like the idea of FCC adopting precise regulations on commercials. That's industry's own business. But if we don't do it, there will be pressures for govt. to do it for us. I certainly hope broadcasters respond."

As for Collins' speech, the passage which brought heaviest applause, with cheers, was this: "It is unfair and unwarranted to bring under question all licensees in a market—some with renewal applications pending, and others not—and subject them to the cost and distraction involved to provide information for the Commission to use for undetermined or undisclosed purpose." Collins said broadcasters should accept criticism, but not the kind developed in Chicago-style hearings. "Criticism and goading are tools of freedom," he said, "stimulators of progress. Let us make them helpful and not dissipate our energies or distort our course by wringing our hands or trying to wring the necks of our detractors."

Aside from his attack on investigatory hearings, greatest attention-getter was his drive for freedom of access of TV-radio to public proceedings. Deploring Judicial Conference's adamant stand against coverage of courtrooms, he made bold bid to reverse trend:

"I propose that we start at the top," he stated, "and ask the Supreme Court of the United States on a trial basis to select some cases involving issues of great interest and importance to the American public, as for example the recent one dealing with legislative apportionment, and allow the broadcasting profession to show the people what this court, which is of such great importance in our democratic system, is really like." Broadcasters' reaction: A very long shot—but what a winner if it comes in.

Collins had much to say to broadcasters' liking: Examples: (1) Network-Code liaison on programming is in the works. (2) Radio overcrowding must stop. This is favorite Collins project. (3) "And let us say to the FCC, to the Congress, to all exercising governmental authority over us: 'We do not deny your lawful right to hold us to a good-faith effort to serve well the public interest. But do not seek to dictate or control what we broadcast, because we have the obligation in common with you to keep broadcasting free. And to this essential end we demand your understanding and cooperation—something we are as willing to give as we are anxious to receive.'"

That, said the conventioners, is what we want to hear. Unanimously, they passed resolution praising Collins for "outstanding guidance and leadership" and commending him and NAB staff "for their vigilance and forthrightness and urge them to continue the excellent manner in which they have represented the industry." (For other major highlights of convention, see pp. 5 and 6; for developments in equipment & technology, pp. 3 & 4; for progress in FM stereo, p. 9.)

**COLOR DOMINATES EQUIPMENT DISPLAYS:** A compatible rainbow arched across NAB broadcast equipment show in Conrad Hilton Hotel exhibition hall—and sentiment of telecasters as they observed color gear in action seemed to be: "This is the year."

It wasn't that there was more color equipment shown this year (there wasn't) or that it was better than in previous years (it was). Dominating factor was ABC-TV's announced entry into colorcasting as of next fall (Vol. 2:14 p3) and belief that CBS-TV can't be far behind. "This will do it—color is really off the ground," was consensus, and there were unconfirmed reports, rumors & whispering campaigns that CBS is now teetering on brink of decision. Needless to say, color broadcast equipment salesmen played these reports for maximum impact.

ABC wasn't only network to move into color last week. The "4th network" — Sports Network Inc., which last year televised more than 500 sporting events for stations—formally announced purchase of RCA's 4-camera color-TV remote unit, which now will make available considerably more non-network color to local stations.

RCA took daring chance at convention, gearing its entire color display to experimental camera fresh from lab and circulating questionnaire to engineers as to whether to go ahead with it. New camera uses one 4½-in. image orthicon for black-&-white (luminance) signal, three one-in. vidicons for color information, has built-in Zoomar instead of lens turret. Claimed for camera is excellent monochrome picture, good color detail, fewer registration & convergence problems. Pictures we saw seemed to bear out these claims, color pictures appearing to us more realistic, less fluorescent. If it meets approval, RCA could announce production version at next year's NAB convention.

Other color news at NAB exhibits: British Marconi demonstrated U.S.-standards color camera for first time at Ampex exhibit; it's standard-type unit with three 3-in. image orthicons. EMI/US showed improved version of its British-made 3-vidicon live-film color camera. GE was offering immediate delivery of conventional color cameras.

Although color drew greatest interest, actual sales of many other equipment items far eclipsed color. Among equipment trends & highlights, digested in greater detail on p. 4, were:

Two important video-tape accessories: RCA's conversion unit for recording & playing tape at 7½ in. per second (as opposed to standard 15-in. speed) with little or no noticeable deterioration of pictures, making possible 50% saving in tape cost & storage space. Ampex's electronic editing system, which gives effect of multi-camera production with single camera, permits "splicing" without cutting tape.

Transistorized & solid-state gear of all kinds—from GE's 2nd-generation TV-radio audio equipment to solid-state TV transmitter power supplies to tiny RF wireless microphone systems to transistorized TV monitors in several sizes.

Automatic equipment—for completely automated or semi-automatic TV & radio programming, for program logging and transmitter logging.

New live cameras—4½-in. image orth has attained widespread acceptance. RCA now has 150 in field; Ampex/Marconi has sold about 90 in U.S. GE introduced its 4½-in. unit, similar in design to its 3-in. camera which made debut last year. Feature of GE camera is convertibility from 4½-in. to 3-in. or vice versa. Despite improvement yielded by 4½-in., most manufacturers say there's still market for 3-in. cameras.

Revival of uhf interest—expansion of educational TV and talk of all-channel bill has provided impetus for several manufacturers to develop new uhf transmitters. And they claim customer interest is there, too. Examples: Some pointed to announcement by Henry Kaiser that he intends to apply for uhf in 5 major U.S. cities; report of one group planning 5 Negro-market in south, another organization aiming for business-news stations in 5 cities, including San Francisco & Los Angeles.

FM-stereo equipment—transmitters, generators, turntables, monitors, etc.—attracted major attention of broadcast shoppers (see FM-stereo story, p. 9).

Almost all exhibitors reported business good—best in long time—as broadcasters shopped for new-generation equipment to modernize their installations and looked closely at the large variety of new gear which has come on market since last year's show.

**STUDY OF TV'S IMPACT ON CHILDREN LA UNCHED:** Govt.-sponsored probe into effects of TV crime & violence on young viewers, plus effort to devel op guidelines for children's programs, will get under-way next month. Project was initiated by Sen. Dodd's (D-Conn.) Juvenile Delinquency Subcommittee, will be sponsored by Health, Education, & Welfare Dept., has been endorsed by NAB Pres. Collins and FCC Chmn. Minow. Two-stage investigation will bring together gov't. officials and representatives of networks, advertisers, agencies, educators, foundations, etc.

First stage will begin about May 1 with planning session to map out research under direction of Dr. Ralph J. Garry, Boston U. School of Education, consultant to Dodd in TV inquiry. Two groups will operate during this stage: (1) Research team—from areas of child psychology, mass communications, sociology—to determine short & long-range effects of TV on child development. (2) Programming group—from TV, publishing, children's literature, creative arts fields—to develop models of children's program format & content, for industry use in producing children's shows.

Second stage will be conference of network, advertising, gov't. officials, educators and other interested bodies, to analyze findings, arrange for financial support, designate or establish agency to carry out recommendations. HEW special asst. for juvenile delinquency Bernard Russell will work with Garry.

Juvenile Delinquency Subcommittee plans to resume TV set & violence hearings (Vol. 2:7 p3 et seq.) shortly, with heads of all 3 networks expected to be called. Ex-ABC-TV Pres. Oliver Treyz, who has testified on subject before subcommittee and FCC, may be called back.

**NAB EQUIPMENT EXHIBITS:** Tour of broadcast equipment displays in Conrad Hilton's enlarged exhibition hall in Chicago showed continued trend toward automation, reliability, compactness. Here are some of highlights, as we saw them (in addition to those reported on p. 3):

**TV recording:** RCA showed production model of fully transistorized video-tape recorder, which now is that company's super-deluxe model, in addition to its standard model (introduced in 1959) and its compact recorder. Either model can be equipped for 7½-in. recording, which saves tape & storage space by reducing width of recording track. RCA also showed mobile TV tape recorder, mounted on International van, priced at "less than \$50,000."

Ampex demonstrated its "Colortec" accessory with some of best color tape reproduction we've seen—using Red Skelton Christmas show as demonstration tape. Ampex also announced entry into sale of TV tape, becoming 3rd source—others being 3M and EMI/US.

New film recorder shown by RCA utilizes Eastman 90-sec. Viscomat processor, new pull-down system, new Mitchell camera, with feedback self-correction for grey scale & gamma. Film recorder sells for \$49,500, Viscomat processor \$12,500 extra.

**Solid-state equipment:** Paper delivered at NAB engineering conference by GE's Joseph F. Wiggin, based on study of 140 million operating hours of transistorized TV broadcast equipment, "points to an era when maintenance will be almost non-existent." Advantages of transistorization cited by Wiggins: Reduced power consumption, reduced heat, better mechanical characteristics, improved electrical stability, improved reliability, reduced air-conditioning requirements, increased life of all components, greater personnel safety.

Capitalizing on these advantages, these were among GE's new transistorized products: Monitor audio amplifier, plug-in pre-amp, microphone pre-amp, stereo transcription pre-amp.

Transistorized video monitors were shown for first

time. Miratel Electronics (Richardson St., New Brighton, Minn.) showed picture monitors capable of battery or AC operation in 8-, 14- & 17-in. sizes. Solid-state 8-in. video monitor, solid-state switching system and solid-state intercom system were displayed by EMI/US, developed & produced by its General Communications Div., Ft. Atkinson, Wis.

New interest in uhf: RCA displayed new 25-kw uhf transmitter with solid-state power supply. Standard Electronics reported development program under way for new uhf transmitter. Spokesman for GE, whose uhf transmitters go all the way up to 45 kw, summed up feeling of transmitter makers when he said: "There's tremendous interest in uhf."

**Audio logging:** ITA drew big crowds with its "Documentor" system which can record more than 24 hours of a radio station's programming on 2 sides of the thin 9-in. disc, permitting storage of year's broadcasting in less than ¼ cu. ft. space. Documentor, which records at 2 rpm by new process, is available on lease from ITA at \$3,350 for 3 years (2 record-playback units, supply of discs). For other potential developments growing out of Documentor system, see p. 13.

**Automatic equipment:** TV automation systems drew the usual crowds to displays by Chrono-Log Co., RCA & Visual Electronics. Twelve companies showed various tape systems for radio program automation. There was also heavy interest in General Electronic Labs-Rust automatic logging chart recorder, which automatically makes records of all meter readings required by FCC regulations.

At AMST meeting in Chicago, 220 representatives of 160 member stations reiterated support of all-channel-receiver legislation, rejected EIA's proposal that vhf operators also telecast on uhf. Elected: Jack Harris, KPRC-TV Houston, pres.; Charles H. Crutchfield, Jefferson Standard Stations, first vp; Lawrence H. Rogers II, Taft Bcstg., 2nd vp; Harold Essex, WSJS-TV Winston-Salem, secy.-treas. Clyde Hunt, *Post-Newsweek* stations, was named chmn. of technical committee.

## **CURRENT CAPSULES**

FCC could effectively regulate communications satellite system operated by nation's communications companies, but should have added authority, Chmn. Minow told Senate Anti-trust Subcommittee last week. Committee is headed by Sen. Kefauver (D-Tenn.), leader of group of legislators plumping for govt.-owned system. Minow said FCC could handle regulation job, even though agency's common carrier division has only 133 staff members, but asked that legislation be amended to: (1) Give Commission authority to enforce competitive bidding in corporation's equipment purchases. (2) Give FCC more authority to regulate rates & profits. (3) State that corporation would be subject to anti-trust & fair trade laws.

Sen. Wayne Morse (D-Ore.), meanwhile, charging bill approved by Senate Space Committee (Vol. 2:14 p6) is govt. giveaway of billions of dollars of taxpayer-financed "knowhow," threatened filibuster to block passage when bill comes to floor. Senate Commerce Committee will hold hearing beginning April 10 on compromise bill and on Kefauver bill calling for govt.-owned system.

Midwest Program for Airborne TV Instruction has received \$7.5 million Ford Foundation 4-year grant; it will be used to gradually switch management, ownership and financing of program to participating schools & colleges. Program has headquarters at Purdue U., provides ETV telecasts from plane serving 2,000 classrooms in 6 states. MPATI Exec. Committee Chmn. Samuel M. Brownell said grant would be spent in decreasing amounts over 4-year period while participating schools pay progressively more. Program was organized on basis that schools involved would take several years to assume full costs.

**'CASBAH' OF IDEAS & INFORMATION:** Broadcasters are among most articulate groups in America—as should be expected from communicators—and we were as impressed as ever with briskness & clarity of speeches, panel discussions, etc. To skim the cream, in addition to Minow & Collins speeches:

(1) USIA Dir. Edward R. Murrow, most expressive of all, cautioned telecasters to screen carefully what they sell abroad. Recipient of Distinguished Service Award, he told assembly:

"The tradition of muckraking is still alive" but foreign viewers "may not understand that its function is to make the body politic itch. They cannot know that it is meant to criticize & improve, and to so prod the social conscience that the urge to change might in time corrode the misdeeds thus exposed." Need for such care, he said, is emphasized by fact that experimental TV satellite may be aloft within "bare weeks."

(2) NASA Administrator James E. Webb stressed the unexpected by-products of space pioneering—for example, increased knowledge of ionosphere, for communications. He also offered chilling warning, apropos TV coverage of manned space flights: "If we are to ride into space with them via TV, we cannot avoid being there if tragedy strikes. Perhaps, as a nation, we can learn that some of the most valuable lessons in space flight come from the failures."

(3) Outgoing NAB TV Board Chmn. Dwight W. Martin dug into several major issues: (a) NAB would like moratorium on deintermixture for 9 years or so but doesn't expect to get any definite period from Congress; constitutionality of bill probably will be attacked in court; measure has better than 50-50 chance of passage. (In Washington, Sen. Pastore (D-R.I.), chmn. of Commerce Communications Subcommittee, promised quick Senate action if House passed bill.) (b) CATV is threat not only

to small markets; it's now in 2-station cities, will move into 3-station—"and concern all of us." CATV operators claim there are only 3-4 problem areas but "this is not true—there are many more." NAB committee is studying impact, with goal of giving Congress enough ammunition to get CATV-restriction bill passed—but short session reduces prospects of success this year.

(4) Robert D. Swezey, Code Authority dir., said NAB is "approaching close liaison with networks," will soon distribute convenient "working manual" of Code. TIO Dir. Louis Hausman described group's latest work, reported that 900 teachers in N.Y. attended lectures on Code, said that the 87 stations which inform opinion leaders of outstanding programs find respondents' opinion of TV improves sharply, said that a book on children's programs is in works. TIO Asst. Dir. Roy Danish premiered an exceptionally well done slide presentation on Code. Frank Morris, mgr. of Hollywood Code office, said that last year has produced substantial reduction in syndicated film sex & violence, reported biggest problem is "lack of consistency in Code interpretation."

(5) FTC staff member Charles Sweeny said his agency "isn't going soft." Even if 90% of public isn't deceived by a commercial, he said, remaining 10% represents hundreds of thousands of victims. FCC Broadcast Bureau Chief Kenneth Cox said Commission "frowns" on use of commercials which are subjects of FTC cease-&-desist orders—even if court appeals haven't been exhausted; NAB Gen. Counsel Douglas Anello deplored "double standard" wherein FCC "frowns" on TV-radio in such cases while other media have no govt. restraint.

(6) TvB documented varying market-by-market advertising requirements to stress flexibility of spot TV—in new presentation "Selectronic Marketing."

(7) Broadcast employees enjoy their jobs, according to survey of 2,345 stations people by NAB and Assn. for Professional Bestg. Education. James H. Hulbert, NAB mgr. of personnel & economics, said 99% of managers and 93% of others said they chose right careers.

**FCC PANEL POTPOURRI:** Live and unrehearsed, FCC panel session remains highest-rated feature of NAB conventions. Session in Chicago last week was no exception. Spirit was lively & good-natured—because delegates were satisfied that both NAB Pres. Collins and FCC Chmn. Minow had expressed more understanding of their problems, because it was final session of convention (2:30-5 p.m. Wed.), because cocktails, filet & entertainment were next.

Free-&-easy relationships among commissioners contributed. Minow called attention to that by noting in his conversational manner—after all members gave views on license fees, Democrats & Republicans on both sides of issue: “We don’t approach things on a political basis. We have gotten along harmoniously. I’d think you’d take pride in that.” They did, by applauding.

Half of questions were written, screened by NAB & FCC, parceled out to commissioners—each offering views as he chose. Other half came from audience, catch-as-catch-can. NAB Chmn. Clair McCollough again served as uninhibited moderator. Complete transcript of session will be mailed to all NAB members. Herewith are highlights, with principal responses (mostly paraphrased for brevity):

TV still “vast wasteland”?—Minow: Programs have improved, and “remember that I said it only once; you gentlemen made it a national pastime.” (He declined to repeat gag he made earlier. But McCollough couldn’t resist giving it: wasteland is now only “half-vast.”)

Chicago-style local hearings—Lee: “I plan no recommendation. We will be fair & orderly. I don’t know whether we’ll have more. The industry should be glad we picked Chicago, with its 5 facilities. We had no crackpot witnesses. We thought they were entitled to their soapbox. I don’t know what the future will bring.” Wouldn’t recommend it for radio now; TV has problems of scarcity, is different. Ford: Radio is local, TV national—different animals. Minow: Not into radio at present. Maybe more TV hearings in cities with fewer channels.

TV allocations & competition—Minow: “We must encourage more stations, consistent with engineering & financial qualifications.” Differs from AM, where engineering standards are clipped, and capital is often bare minimum. Ford: Good chance for all-channel-receiver legislation but “we’re not overconfident.”

FCC letters exploring complaints—Minow: “Don’t panic when you get one. I don’t think you’d want a complaint filed away and brought up 3 years later at renewal time. A letter means no prejudgment of the case. In 9 cases out of 10, your response closes the matter.”

Multiple AM ownership—increasing network holdings to 10-12? Bartley: “No.” Lee: We need incentives to keep national networks for defense values. Don’t know whether more stations for networks is the answer.

AM-FM “all-channel” law—requiring manufacturers to put both in all sets? Ford: Don’t think FCC would do it. Not same as TV at all. With an AM set, you can get AM stations anywhere in the country; similarly with FM.

N.Y. uhf experiment—Lee: So far, no significant difference between uhf & vhf within 25 miles of transmitter. Believe tests will show uhf works well in “canyon city”

with adequate power & height. Expect to have enough figures before Dec. 31. Craven: Data to date too limited to warrant conclusions.

Double billing—Lee: We don’t want to see people in trouble. But you better look into it. Maybe industry committee should tackle it. Ford: Hope some other media get into trouble, too.

FM application freeze—Bartley: Hope for final action by mid-summer.

CATV competition—Can small-market stations have multiple channels to fight back? Ford: FCC may give some relief through jurisdiction over CATV microwaves. Also, addition of stations in market may affect CATV. Craven: Multiple vhf’s may give engineering problems. Hyde: We favor legislation to protect stations.

Program balance—by station or by market? Lee: Convince me you’re expert on your community’s needs, and that other stations already are giving enough education, etc. — and I’d be satisfied. Cross: But what if the educational station “goes out”? Ford: Station has continuing job of examining needs if, say, community’s educational broadcasts drop. Minow: Can’t make hard & fast rule.

Sponsor’s name in TV background—wouldn’t it be fair to radio to let it whisper same thing throughout programs? Hyde: Such commercial problems should be left to public; it will give you right answers.

“Minow Declares War on Radio”—is that magazine headline accurate? Minow: “I read that with some astonishment. I’m pleased that I had 2,500 to 3,000 witnesses” (to his speech).

Program form & logging requirements—Minow: Final in month or 2.

Political broadcasts—equal-time exemption for state offices? Bartley: Don’t expect Congress to extend it to them.

Two-station stereo (AM & FM)—when must it stop, now that FM stereo is approved? Craven: You’ll get plenty of time.

Complex FCC rules—Hyde: All regulatory agencies are plagued by delays from new laws enacted through good motives. Current Administrative Conference may help. Minow: “We ought to persuade the Russians to adopt the Administrative Procedures Act. It would set them back 50 years.”

Stations get proper credit for public service spots?—Cross: “You’ll get credit from a much higher body than FCC—the Good Lord Himself.”

Govt. ownership of superpower AMs for defense?—Ford & Bartley: Decidedly not. No one is proposing it.

Interruptions to programs—should we make fewer by cutting out public service spots? Minow: Definitely not; they’re highly commendable. We’re moving toward rules on ratio of program-to-commercial time—away from counting number of interruptions. Lee: I’d accept NAB Code limitations on commercials, put them in FCC rules.

Automatic logging—Craven: Techniques well advanced, more accurate than pen & ink.

Separate AM-FM programming?—Lee: Not yet. May come. Maybe also separate ownership. Bartley: Separate programming will come long before separate ownership.

License fees—Commissioners split in all directions, prospects for promulgation currently slim.

**Uhf is not solution** to allocation problems, RCA research & engineering vp Dr. George Brown told NAB engineering luncheon April 4. "I would guess that there never will be a time when you'll find uhf is better than vhf, no matter how much you want it," he said. As to N.Y. uhf tests, he quipped that past experience indicates results will show that "uhf goes 10 ft. deeper into the Holland Tunnel than vhf." Discussing contributions of military & space research to broadcasting engineering, he cited silicon controlled rectifiers, "which now can replace all switches in transmitters;" probability of completely solid-state high-power transmitters; atomic power plants for broadcast stations; better camera tubes as result of developments for weather observation & astronomical satellites. As to proposals to change color standards, Dr. Brown said present standards are "tremendous," leaving "plenty of room for improvement" in transmission & reception equipment. "If we change them," he added, "we will ruin color TV."

**NAB elections:** Chmn. of TV Board, William B. Quarton, WMT-TV Cedar Rapids; vice chmn., James D. Russell, KKTU Colorado Springs (Radio Board elects in June). Two-year board members—Eugene S. Thomas, KETV Omaha; Henry B. Clay, KTHV Little Rock; Joseph C. Drilling, WJW-TV Cleveland; Gordon Gray, WKTV Utica-Rome; Payson Hall, Meredith Bestg.; Quarton; Mike Shapiro, WFAA-TV Dallas.

**WBC engineering vp** Ralph N. Harmon, recipient of NAB engineering award, was unable to be present in Chicago to receive it because of illness. WBC engineering mgr. George E. Hagerty, accepting award in his behalf, read message of thanks from Harmon, who said his physician was keeping him "under house arrest," but that he expected to be up & around soon.

**Change of British TV standards** to CCIR 625-line system from present 405 lines was endorsed last week by BBC engineering dir. Sir Harold Bishop at an NAB engineering luncheon. He noted that Ireland is already using dual-standard sets (405 & 625) in anticipation of change and expressed hope upcoming Pilkington Committee report would approve the switch. He also noted that if British TV is to add new networks (in addition to present BBC & ITA), it must expand into uhf. He endorsed NTSC color system, said BBC wants to begin regular colorcasts as soon as govt. gives permission. French SECAM system, also investigated by BBC, gives "unacceptable" b&w picture, he added. He said BBC is now investigating FM stereo, but is "worried" about reductions in service area inherent in U.S. standards.

**Expanded technical sessions** scheduled for 2nd International TV Symposium April 30-May 4 at Montreux, Switzerland, will place emphasis on space satellites & color. Among highlights of papers by scientists from 11 countries: International relaying of TV, by I. Ranzi & W. Klein, Swiss Postoffice Dept.; H. E. Weppler, AT&T; L. Jaffe & P. T. Cole, NASA; R. P. Haviland, GE. Color TV session will feature papers by Charles J. Hirsch, RCA (survey of developments); Dr. J. Müller, Fernmelde-Technisches Zentralamt, Darmstadt (international color microwave); W. Bruch, Telefunken (NTSC standards); P. Casagne, G. Melchior & D. Brouard, French CFT (Secam color system); H. Breimer, Philips (color set stability); G. Valensi, former CCIR director (color from space satellites). Among other highlights will be papers on uhf, multi-standard TV sets, transistorized TV, new broadcast equipment, TV tape recordings. Special citations will be presented to RCA's V. K. Zworykin and F. Schoeter, Germany; Isaac Shoenberg, U.K.; G. Valensi, France; H. Yagi, Japan.

## Personals

Kevin B. Sweeney submits resignation as RAB pres., effective Feb. 28, 1963, successor to be named by mid-summer.

James Conley named ABC-TV national sales exec. vp. . . . Howard Cosell named ABC Radio sports mgr. . . . Robert Blackmore promoted to NBC Films central states sales executive; Con Hartsock, ex-Screen Gems, named to similar post for southwest.

Romney Wheeler, ex-USIA TV Service dir., resigns to join RCA in PR dept., N.Y.; before govt. stint, he served as NBC European operations dir. and NBC International pres.

Leo Jaffe promoted to Columbia Pictures executive vp and Screen Gems first vp & finance committee chmn.; M. J. Frankovich moves up to Columbia first vp; Sol A. Schwartz named West Coast vp; Seymour Malamed elected treas.; Screen Gems exec. vp Jerome Hyams named to Columbia board, replacing late A. Montague; Bert Schneider elected Screen Gems treas.

William B. Monroe, Jr., NBC Washington news operation dir., speaks at U. of Ill. radio & TV news clinic at Urbana May 12. . . . Donald L. Sandberg promoted to National Educational TV & Radio Center station relations associate, N. Y. . . . Phil Cowan promoted to Metropolitan Bestg. PR vp.

Dr. Harold Niven, U. of Wash., elected pres. of Assn. for Professional Bestg. Education, succeeding Dr. Bruce Linton, U. of Kan.; W. C. Swartley, WBZ Boston, & W. Earl Dougherty, KXEO Mexico, Mo., reelected vp & secy-treas., respectively.

T. Mitchell Hastings, Concert Network, elected pres. of National Assn. of FM Bestrs., succeeding Fred Rabell, KITT San Diego; Arthur C. Crawford, KCBH Beverly Hills, vp; W. C. Baird, Jr., WFMB Nashville, secy.; Abe Voron, WQAL Philadelphia, treas.

Alvin G. Flanagan, ex-NAFI stations pres., named KBTU Denver vp & gen. mgr. . . . Milton P. Kayle, ex-Independent TV Corp. business & legal affairs vp, named VIP Radio (Whitney Communications Corp.) exec. vp.

William B. Hartsfield, ex-Atlanta Mayor, named WSB-TV & WSB Atlanta editorial consultant . . . John Shaw, ex-Western Lithograph Co. pres., named Mobile Video Tapes Inc. pres., Los Angeles.

Robert Young & Charles Dorkins get George Polk Memorial Award for "significant achievement in journalism" for their film coverage for NBC's *White Paper No. 7*—"Angola: Journey to a War."

Lewis W. Shollenberger, ABC Washington news & special events dir., elected to National Academy of TV Arts & Sciences board of trustees; Weston Harris, WRC-TV Washington program dir., to Washington Chapter board of governors, replacing Rob Diefenbach.

Disturbed by success of closed-circuit theatre telecast of N.Y. stage play "Gideon" (Vol. 2:14 p7), movie industry will fight practice, may insist on clause in future contracts barring such telecasts of plays bought for filming, according to reporter Murray Schumach in April 2 *N.Y. Times*. He quotes Hollywood executives, including 20th Century-Fox production exec. vp Peter G. Levathes and Mirisch Co. head Walter Mirisch, who claim closed-circuit viewings will adversely affect values of shows' movie versions, might be banned in future Hollywood-Broadway deals.

Cancellation of political telecast by WBAL-TV Baltimore brought complaint from George P. Mahoney, candidate for Democratic nomination for governor of Md., who sent copy of film to FCC for opinion. Station refused to carry film, which contains statements by citizens who lost money in recent state savings & loan trouble, fearing "libelous or slanderous statements by non-candidates." In similar previous case (*Felix v. Westinghouse*), a station was held responsible for libelous statements made by campaign manager speaking for candidate.

Council on Medical TV will hold 4th annual meeting at National Institutes of Health, Bethesda, Md., May 15-16 featuring keynote addresses by FCC Comr. Lee and Rep. Fogarty (D-R.I.). Topics will include open-circuit TV uses in Utah and Okla., scrambled-image medical TV experiment in Jacksonville, and the S.C. intrastate closed-circuit network programming for postgraduate education. Council is an activity of the non-profit Institute for Advancement of Medical Communication, 33 E. 68th St., N.Y. 21.

Revocation of license of radio KBOM Bismarck-Mandan, N.D. has been recommended in initial decision by FCC Examiner Charles J. Frederick, for misrepresentation & false statements to Commission about ownership, plus other violations.

Morale of FCC employees was rated "good" by 51.2% of agency's workers according to poll of govt. employees in his district conducted by Rep. Broyhill (R-Va.). Of the 43 employees questioned, 11.6% rated morale "poor," while 37.2% called it "medium." Among FTC workers, 41.7% termed morale "good," 25% "medium," 33.3% "poor."

Tobacco advertising on TV before 9 p.m. will be stopped to discourage children from smoking, 5 British tobacco firms announced. Another tobacco company said it will limit TV advertising to hours when children are least likely to be viewing. Actions are in conjunction with govt. campaign to discourage smoking by children.

National Community Antenna TV Assn. of Canada holds 6th annual convention & trade show at Chateau Frontenac, Quebec, May 2-4. Principal speaker is Hon. Leon Balcer, Federal Minister of Transport.

Weekly report of prime time network TV advertisers, *Network Advertiser Report*, is now being published by Television Index Inc. It lists week's advertisers, agencies, program portions, frequency of sponsorships on networks. It's \$50 a year.

Buffalo TV facilities were major factor in its choice for Republican state convention Sept. 17-19. Proceedings will be televised over statewide network.

Correction: Minimum proposed charge per subscriber for Teleglobe pay-TV test in Denver, reported in Vol. 2:14 p5, should be \$3.25 weekly.

New uhf CP: Marion, Ind., Ch. 31, to Geneco Bestg.

Delta Electronics Inc., specialized electronic equipment firm, has been organized at 4206 Wheeler Ave., Alexandria, Va. Initial capitalization is \$100,000. A. D. Ring, senior partner of A. D. Ring & Associates, Washington consulting radio engineers, is chmn., Stephen W. Kershner, a Ring partner, is pres. Firm will specialize in industrial audio equipment, antennas, special instrumentation, RF equipment. Other Delta officials, also Ring partners: Kenneth Owen, vp & gen. mgr.; Charles S. Wright, engineering vp; Marvin Blumberg, secy.-treas.; Howard T. Head, advanced engineering projects consultant. Ralph E. Cannon, Jr., ex-Cook Electric, is senior project engineer.

TV has good influence on children, 75% of parents report in Milwaukee area survey by Dr. Wilbur Schramm, Stanford U. Institute for Communications Research. However, 55% also noticed undesirable behavior in children, attributed it to TV. In other aspects, 55% claimed TV was good for children's school records, 5% felt it detrimental, 40% didn't know or didn't answer; 76% said it was good influence on home life, 5% bad, 19% didn't know. Biggest complaint was against TV violence, 52% asserting children saw or imitated too much, 30% criticizing one program, *Three Stooges*.

"Fear of television," due to misconceptions & distortions about U.S. TV, exists in some foreign countries, according to NBC Chmn. Robert Sarnoff. Reporting on recent tour through Greece, Turkey, Lebanon, Israel & India, he said misconceptions are received from internationally circulated U.S. publications rather than from firsthand observation of U.S. TV or exposure to American TV exports abroad. Critics & spokesmen whose voices reach overseas have obligation to give more accurate & balanced views about U.S. TV, he stated.

Strap-on TV set, worn in telephone operator headset fashion, has been developed by Hughes Aircraft. Called "Electrocular," entire device weighs 30 oz., projects picture onto plastic monocle set 1½ in. in front of one eye. Wearer can either watch or ignore picture without interference with normal vision. Hughes foresees uses for device in aviation, space exploration, industry, medicine, military.

Nigeria's govt.-owned TV began April 1 in Lagos, using mobile unit as combination studio, control room & transmitter. Service was established with aid of NBC International experts, managing agents for new federal network. Construction of permanent facilities will be completed soon.

KTNT-TV Seattle will move hq to ship *Dominion Monarch*, which has been converted to floating hotel in conjunction with Seattle World's Fair. Nearly 11,000 sq. ft. of converted British luxury liner, permanently anchored on Seattle waterfront, will be converted to studios & offices.

Boxing on TV-radio would be prohibited by bill (HR-11074) introduced by Rep. Multer (D-N.Y.). Citing 8 boxing fatalities in 1954-1959, he urged amendment of Communications Act to end coverage.

New British pay-TV system, "PayVision," has been previewed by Marconi in London. System uses cable to transmit to homes, bills subscribers. Installation charge is \$14, average cost of programs 35¢.

Transistorized undersea TV camera for Navy will be produced by Admiral. Camera will have low-light-level tube and controls for iris, video gain, beam current.



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**FM STEREO—GROWING PAINS ENDING?** You can expect accelerated growth of FM stereocasting and receiver sales for remainder of year. Medium's passage from growing-pains stage was signaled last week at NAB convention in Chicago by heavily attended 2½-hour panel session at which problems were freely weighed and almost all answers were on plus side of ledger. It was signaled, too, by heavy interest in FM-stereo station gear at NAB's equipment show, and by more ready availability of such station equipment as stereo monitors.

There will be 300 FM-stereo stations on air by year's end, predicted NAB FM Radio Committee Chmn. Ben Strouse (of non-stereo WWDC-FM Washington). Our own poll of the 7 FM equipment manufacturers exhibiting at show indicated estimate may not be far off. They reported total of 175 FM-station stereo generators have been delivered to date, and backlog of orders for at least half that many more. Of the 175 units in field, more than 80 are now transmitting stereo.

NAB's FM-stereo panel, which drew heavier attendance than any FM broadcasters' session of recent memory, featured 9 FM stereocasters, 2 FM broadcasters not in stereo, plus FCC's stereo expert Harold Kasens and EIA consumer products staff dir. L. M. Sandwick.

Session could have developed into sniping expedition of broadcasters against set manufacturers. It didn't, largely through Sandwick's highly impressive ambassadorship for set-making industry, which bodes well for future broadcaster-manufacturer relations. Recriminations against manufacturers were few, and most stereocasters seemed to feel industry cooperation had been good so far. These were major points made in panel session:

(1) Receivers & antennas. Sets are getting better and more available, with stereo receivers now accounting for 10% or more of FM sets-in-use in some of first stereocasting areas. There seems to be no reduction in area coverage of monaural sets when station goes stereo, and drop in area covered by stereo signal (on stereo sets as compared with monaural) may not be as great as once was feared. San Francisco's KPEN reported stereo coverage as far as 100 miles from station.

Good antennas are necessary in many areas for stereo reception, and consumer often blames set for poor signal when antenna is at fault. Antennas are particularly important in fringes and in big-city areas where reflections from buildings can kill stereo effect.

Sandwick announced that EIA hoped to begin issuing FM-stereo sales & production statistics around June 1. These will cover table radios, phono-radio consoles, stereo adapters, component-type tuners & component-type receivers.

(2) Commercial support. Main source of revenue for FM stereocasts during early growth period must be from receiver & record industries, most panelists agreed. FM stereo won't appeal to other advertisers until there's much larger audience. Some successful operators indicated their FM-stereo investment already had been recouped by added sponsorships. WPFB-FM Middletown, O., whose stereo investment was \$14,000, received \$2,000 in additional revenue first month of operation and now is averaging \$1,500-\$2,000 extra a month. KPEN's "added revenue in any one month has paid for the entire additional cost of stereo." This view was not unanimous, however.

There was sharp dispute over "ping-pong" and "steamboat" recordings—records with exaggerated separation—and whether "we should let hi-fi dealers program our stations." Some stations reported compromises, with "demonstration" records played during special hours timed for heavy dealer traffic; others steadfastly refused to "lower our standards."

There was agreement, however, that much of stereo disc & tape library is unsuitable for compatible stereo-mono broadcasting. KITT San Diego, a non-stereo station, reported it found "close to 30% of stereo records unsuitable for true stereo." N.Y. area's all-stereo WTFM found about 20% of its library of 55,000 stereo selections couldn't be used.

(3) Background music plus stereo. Some stations which are distributing multiplex SCA channel (storecasting, etc.) have had serious problem in eliminating crosstalk between stereo subcarrier & SCA subcarrier. However, fact that others reported no trouble at all indicates that this problem can be cleared up. What about stations, such as WMC-FM Memphis, which program 2 SCA subcarriers (one for storecasting, one for background music) and now have no room to add stereo subcarrier? FCC's Kassens ventured prediction that technical advances would let them into stereo market, too, "before long."

(4) Whatchacallit? Debate on "FM stereo" vs. "stereo FM" vs. "multiplex" opened up again, with KPEN officials restating opinion that "multiplex" was more distinctive word, differentiating stereo radio from phono stereo. Others said they thought it too technical for public. Kassens drew laugh when he came up with new name: "hi-hi-fi-fi."

FM broadcasters left meeting with feeling that stereo, although not spreading like house-a-fire, is entering period of orderly growth, and that set manufacturing industry will go all-out to help underwrite its pioneering stage.

**RCA SUES PHILCO FOR 'BLOCKING COLOR':** Philco was pictured as mastermind of illicit propaganda & patent ring which successfully kept color away from public for many years, in \$174-million treble-damage countersuit filed late last week by RCA in Philadelphia federal court. RCA's move was latest maneuver in 5-year-old anti-trust case in which Philco is seeking \$150 million from RCA, GE & AT&T on charges of illegal monopoly in RCA patent-pool practices (Vol. 13:3 p2).

In asking court to list Philco's new parent Ford Motor Co. as participant in legal battle, RCA also threw its counterclaim into the pot, stating that it had recently uncovered facts showing "plaintiffs engaged in anti-trust violations in the color-TV field to the damage of RCA."

RCA charged that Philco & its tube-making subsidiary Lansdale combined "with important & powerful manufacturers in the TV industry" to monopolize & pool patents & engineering on Philco's "Apple" color-TV receiving system, and to impede sales of color TV until Apple system was ready "to dominate the color-TV industry." Other manufacturers weren't identified by RCA.

To accomplish this goal, RCA charged, Philco: (1) Deliberately secured color patents it didn't intend to use, merely to blank out competition. (2) Set up illegal exclusive patent pool for Apple system exchanging "secret information" to detriment of non-members of pool. (3) "Knowingly disseminated false information" to disparage RCA type color sets in eyes of public, dealers & manufacturers, even seeking "to create an ostensibly independent organization, in which the name of Philco did not appear," as springboard for attacks on RCA color sets.

Philco vp-gen. attorney Henry R. Nolte, questioned about charges, said he hadn't yet reviewed the claims, but "the allegations by RCA as reported in the press are without merit and we are confident that this will be demonstrated when the suit is tried in court."

Bringing Ford Motor Co. into case—although actually a pro-forma move—gives it novel David-&Goliath twist. When Philco filed its original suit in January 1957, RCA was the giant. If court grants motion to include Ford in case, Philco will be on side of the bigger giant. In Philco's suit & RCA's counterclaim, each manufacturer accuses other of illegal patent-pool practices violating Sherman Act.

Philco's Apple, or beam-indexing, color receiver created excitement in mid-1950's, but never was produced commercially. However, as recently as last June, James M. Skinner, then Philco president, said in answer to a news conference question: "If we could see enough market to warrant the investment, we'd be in a position to make such a set now" (Vol. 17:24 p16). Chassis of Philco's current color sets are made by RCA.

Note: At week's end, RCA announced it will produce color tubes at its Marion, Ind. tube plant, in 2nd major expansion this year. New \$1.7-million program is in addition to \$1.5-million expansion of color tube facilities at Lancaster, Pa. Two production lines will be in operation in Marion before year's end.

**SALES OF TV REMOTES 'SOFT' & SLIPPING:** Popularity of TV remote controls is waning at both consumer & manufacturer levels, our discussion with industry leaders last week indicate. Most popular TV "accessory" in 1960 (Vol. 16:16 p15), remotes, both limited- & multi-function types, apparently are experiencing more sales difficulty in 1962's marketplace. Although several companies say sales are up, industry average seemingly is down—and there are reports of dumping of remotes.

Figures on remotes' share of TV sales are hard to come by, and estimates we got ranged from 9% to 20%. Zenith, conceded to be leader in remotes, claims to make more than all other set makers combined. This, of course, aggravates figure-gathering because EIA, most reliable source of industry figures, compiles no statistics on product if single company produces more than 1/3 of industry total. In 1960, we estimated remotes' percentage of TV sales at "perhaps 10%" (Vol. 16:17 p16). We judge now that it has slipped slightly, to around 9%.

Slippage will continue, executive of major TV manufacturer told us, adding: "I don't think the TV remote control business will grow. Rather, I believe the sales pattern will shift. They'll sell more remotes with portables and color sets and fewer with high-end b&w models—but the net result will be that over-all remote sales will continue to slip."

Consensus is that 3 major factors have clipped remotes' high-flying wings: (1) High price & inability of consumer to equate price with seemingly inexpensive-looking control unit. (2) Decline of b&w console business. (3) Inability or disinclination of distributors & dealers to merchandise & push remotes.

Would price breakthrough put remotes back on popularity road? There's general agreement that remotes at half their present prices would develop into rousing business. Trick is to bring prices down. Limited-function remotes currently add about \$50 to price of set; multi-function deluxe models add up to \$100 and more. Bryce S. (Buzz) Durant, RCA Sales Corp. vp for product planning & development, told us that nature of wireless remote is much that sizable reduction in manufacturing cost isn't in sight. He also noted this complication: "Although remotes' high price is a factor, there'd be little sales gain if you stripped remotes' features to drop the price. The consumer wants all the functions that are available. You can reduce price by reducing services performed, but you'll have difficulty moving stripped-down remotes. In b&w sets, remote sales are concentrating in portables, many of which wind up as bedroom sets. When the owner buys a remote for his bedroom, he wants one that will enable him to completely control the set without his having to get out of bed." Here are comments of other industry leaders:

Emerson: Pres. Benjamin Abrams guesses that industry's remote percentage approaches 10-12%, said "this figure would increase if costs could be brought down." He thinks that remotes' ratio to TV sales has remained "stationary for the past 2 years." Abrams said: "A good remote is \$70-75 extra and a 2-function remote makes a \$40-45 differential. Even that figure is too high. Except for the cost factor, remotes would be a good business—particularly with portables, which often become the bedroom set."

GE: William E. Davidson, TV-receiver Dept. gen. mgr., noting that most successful remote markets are those with more than one or 2 TV stations, estimated that "approximately 9% of current industry TV set sales are in models equipped with remote controls." He added: "This segment of the market will remain comparatively small as long as remotes remain an accessory. Although the value of remote TV is easily demonstrated to the customer, the sharply defined price differential between manual & remote sets represents a psychological barrier. The customer has a tendency to equate the extra price with the remote control unit itself, not realizing the major cost of the system is in the circuitry hidden inside the set."

Motorola: Mktg. vp S. R. (Ted) Herkes told us Motorola doesn't regard remotes as major factor in TV business, sees their future primarily in "bedroom sets." The remote, he said, "seems to have regulated itself to the portable end of the business."

Muntz TV: vp Jack Simberg told us: "Remotes represent 1% of our total TV volume. It's about the same as a year ago. They've never been a factor in our line; they don't fit into our price scheme. Remotes would price out to \$30 or more and would start pushing us above the \$250 line. When you're selling TV sets under \$250, that extra \$30 means a lot more than it does when you're offering high-end merchandise. We have one TV with remote, a wood-cabinet model priced at \$250. We have the feeling that interest in remotes is softening. Demand from our dealers is down."

Packard Bell: Home Products Div. vp Ken R. Johnson estimated future of remote as 15-20% of industry

sales, noted that "it's a very good sales feature, although not yet at the 20% mark." He said P-B's remote sales are up over last year, pointed out that controls are sold optionally, can be installed by dealer in store.

Philco: TV mktg. mgr. Jack Kane said "we don't see any softening; our percentage of sales is running about the same as last year." Philco offers remote control kit as optional unit, at \$70, in high-end consoles, is getting a 12% sales ratio. Philco sells 2 19-in. Compact portables with remotes built into retail price; they're accounting for 10% of total 19-in. Compact sales. Price differential in counterpart models runs about \$40-\$50. Kane added: "Progress of remote business will not advance appreciably until price can come below \$50. Consumers are hesitant to pay a \$70 to \$100 premium for remotes."

Olympic: Pres. Morris Sobin told us he believes "remotes' percentage of market has gone down."

RCA: RCA Sales Corp. mktg. vp Raymond W. Saxon told us "remote business in portables and color sets is ahead of last year." However, sales are down in b&w console remotes because "sales of higher-priced b&w TVs have dropped." He continued: "We still believe that remotes represent a good business and a virtually untapped market—but they need more selling by all concerned. We will continue to offer remotes in all phases of our line. In our new line, there will be no counterpart b&w consoles without remotes. This will give our dealers exclusive models to sell. We will continue to have 2 remotes—a 7-position model for color sets, a 3-function model for b&w."

Zenith: Sales Corp. Pres. Leonard C. Truesdell told us "Zenith makes several times as many remote sets as all others combined. It's a good, steady business, with about the same percentage as last year."

**POCKET RADIO PRICE WAR—GE AT \$14.95:** GE minced no words at week's end in cutting its 6-transistor pocket radio from \$16.95 to \$14.95 to meet RCA's similar move just 7 days earlier (Vol. 2:14 p11). Reduction was made "in order to maintain GE's competitive position in the radio market," said Radio & TV Div. marketing mgr. William B. Clemmons.

Minimum list prices of major U.S. brand transistor radios thus have dropped \$10 in single 12-month period. Latest round of reductions started in January when GE cut 6-transistor price leader from \$19.95 to \$16.95 (Vol. 2:3 p10). Motorola & Admiral followed suit in March, but before month was over RCA had lopped \$5 from its lowest-price unit, bringing it to \$14.95.

Both Admiral & Motorola said at week's end they had no immediate plans for price changes—but "immediate" could mean "in next 10 minutes."

**TV-RADIO PRODUCTION:** EIA statistics for week ended March 30 (13th week of 1962):

	March 24-30	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	136,529	129,899	98,225	1,692,859	1,309,811
Total radio .....	353,531	361,343	267,770	4,635,084	3,589,154
auto radio .....	119,383	131,132	70,581	1,650,595	1,079,336

## **TOPICS & TRENDS**

Congressional review of Presidential tariff concessions was urged by EIA last week in testimony before House Ways & Means Committee on Administration's trade bill (HR-9900). EIA Electronic Imports Committee Chmn. Robert C. Sprague reviewed association's position on bill (Vol. 2:12 p10), urging that either House or Senate be given right to reject proposed agreements by majority vote. He also asked safeguards against injury of domestic industries by imports, removal of restrictions against U. S. products by foreign countries as a condition to lowering our own barriers, and revision of "most favored nation" policy which would give Japan further concessions as result of U. S. agreements with Common Market countries.

Another 14-in. TV import is coming—this one from Star-Lite Merchandise Corp. (37 W. 23rd St., N.Y.). Sales mgr. Ralph Setton told us last week that set will list at about \$99.95, cost dealers about \$73-75. It probably will be available for fall selling. Star-Lite has been shipping its 8-in. set, priced in the \$120 range (Vol. 2:10 p7), for about 10 days. As of mid-March, it's believed about 300 of these had arrived from Japan, but Setton said shipments are increasing.

All-day LP record may emerge from new disc-recording technique demonstrated to broadcasters last week at NAB convention in Chicago. Version shown at convention's equipment exhibit by ITA Electronics (see p. 4) is designed for logging radio broadcasts, will record more than 24 hours of programming on 2 sides of 9-in. vinyl disc, playing at 2 rpm. System's inventor, Robert Wagner, musician who started investigating new recording techniques 30 years ago, told us hi-fi stereo or mono recordings could be made using same technique at 4 or 6 rpm. Secret of system is steady 30-kc excitation of stylus during recording process.

Wagner has designed portable transistorized version of his long-long-play record system, sees it as ideal medium for recording entire books on single discs, and especially suitable as automobile music system.

TV-radio-phono sales increases this year were projected in poll of home furnishings group directors of National Retail Merchants Assn. Median increases predicted by the department store executives, as compared with last year: Color TV 10%, records 8%, all brown goods 5.5%. Directors blamed manufacturers' distribution policies for increasing retail profit squeeze in TV, radio, white goods & small appliances.

New FM stereo starter: KCBH Beverly Hills, Los Angeles area's 5th and nation's 81st.

## Trade Personals

Raymond V. Pepe, vp of James B. Lansing Sound Inc., re-elected pres., Institute of High Fidelity Mfrs. Other officers elected: Walter O. Stanton, vp; Saul B. Marantz (Marantz Co. pres.) treas. & a dir.; Wybo Semmelink (Norelco sales mgr.), secy. Elected dirs.: Herbert Horowitz, Empire Scientific pres.; Vic Pomper, H. H. Scott vp; Rudy Bozak, R. T. Bozak Mfg. pres.

Earl G. Erickson, recently resigned gen. mgr. of Admiral Sales Corp.'s Chicago Div. (Vol. 2:14 p12), appointed mgr., Motorola Chicago distributor branch, succeeding C. Fred Parsons who will handle special marketing assignments for Consumer Products Div. . . . Andrew Lorant, ex-Bell Sound Div. ad & promotion mgr., joins Harold Cabot & Co., Boston ad agency as account executive.

William A. McCracken, ex-Philco, joins General Instrument as operations vp, Capacitor Div. . . . George G. Main, Westinghouse financial vp, elected a dir.

Douglas D. Danforth, Westinghouse Control Div. Gen. Mgr., elected a vp. . . . Robert Donner named Samson Electronics Div. Sales Dir., a new post.

Frederick G. Reiter has resigned as Philco Finance Corp. pres.-treas., effective April 15, to become senior member of management of James Talcott Inc., N.Y. commercial finance firm.

William F. E. Long, ex-Philco Lansdale Tube Div., rejoins EIA as mktg. services dir., succeeding George W. Westfall, resigned. . . . Harold Hibschan, former Stromberg-Carlson consumer products sales mgr., appointed Pilot Radio mktg. mgr., a new post.

Gerhard H. Kadisch appointed mktg. vp, Siegler's Bogen-Presto Div. . . . Sydney M. Murray named pres., Electronic Communications subsidiary Standard Products Inc., Wichita, Kan.

Larry L. Malin, former Admiral Commercial Electronics Div. vp, appointed Sylvania district sales mgr. in Los Angeles, succeeding Gerald P. Goetten, resigned.

H. W. Thue appointed mfg. vp, IBM General Products Div. . . . Louis T. Rader, former ITT group vp & board member, joins Sperry Rand May 1 as pres. of new Univac Div.; Jay W. Schnackel named vp.

Ivan L. Brandt named Erie Resistor research & engineering vp . . . Dr. John L. Sprague, Sprague Electric semiconductor research dir. elected to board; Robert E. Kelley, Boston attorney, also elected a dir. & clerk, appointed general counsel.

Paul E. Bryant, former sales vp of Hoffman Electronics' Consumer Products Div., named Fisher Radio gen. sales mgr., succeeding James J. Parks, resigned; Leon A. Wortman, ex-Kudner Agency & RCA, appointed mktg. services dir.

John J. Graham, former RCA executive & ITT vp since Dec., appointed head of latter's U.S. Commercial Group; A. W. McEwan named dir. of ITT Components Div. electron tube labs, Clifton, N.J.; Glenn W. Bailey appointed pres. of ITT's subsidiary Royal Electric Corp., Pawtucket, R.I.

Felix T. Troilo appointed International Resistance Eastern District sales mgr.

George B. Estes, ex-Raytheon, Walter H. Powell and John L. Keating named International Resistance Co. operations dirs., new posts. Estes will supervise IRC's Philadelphia, Documented Reliability and Frontier Electronics Divs., and Downingtown, Pa. plant; Keating continues as IRC management services dir., also will supervise North American Electronics, in which IRC holds a majority interest. Powell, IRC vp & industrial relations dir., also will direct Control Components Div. and manufacturing operations in Burlington, Ia., Boone, N.C., St. Petersburg, Fla., and Puerto Rico.

J. Walton Colvin, ex-Bendix Field Engineering Corp. marketing mgr., named General Dynamics Electronics plans & programs mgr., San Diego.

Robert H. Sommer elected GT&E controller.

Philco will terminate in June franchises for associate portable TV distributors and is "looking" at its console TV franchises to "revise this group as well," consumer products Gen. Sales & Mktg. Mgr. Charles Hakimian said last week. "We are not totally disbanding the associate distributor idea," he said, "but we are trying to bring our AD program more in line with our plan to strengthen our distributor & dealer organizations."

## 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	Common Share Per	Common Shares
AB-PT	1961—year to Dec. 31	\$ 363,085,183 <sup>1</sup>	\$21,318,096	\$ 9,905,564 <sup>1 2</sup>	\$2.31 <sup>4</sup>	4,361,376
	1960—year to Dec. 31	334,436,856	22,870,180	10,474,751 <sup>3</sup>	2.46 <sup>4</sup>	4,232,731
AT&T	1962—year to Feb. 28	8,514,233,000	—	1,302,087,000	5.55	234,683,000
	1961—year to Feb. 28	8,001,146,000	—	1,226,746,000	5.56	220,708,000
	1962—qtr. to Feb. 28	2,174,125,000	—	335,019,000	1.42	235,963,000
	1961—qtr. to Feb. 28	2,028,852,000	—	304,018,000	1.36	223,602,000
Cohu Electronics	1961—year to Dec. 31	9,203,250	1,037,911	527,911	.37	1,427,051
	1960—year to Dec. 31	7,135,022	459,020	459,020	.32	1,415,821
	1961—qtr. to Dec. 31	1,964,899	—	114,109	.08	1,427,051
	1960—qtr. to Dec. 31	1,913,152	—	313,790	.22	1,415,821
Consol. Electronics Industries	1961—year to Dec. 31	144,437,881	9,501,948	5,003,089	1.58	3,170,002
	1960—year to Dec. 31	92,939,802	7,530,381	3,573,246	1.26	2,828,620
General Tire & Rubber	1962—qtr. to Feb. 28	196,872,350	—	4,653,000 <sup>6</sup>	.81	5,424,832
	1961—qtr. to Feb. 28	171,902,958	—	5,304,000 <sup>6</sup>	.94	5,424,832
Hoffman Electronics	1961—year to Dec. 31	57,243,044 <sup>1</sup>	—	647,100	.42	1,538,388
	1960—year to Dec. 31	54,271,837	—	(968,400)	—	1,529,254
Muter Co.	1961—year to Dec. 31 <sup>9</sup>	14,553,107	—	243,962	.20	1,199,094
	1960—year to Dec. 31	11,853,827	—	131,633	.15	880,461
Philips Electronics & Pharmaceutical	1961—year to Dec. 31	38,345,040	1,823,659	1,054,066	.53	2,000,874
	1960—year to Dec. 31	33,269,155	2,112,903	1,042,493	.52	1,994,474
Philips Lamp	1961—year to Dec. 31	1,369,700,000	—	90,465,000	—	—
	1960—year to Dec. 31	1,325,000,000	—	110,000,000	—	—
Reeves Soundcraft	1961—year to Dec. 31	6,520,690	(220,938)	(220,938) <sup>7</sup>	—	3,235,515
	1960—year to Dec. 31	5,896,485	113,208	58,208 <sup>9</sup>	.02	3,054,515
Thompson-Starrett (Delmonico)	1961—year to Dec. 31	23,539,992	—	570,689	.18 <sup>4</sup>	2,817,646
	1960—year to Dec. 31	13,950,568	—	(654,033)	—	2,666,363
Wells-Gardner Electronics <i>Story below</i>	1961—year to Dec. 31	25,199,005	—	896,458	2.08	422,400
	1960—year to Dec. 31	25,342,358	1,877,141	877,141	2.08	422,400

Notes: <sup>1</sup>Record. <sup>2</sup>Before capital gains of \$5.1 million (\$1.20 a share). <sup>3</sup>Before capital gains of \$1.3 million (32¢). <sup>4</sup>After preferred dividends. <sup>5</sup>Includes \$1,226,074 earnings of RKO General. <sup>6</sup>Includes \$1,881,002

earnings of RKO General. <sup>7</sup>Before special credit of \$1,170,430 (29¢). <sup>8</sup>Before special credit of \$922,645 (30¢). <sup>9</sup>Includes subsidiary General Magnetic, acquired Jan. 1, 1961.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Gen. Tire & Rubber	Stk.	300%	Apr. 27	Apr. 10
A. C. Nielsen	Q	\$0.15	May 1	Apr. 12
United Artists	Q	.40	June 29	June 15

Wells-Gardner Electronics earnings increased moderately in 1961 despite a slip in sales (see financial table). Pres. Grant Gardner termed 1962's outlook "favorable," noted a \$5.5-million backlog compared with \$4.3 million year earlier. Gardner also said company has decided to terminate activities in military & industrial electronics fields because of "increased competition and limited profit opportunities." Discussing "growth opportunities" in consumer electronics, Gardner said: "The over-all market for radio & TV is expected to continue to expand because of population growth. Wells-Gardner's principal customers are aggressively expanding their retail organizations and can be expected to gain an increasing share of the total radio & TV market."

Sprague Electric, which posted record sales & earnings in 1961 (Vol. 2:14 p14), expects "substantial" sales gains and a good year in earnings in 1962, Chmn. Robert C. Sprague told annual meeting.

Philips Lamp, Netherlands-based worldwide electronics & industrial concern, will sell 6,153,140 shares of common to its stockholders in June, after planned 2-for-1 split. It's estimated that about 37% of the stock is owned by American investors. In SEC registration, Philips said offering would be in ratio of one new share for each 5 common and one for each 15 participating preferred shares outstanding May 29. Offering will run from June 1 to 22. No data on subscription price was released. Shares to be offered will be from those authorized after proposed 2-for-1 split which will be submitted for stockholder approval at April 19 meeting.

Ling-Temco-Vought reported a 1961 loss of \$13,158,591 on sales of \$192,847,111 after writeoffs which equalled \$4.99 a share. Year-earlier comparisons were not available because of 1961 merger of Ling-Temco Electronics and Chance Vought. Company said it began 1962 with backlog of more than \$300 million.

Electronics International Capital reported net assets of \$14,854,473 on Jan. 31, up from \$14,551,073 a year earlier. Net assets per share increased to \$9.12 from \$8.94, based in both years on 1,627,891 capital shares.

Delmonico International's 1961 sales rose 66% to \$10,087,820 as sales of parent Thompson-Starrett climbed 68% to \$23.5 million from \$14 million (see financial table).

APR 16 1962

# WEEKLY Television Digest

APRIL 16, 1962

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

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**ALL-CHANNEL BILL LOOSE ENDS TIED** in House Commerce Committee report which contemplates deintermixture moratorium for 5-7 years or more, tells what kind of uhf-vhf set performance it expects (p. 1).

**HEW CHILDREN-TV STUDY RILES NAB**, singling out TV in juvenile-delinquency research. Collins terms move "unfair," says it's nothing like his recommendations (p. 2).

**CBS COMPENSATION PLAN UNDER JUSTICE ATTACK**, anti-trust complaint claiming affiliates are forced to carry virtually all CBS's afternoon & evening offerings (p. 2).

**COMPROMISE ETV BILL DUE FOR QUICK PASSAGE**. Message provides \$32 million. Griffin amendment killed (p. 3).

**TRANSATLANTIC TV**, via satellite, tentatively scheduled for next month, raises diplomatic as well as engineering questions. President Kennedy may be barred from appearing on "10-minute spectacular" (p. 3).

**FCC STAFF REVIEW BOARD A STEP NEARER**. Commission announcing tentative decision to create senior-men group to handle routine decisions (p. 3).

**NEW AM-FM DIRECTORY IN THE WORKS**, all data updated as of April 15. Covers all stations, CPs, applications, call letters (p. 4).

### Consumer Electronics

**SHORTER COLOR TUBE** due for production in January by RCA. New round 21-in. tube may also have added brightness. Expected to break size barrier to color set sales (p. 7).

**16-in. "LIGHTWEIGHT" SETS** due this year as new square-cornered tube gets go-ahead. Prices will be close to 19-in. Introduction at spring-summer showings possible (p. 8).

**KIMCODE TUBE** getting size-up from UL & tube makers. Some set makers said to be enthusiastic, others "cool." Production could begin in 7-10 weeks (p. 8).

**JAPANESE RATE OF INCREASE OFF**, electronics output rising 19% in 9 months of 1961, compared with 31% increase year earlier (p. 11).

**FEB. PRODUCTION FIGURES** from EIA show TV-radio output up sharply from year-ago levels. Uhf, FM, picture and receiving tubes also post healthy gains (p. 11).

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**ALL-CHANNEL BILL LOOSE ENDS TIED:** All-channel-receiver bill, approved by House Commerce Committee, was fleshed out in important aspects in report issued by Committee last week. Several key matters were left out of bill because Congress usually considers it bad legislation to freeze into law those details normally left to regulatory agencies. However, report constitutes "legislative history" which has powerful influence on FCC even though it lacks force of law. Key factors in report:

(1) FCC will retain moratorium on 8 deintermixture cases "for 5, 6, or 7 years, or, more likely, an even longer period of time, after the date of enactment of all-channel legislation until the effectiveness of the legislation has had a reasonable chance to prove itself."

(2) FCC isn't stopped from deciding 4 other deintermixture cases on their merits—Springfield & Peoria, Ill.; Bakersfield, Cal.; Evansville, Ind.—but Committee takes FCC's word that "it will give great weight to any loss of service . . . which would result from the abandonment of vhf . . . in these cases."

(3) Performance of sets: Phrase "be capable of receiving"—in bill—"contemplates that all receivers shipped in interstate commerce or imported will be constructed with equipment inside its cabinet which will have performance characteristics sufficient to permit satisfactory and usable reception of each of the present 12 vhf and 70 uhf channels in any location where, in the light of the normal state of receiver development at the time, such reception can be expected. The performance capabilities of such sets for receiving uhf signals

should be adequate to assure that the purchasers of these sets will in fact get comparable reception from uhf and vhf stations." Any other kind of sets would be "a fraud on the public."

(4) FCC wasn't given power to prescribe minimum performance of sets "because at this time the committee is not persuaded that it is necessary in the public interest to involve the Commission in the details of television set manufacturing."

Reps. Roberts (D-Ala.) & Hemphill (D-S.C.) added views repeating much of full committee's report—and saying they understand that FCC wouldn't deintermix for at least 9 years, and not even then unless Congress approves.

It's uncertain whether bill will get to vote on House floor before April 19-30 Easter recess. After House acts, Senate is expected to follow quickly. (Report is No. 1559, available from House Committee on Interstate & Foreign Commerce.)

**HEW CHILDREN-TV STUDY RILES NAB:** Sen. Dodd (D-Conn.) singled out TV as whipping boy in his juvenile delinquency investigation, persuaded Secy. Ribicoff of Health, Education, & Welfare Dept. to go along with him in a special govt.-sponsored study (Vol. 2:15 p4)—and reported that NAB Pres. Collins endorsed the project.

Returning from NAB convention, Collins reacted in amazement. Fact is, he testified before Dodd last year, urged basic study of all possible causes of juvenile delinquency, said all communications media should be invited to participate. Last week, he expressed his concern in letters to Dodd & Ribicoff. He reminded Dodd of this portion of his June 1961 testimony:

"Although there have been many isolated research studies of various aspects of this question, what is needed, I believe, is a comprehensive and concentrated research project on a massive scale, conducted by the best professional resources in the social sciences and managed under impartial scientific auspices." To which Dodd replied at that time: "This is a good thing, a good idea, and I am sure we want to do it."

Collins concluded letter last week with: "I think it would be extremely unwise to narrow your inquiry to any one medium," said NAB is still willing to cooperate, expressed hope for change in scope of project. To Ribicoff, Collins wrote: "We feel it would be unrealistic and, frankly, unfair to confine such efforts just to television."

Collins has been mentioned as possible successor to Ribicoff, incidentally, in event latter runs for Senate from Conn. Collins tells us that President hasn't approached him with such offer, that he's fully occupied with present job, that he has no plans for seeking HEW position or any other, that if President does approach him he'll cross that bridge when it happens.

**CBS COMPENSATION PLAN UNDER JUSTICE ATTACK:** It looked like old times in Washington last week, FCC & Justice Dept. aiming 1-2 haymaker at CBS for its "incentive compensation plan." Justice filed anti-trust suit in N.Y. Federal District Court, saying plan forces CBS-TV affiliates to take virtually all programs offered in afternoon & evening, excluding competitors. Justice asked Court to order abandonment of plan.

FCC had questioned CBS about plan last year (Vol. 1:7 p3), asserted it violated Commission rules by "hindering" & "penalizing" affiliates which would want to carry programs from other sources. CBS and 40 affiliates disputed FCC's interpretation (but Westinghouse's KPIX San Francisco said it signed for plan under protest). CBS offered no more such contracts after FCC sent letter—and it has been awaiting Commission action ever since.

Plan gives affiliates 10% of their rates for the first 60% of CBS hours carried, 60% of rates for any additional hours. Said Justice's complaint:

"These agreements are designed to coerce or induce CBS affiliated stations to accept virtually all of their requirements of afternoon & evening TV programs from CBS, and to foreclose independent program suppliers, non-network advertisers, station representatives and other networks from access to CBS affiliated TV stations during the most desirable hours of the broadcasting day." CBS immediately denied foregoing, said it was confident it would win in court.

Lawyers offered fine variety of speculation about possible outcome. There was fair amount of agree-



ment, however, that Justice move may well strengthen possibility of FCC ultimate approval of option time. The reasoning: Those commissioners who wanted to abolish option time had thought other kinds of agreements would take care of both networks' & affiliates' needs—but if plans such as CBS's run into anti-trust problems, maybe option time is a reasonable arrangement after all. Some attorneys predict quick "summary judgment" from court—parties agreeing on facts and dispensing with long trial. Others look for years-long dragout.

**COMPROMISE ETV BILL DUE FOR QUICK PASSAGE:** House-Senate conferees drew up compromise \$32 million ETV bill (S-205) last week, with 50-50 prospects for floor action before Easter recess this week.

Bill provides up to \$1 million in matching funds per state over 4-year period, administered by Secy. of Health, Education, & Welfare rather than Commissioner of Education. Provision for \$10,000 per state for surveys was dropped.

Griffin amendment to exclude private groups also was killed, new language providing for grants to any non-profit groups organized primarily for ETV and eligible for FCC license. Another new provision limits to 15% the portion of any grant that can be used for microwave equipment, boosters, translators, repeaters, etc. This is to encourage construction of new stations rather than linkups between existing stations.

**FCC STAFF REVIEW BOARD A STEP NEARER:** High-level staff Review Board, designed to take lesser decisions off FCC members' hands and let commissioners concentrate on major matters, was tentatively approved by Commission last week. Commission made only bare announcement of its action, but it's understood that approval of details we reported earlier is expected (Vol. 2:14 p4).

FCC gen. counsel Max Paglin is heading up staff work, has been consulting with private practitioners, as desired by Congress when it promulgated FCC Reorganization Act. Joseph Kittner heads outside lawyers' committee.

Review Board could become quite important, empowered, as it's expected to be, to issue final decisions on many substantial-but-not-critical matters. Size of Board hasn't been determined. Names mentioned in speculation over the plum jobs include these senior men: Donald Berkemeyer, Dee Pincock, Arthur Gladstone, Robert Rawson, Joseph Nelson, Asher Ende, Gifford Irion. Everyone has a list of favorites.

**TRANSATLANTIC LIVE TV NEXT MONTH?** First live telecast across Atlantic—which could come as early as next month in form of "10-minute spectacular"—poses fantastic diplomatic as well as engineering problems.

Some of these problems were faced last week in 25-nation European Broadcasting Union conference in Seville, Spain. Among them: Which European countries will be represented in pickups? Do we include the Russians? Which country's ground station will be used to contact relay satellite?

There have been some tentative agreements. One, it's understood, is that no heads of state will participate in inaugural program. In 10- or 15-minute experimental inaugural program, obviously some rulers of the score of countries participating would be slighted. Although European pickup is to be from Eurovision, the Western European TV network, there has still been no definitive word on whether there will be invitation to Communist bloc, which sometimes hooks its Intervision network into Eurovision for all-Europe networking.

Programming details haven't been worked out, but there have been proposals to pick up from "the 4 corners of Western Europe"—Cornwall, England on West, Yugoslavia on East, Sicily on South, and above Arctic Circle in Scandinavia on North.

AT&T's Telstar satellite is scheduled to be fired into orbit by NASA from Cape Canaveral May 22, with inaugural telecast coming in late May or June—if all goes well. If it doesn't, there's a 2nd satellite held in reserve for another launching later in year. AT&T's U.S. ground station—for transmitting to & receiving from Telstar—will be at Rumford, Me., and 2-way video circuits have already been completed connecting Rumford with main microwave-cable backbone of U.S. networks.

All 3 U.S. networks will handle inaugural program, which probably will be telecast around 2 p.m. DST, 7 p.m. European time. Time-zone differential makes it impractical to put show on during U.S. prime time.

Duration of show probably will be 10-15 min.—because transmission must take place while satellite is in direct line-of-sight of both transmitting & receiving stations (a condition which will exist for only 10-30 minutes each orbit). Satellite is expected to take 2-3 hours for each orbit, so if something goes wrong first time, another attempt could be made in couple hours.

British ground station at Cornwall will be used for European contact with satellite. There also will be ground stations in France, Italy and Japan. Japanese station conceivably could be used eventually for trans-Pacific TV.

It's still not known how many Western Hemisphere countries will want to get in act. Will there also be originations from Canada & Mexico (via land lines)? This is a lot to squeeze into 10-15 minute show. After all diplomatic arrangements are completed, perhaps most impressive portion of tight little show will be the switching. Needless to say, anyone who throws wrong switch will be fired.

**NEW AM-FM DIRECTORY IN THE WORKS:** Now in preparation is our annual AM-FM Radio Station Directory. All data will be up-to-date as of April 15, and volume will be off presses and in mails in June. We have shifted publication date in order to cover latest changes; previous editions included data as of each Jan. 1, with delivery in April.

Industry's handiest radio reference volume, it contains 7 parts: AM & FM stations and CP-holders by state & city, including permittee name & address, technical facilities and network affiliates; AMs by frequency; FMs by frequency; AM & FM applications by state & city; AM & FM applications by frequency; AM & FM stations by call letters; tabulation of FCC's type-accepted transmitters & monitors.

Copies will go automatically to all full-service subscribers. Extra copies will be available at customary \$7.50—or \$5 each for 5 or more—from publication offices, 911 13th St., N.W., Washington 5, D. C.

## **CURRENT CAPSULES**

Independent WGN-TV Chicago chided FCC last week for holding public hearings before renewal of licenses of city's 3 network stations. WGN-TV exec. vp-gen. mgr. Ward L. Quaal, first station witness in Commission's Chicago probe, called hearings "unfortunate" and "badly timed," said more formal procedure would have assured broadcasters "all the rights of due process." Witnesses "who often spoke without the benefit of facts" should have been rigidly cross-examined, he said. Quaal also testified that WGN-TV often had hard time getting sponsors for public-service programming, said station lost large sums keeping unsponsored children's and music shows on air—\$720,000 for 20 months of *Ding Dong School*, for example.

Syracuse Ch. 9 applicants surprised even themselves, all 10 finally agreeing on joint interim operation pending comparative hearing—and FCC gave them CP last week. They hope to begin operating this fall with ABC-TV. Each ponies up \$100,000, will lend \$100,000 more if needed; a manager connected with none will be hired. Each will furnish a director. Officers: Asher S. Markson, pres.; Frank G. Revoir & George P. Hollingbery, vps; Harry G. Slater, treas.; Bernard S. Cohen, secy. Rochester & Grand Rapids applicants continue negotiating, may get stimulus from Syracuse CP.

WFGA-TV should keep Ch. 12 Jacksonville, FCC Examiners Cunningham & Naumowicz recommended in initial decision last week, concluding that its principals didn't try to influence FCC vote. Losers City of Jacksonville and Jacksonville Bcstg. Corp., they said, were involved in influence attempts. Though WFGA-TV should keep operating, examiners stated, the original decision granting it Ch. 12 should be voided—because ex-Comr. Mack did engage in off-the-record discussions of case and shouldn't have voted. Examiners said WFGA-TV should continue on air "pending further order of the Commission."

FCC & AT&T reluctantly endorsed compromise communications satellite bill (S-2814) providing for ownership by both companies and public (Vol. 2:15 p5 et seq.) at Senate Commerce Committee hearings last week. ITT was dubious, however, claimed system should be entirely owned by communications firms to

avoid conflicts of interest. FCC Chmn. Minow urged language of bill be tightened to give Commission power to authorize stock participations by companies and to determine rate bases & costs of operation. AT&T said it could live with joint ownership setup, urged legislation be passed this session. National Assn. of Manufacturers & Communications Workers of America also supported measure, but NAM testified that bill gives govt. too much regulatory power.

RCA Chmn. David Sarnoff told Senate Anti-trust Subcommittee, which is holding hearings concurrently, looking into monopoly aspects of system, that he was more concerned about rights to use system than ownership. He said any qualified communications concern should be allowed to use system after obtaining FCC license. NASA Deputy Administrator Dr. Hugh Dryden told Subcommittee a workable, low-altitude system probably could be developed in 5 years.

Innovation in prime-time news programming, starting May 21, is reported by Taft Bcstg.: 10-min. newscast *Dateline Cincinnati*, 10 p.m. daily, Mon.-Sat., on WKRC-TV, requiring delay in start of ABC-TV programs, including *Ben Casey*, *Naked City*, *Alcoa Premiere*, *Untouchables*, *Target—The Corrupters*. Exec. vp Lawrence H. Rogers said move will fill need for prime-time TV news, added that encouraging results might lead to similar scheduling on all Taft stations.

## Personals

Bennet H. Korn promoted to Metropolitan Bestg. TV pres. . . . John Hopkins named KCOP Los Angeles pres. & gen. mgr., will continue in same post with KTVT Ft. Worth pending FCC approval of KTVT sale.

Roger N. Cooper, ARB market report mgr. & station sales mgr., in mid-May joins KCRA-TV Sacramento to handle national sales development & research . . . Fred L. Vance, KVOA-TV Tucson station mgr., named gen. mgr. of parent Alvarado TV Co.

Thomas A. Welstead, WLBW-TV Miami vp & national sales mgr., named gen. mgr.; Lin Mason promoted to station dir. . . . Merlin Kennedy assigned by WDSU-TV New Orleans as Paris correspondent . . . Bernie Souers promoted to WTTV Indianapolis local sales mgr.

Dr. Carroll V. Newsom, educator & Prentice-Hall senior vp, and Leonard E. Best, Morris County, N.J. businessman, named N.J. Educational TV Corp. trustees.

John F. Cundiff, ex-WNHC-TV New Haven-Hartford station mgr. & gen. sales mgr., named WFIL-TV Philadelphia gen. sales mgr. . . . Charles F. Abbott Jr. promoted to Katz western stations asst. TV sales mgr.

James O. Juntilla promoted to asst. chief of FCC Broadcast Bureau, from asst. to the chief; 2nd asst. chief position is newly created; other asst. chief is James E. Barr.

Leon N. Papernow promoted to H & B American Corp. operations vp . . . John Hubley, 1959 Academy Award "Oscar" winner for production of "Moonbird," named educational WNDT (Ch. 13) N.Y. visual consultant.

Robert R. Rodgers, ex-Independent TV Corp. and ABC Films, named WBAL-TV Baltimore sales mgr.

FCC Chmn. Minow & Eleanor Roosevelt appear on National Educational TV's May 6 *Prospects of Mankind*, with "New Vistas for Television." Others on symposium: NBC News producer Irving Gitlin, NET Pres. John F. White, *Reporter* TV critic Marya Mannes. Tape of program will be broadcast nationally over NET network beginning May 7.

"Horrible example of government disservice to communications" was tag given FCC Chicago hearings by *TV Guide* editor Merrill Panitt last week. He told Chicago Broadcast Ad Club that Commission could instill more community responsibility by revoking licenses from a few under-par stations, than it could in promoting "10 years of Chicago-type spectacles." He concluded: "It is unthinkable that television in any other city should be subjected to similar treatment."

NCTA "Halo" awards for achievements in PR, advertising, promotion and community activities will be presented to CATV operators at NCTA 11th annual convention at Shoreham Hotel, Washington, June 17-23. Judges are Public Relations Society of America Pres. Walter W. Belson, U.S. Chamber of Commerce Exec. vp. Arch N. Booth, American Society of Assn. Executives Exec. vp. Glenn B. Sanberg.

TelePrompter has sold "service portion" of its prompting business to Q-TV Inc. for undisclosed price. This includes script typing services, operating personnel & equipment for individual TV & film assignments. Company will continue to manufacture its prompting device. Sale was caused by increase in other business activities, company announced. Prompting services accounted for only about 5% of firm's business last year.

Advertiser support of NAB codes to make "the survival of free enterprise more secure," was urged by NAB Pres. Collins at 2nd annual Mid-South Advertising Institute in Memphis last week. He asked advertisers not to try to place copy rejected by code authorities, recommended placement of ads with stations subscribing to code.

FM stereo stations will be sent 2-track stereo tapes of NAB Radio Month jingles upon request, NAB reports. They're first such from NAB. All NAB radio members will receive Radio Month kit containing 7 jingles, salute to radio from President Kennedy & cabinet, message from NAB Pres. Collins.

ITA's "Documentor" disc system (Vol. 2:15 p4) will be sold as well as leased, company decided last week. Units will be sold in groups of 2, for \$4,550; discs are 50¢ (42¢ in lots of 100 or more). Device records 24 hours of radio programs on 2 sides of 9-in. disc.

Latest TV-home count: Census Bureau has issued figures for TV sets in homes in standard metropolitan areas in Indiana, Iowa and Pennsylvania. Totals for following states also were given: California, Missouri, New Jersey, New York, Pennsylvania:

Area	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
<b>Indiana</b>				
Evansville .....	60,737	48,509	4,173	3,042
Fort Wayne .....	68,743	56,333	6,401	6,009
Gary-Hammond- E. Chicago .....	160,395	133,491	14,622	12,290
Indianapolis .....	211,798	168,419	26,157	17,222
Louisville (Ind. portion) ..	33,190	27,140	3,082	2,968
Muncie .....	33,120	28,061	2,388	2,671
South Bend .....	69,921	58,165	6,350	5,406
Terre Haute .....	34,440	28,395	2,501	3,544
<b>Iowa</b>				
Cedar Rapids .....	42,223	35,562	3,518	3,143
Davenport-Rock Island-Moline (Iowa portion) ..	35,648	30,153	2,720	2,775
Des Moines .....	84,352	70,063	7,538	6,751
Dubuque .....	21,142	17,035	1,023	3,084
Omaha (Iowa portion) ..	24,896	20,885	1,594	2,417
Sioux City .....	33,243	28,024	2,387	2,832
Waterloo .....	35,498	30,288	2,580	2,613
<b>Pennsylvania</b>				
Allentown-Beth- lehem-Easton ....	149,357	122,181	16,177	10,999
Altoona .....	41,411	33,879	4,184	3,348
.....	72,821	60,776	7,552	4,493
Harrisburg .....	104,677	84,548	10,717	9,412
Johnstown .....	79,648	66,259	7,159	6,230
Lancaster .....	80,487	58,495	8,804	13,188
Philadelphia .....	1,266,570	938,418	247,089	81,023
Pittsburgh .....	709,941	565,080	100,678	44,236
Reading .....	87,149	69,668	10,585	6,896
Scranton .....	70,489	61,260	5,072	4,157
Wilkes-Barre- Hazleton .....	105,755	90,135	8,717	6,903
York .....	73,467	59,451	7,659	6,357
<hr/>				
California .....	4,982,108	3,851,355	560,232	569,990
Missouri .....	1,360,054	1,071,066	88,899	200,003
New Jersey .....	1,806,439	1,381,940	330,951	93,508
New York .....	5,248,710	4,018,653	744,269	486,117
Pennsylvania .....	3,350,839	2,645,760	433,639	271,317

Special count of radios, based on Oct.-Dec. 1960 Census Bureau interviews with some 10,000 householders, showed 89.9% of homes had one or more sets in working order. If non-working sets are included, Census reported, 94.2% of homes had one or more receivers. Survey included auto radios and all other non-home sets. Excluding non-working sets, 49.2% of households had one set; 24.1%, 2; 9.8%, 3; 4.4%, 4; 1.5%, 5; .9%, 6 or more. Total: 84.1 million working sets in homes.

Fine of \$5,000 must be paid by radio KDAY Santa Monica, Cal. for carrying "teaser" commercials violating rules by failing to identify sponsor or product. FCC rejected the station's request for reduction of fine (Vol. 1:14 p5), stating that management should have known better. Teasers were one sentence: "Remember June 25."

Station Representatives Assn. 5th annual awards luncheon at Waldorf-Astoria, N.Y. May 10, will feature address by Rep. Rogers (D-Tex.), member of House Commerce Committee. "Silver Nail timebuyer of the year" and "Gold Key" awards will be presented.

Ch. 8 CP in High Point, N. C. should go to Southern Bestrs., FCC indicated in instructions to staff. Losers would be Jefferson Standard Bestg. and TriCities Bestg., for Greensboro, and High Point TV, High Point. Examiner's initial decision had favored TriCities.

FCC license-fee deadline for industry comments (Vol. 2:8 p4) has been extended from April 16 to May 16, replies from May 16 to June 16, at request of American Radio Relay League.

Purchase of radio WINS N.Y. by Westinghouse Bestg. for approximately \$10 million is in final stages. Westinghouse is also reported resuming negotiation for purchase of radio KLAC Los Angeles, which faded out while Westinghouse was waiting FCC clearance of problems raised by anti-trust price-fixing convictions of its parent company.

Don't blame TV for juvenile crime, a govt. criminologist told a corrections conference in Washington. Victor H. Evjen, asst. probation chief for U.S. Courts administrative office, declared: "We have heard it said that a particular youth was incited by a TV program to commit a certain crime. Delinquency and crime in general go much deeper . . . "We must ask why the 99 others who saw the same program did not commit a crime."

Construction of \$36 million, 3,000-mile microwave network capable of carrying b&w or color signals—but not intended for TV initially—between Vancouver and Montreal will begin this summer. RCA Victor Corp. of Canada has been awarded \$12 million contract for manufacture and installation of system which will include 136 towers. Line will be owned jointly by Canadian Pacific Railway and Canadian National Railways.

Congressional hearing staged for KNXT Los Angeles heard Vice Adm. Hyman Rickover call TV waste of time. Group of Los Angeles 6th grade pupils providing background for taped Joint Atomic Energy Committee session were urged by nuclear sub expert to avoid TV, "one of the most painful influences in this country."

Ga. Assn. of Bestrs. will conduct TV-radio seminars for state educators April 17-20 in Atlanta, Athens, Moultrie & Vidalia. Programs will include TV-radio production, news operations, writing, reporting, and tours of GAB member radio stations.

ETV grants totaling \$11,401,000 have been made by Fund for Adult Education since establishment in 1951 by Ford Foundation, FAE reports. Grants for all educational purposes made by fund since establishment have totaled \$48,719,000.

Sterilized TV equipment was manned by surgically-garbed crews for taping of NBC-TV special "Breakthrough: Heart and Artery Surgery," to be televised April 23. Program will show 4 major operations filmed in Washington, Minneapolis, San Francisco & Houston.

Videotape Productions of N.Y. was first East Coast independent producer to tape major network special, with recent production of ABC-TV's "Timex All Star Comedy Show." Company is planning for several future shows.

New Panama City station, Ch. 2, "Televisora Nacional," begins telecasting April 23. ABC International affiliate reports prime time programming sold out.

Minimum Teleglobe pay-TV charge proposed is \$3.25 a month—not weekly, as reported (Vol. 2:14 p5, 2:15 p8). TELEVISION DIGEST regrets the error.

H & B American bought its 20th CATV system for undisclosed price, acquiring 2,500-subscriber system serving Willits & Ft. Bragg, Cal., from Vision Wire. H & B says its systems serve 67,750 subscribers.

First film syndicator has joined TvB—Buena Vista Distribution Co., syndicator of *Mickey Mouse Club*. Irving Ludwig is Buena Vita pres.

Call change, from KCSJ-TV to KOAA-TV Pueblo, Colo., approved by FCC.

New call letters of CFCJ-TV Port Arthur, Ont. are CKPR-TV.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**SHORTER RCA COLOR TUBE IN JANUARY:** Color tube 6-in. shorter—and presumably brighter—than today's tube, is scheduled for January production by RCA. Like present tube, it will be 21-in. round 3-gun shadow-mask type. New tube has 90-degree deflection, compared with 70 degrees on current tube.

RCA's set-making customers received mechanical samples of new 90-degree bulb April 11, and RCA gave them this timetable: Operational samples of finished tube in August; production in January. New tube measures 19 in. deep (about one in. longer than 23-in. b&w 90-degree tube), compared with 25 in. for present color tubes.

Interesting feature of upcoming color tube is that neck has 1 7/16-in. diameter vs. present 2-in. Narrowing of neck brings yoke closer to guns and should result in increased brightness.

RCA confirmed that it is preparing to produce new tube, stating that "developmental models" would go to set makers in mid-1962 and tube would be available in commercial quantities next spring.

Prices for tube weren't quoted, but it's good bet that it will cost more than present tube at first. Because of its obvious design advantages, it should completely replace 70-degree tube shortly after introduction—and it's quite probable price will come down after production goes up.

New shorter tube unquestionably will hypo color sales still further, since it will make possible color sets of proportions much more appealing to lady of house.

Next question: When will RCA have rectangular 90-degree color tube? Best guess: In two years.

Motorola meanwhile is betting on its own 23-in. 90-degree rectangular color tube, now being developed by National Video. Latter company is turning out 2 or 3 of these daily. Basic difference between Motorola-National Video & RCA color tubes (aside from shape) is type of glass used. National Video is using regular b&w ("soft") glass, while RCA uses special glass designed for color.

In view of steady improvement in National Video's developmental tubes, there's increasing belief in industry that such a tube can be made with b&w glass. But at what cost? Some tube industry people think shrinkage rate will be fantastic with this type of glass, pushing costs far out of reason. "We think we can lick costs," says National Video.

Another factor in color-tube business may soon be Sylvania. There were indications that announcement would come this week or next. Also looking at possibility of going into color tube production is Rauland (Zenith), which, however, needs added plant facilities before it can get into field.

Increased color programming and slimmer sets should help sales substantially over next year. NBC's new nighttime schedule for 1962-63 season shows 19% more than this season—and ABC-TV will be coloring at least 3 or 4 of its evening shows. CBS may be in the act, too, by then. RCA's increased color tube production facilities—at Lancaster, Pa. & Marion, Ind.—should bring its capacity to at least 750,000 tubes a year.

Most set manufacturers are scheduling increases in color. Top 3 in color now are believed to be RCA, Zenith & Warwick (Sears Silvertone), with Admiral moving up fast. Zenith is already on record as shooting for 100,000 sets this year; Warwick is believed to be scheduling about 50,000; RCA's plans are known only to RCA. Admiral Pres. Ross D. Siragusa told stockholders meeting last week that his company's color output would be at annual rate of 75,000 sets next fall.

But there are some sobering notes, too—as in this statement from Magnavox's annual report last week:

"While Magnavox as well as others in the industry have made some significant gains in the sale of color TV, the total market is still small and will probably continue to be so limited until there is more & better color-TV programming and until such time as the screen size is increased and the tube length shortened to allow for better & more compact furniture styling. Magnavox will continue to sell its present line of color-TV sets but does not intend to go into an expanded market development & promotional program until such time as the present limitations of color receivers are overcome. Magnavox has demonstrated that its big-picture [black-&white] TV . . . offers far more entertainment value than does the present color receiver."

**16-in. 'LIGHTWEIGHT' SETS THIS YEAR:** There'll be a new American portable TV size this year. The 16-in. square-cornered picture tube has been given green light, which means that at least one manufacturer plans to use it in a set. Since the size has little price advantage over 19-in., best guess is that it will show up in "lightweight" portable.

Set could be introduced at spring-summer showings—since industry has had plenty of time to play with 16-in. tube. Corning has been pushing this size—while industry blew hot & cold—for more than year. It's understood Corning had established 100,000 units as minimum for this bulb. Tube is now penciled in for production, so it can be assumed that there are orders for at least that many.

Tube will be used with Pittsburgh Plate Glass bonded cap, although Corning had been plugging its own molded cap for the lightweight 16-in. bulb. Reason for switch to Pittsburgh cap is weight of Corning's cap—about 4½ lb., including resin.

New 16-in. sets can't be sold much cheaper than 19-in. One tube maker estimated total saving per set (as compared with 19) at \$1.75—and all of this saving is in glass. How much weight advantage could smaller, lighter tube provide? Earlier this year, there was some talk of 20-lb. set (Vol. 2:8 p8), but even this would take some pretty fancy doing. It could eventually be made lighter through Kimcode principle, if this ever gets off ground (see below).

We don't see widespread use of 16-in.—at least from outset. It may be confined to one or 2 manufacturers. Cross-section of tube makers indicates industry is quite cool toward this size, but is keeping eye on it. Close watch will continue after first sets come out—and if it looks as if public is taking to it, there could be stampede to new size.

There seem to be no other small sizes in wind—from U.S. manufacturers. Although one manufacturer had been playing with 8-in., this mood now has dissipated. On other end of spectrum, big-size trend will continue, with virtually every manufacturer returning to 27-in., some of them with new "thin" 110-degree version featured this year by Magnavox.

**SIZING UP THE KIMCODE TUBE:** Pros & cons of no-safety-glass tube process are now getting thorough airing in industry—and it's still toss-up whether Kimble Glass Co.'s "Kimcode" bulb will be adopted (Vol. 2:12 p7).

Kimcode bare-faced bulb, strengthened by metal banding round rim of faceplate and designed to be implosion proof through use of fiberglass sleeve cemented around funnel, is being proposed for use in sets without any glass or plastic in front of it. Most tube manufacturers are now putting it through its paces.

One big key to future of Kimcode will be outcome of Underwriters Labs tests, now being run concurrently in N.Y. & Chicago. Final UL decision isn't expected for 4-5 weeks—but it's understood that so far UL has found no reason to reject concept. UL is expected to be ultra-cautious in its approach to Kimcode, because of novel concept of eliminating implosion plate altogether.

Is set-making industry interested? It depends on which tube maker you talk to. Said one: "We have 2 or 3 customers anxious to get into it." Another: "The industry as a whole is cool to this approach."

RCA regards Kimcode as "interesting development," spokesman said, but "a considerable amount of evaluation is necessary." RCA is not sampling its customers with the tube.

Sylvania is now swinging into sampling program on Kimcode. National Video has completed sampling its customers, and seems to be rarin' to go. "We could be in production in 3 or 4 weeks after UL approval comes through," we were told by National Video Pres. Asher Cole.

Kimcode tube has been costed out by National Video, said Cole, and it seems to work out to about \$2 more than regular non-bonded "heavy" tube in 23-in. size. "It's still cheaper than any other method, when you consider that you need no implosion glass with it," he said.

Other tube manufacturers were inclined to doubt that differential would be as little as \$2 and to feel that there would be little if any saving as compared with standard "heavy" bulb & external glass. They did feel, however, that there would be some weight saving—particularly applicable in 19-in. portable sets. Kimcode process uses special bulb, with faceplate shaped for uniform thickness and tinted to reduce light transmission (increasing contrast).

"We need more experience with it," we were told by 2 manufacturers, who are now running production & "wear" tests. Some of points which they raised for evaluation of new tube process: (1) Implosion safety—first & foremost, of course. (2) Appearance of tube when set is turned off. (3) Light transmission & contrast. (4) Economics of system vs. other approaches. (5) Adaptability to mounting, complexity of front-end assembly, stress on cabinets, etc.

Kimcode tube obviously won't appear in set makers' summer lines, but if UL gives approval and if manufacturers adopt new tube, it could be featured in early fall drop-ins.

## TOPICS & TRENDS

Latest communique from price war front on transistor radio battlefield: Zenith announced substantial reductions, although it declined to "go into the gutter with a \$14.95 model." However, it met RCA & GE prices for lowest-priced gift-pack models. Its Royal 50, formerly \$24.95 minus gift pack, was chopped last week to \$19.95 with gift pack. Other new prices: Royal 90, now \$21.95 with gift pack (formerly \$26.95 without) and Model 125, now \$24.95 with gift pack (formerly \$29.95 without).

Motorola says it will not go along with RCA & GE moves to reduce 6-transistor prices to \$14.95, since its current line (starting at \$16.77) "represents good value at the price."

Numbers game (continued): RCA reports its best first-quarter home instrument sales volume since 1951, with color TV sales best for any quarter in history (including record 3rd & 4th quarters of last year). All-time first-quarter record was set in phono sales. RCA Sales Corp. volume for first-quarter 1962 reportedly was 69% ahead of corresponding 1961 quarter. Magnavox reports 40% increase in consumer electronics for first quarter (see financial table). And TV-radio importer Delmonico International (div. of Thompson-Starrett) gave its first-quarter sales as \$3,030,000, up from \$1,670,000 in last year's period. Exec. vp Herbert Kabat said March was 17th consecutive month Delmonico showed increase over corresponding year-ago month.

FM stereo is booming antenna sales (Vol. 2:15 p9). Technical Appliance Corp. (Taco) reported last week that sales of its do-it-yourself \$8.95 FM antenna kit have doubled since start of FM stereocasting. Antenna is designed for mounting on existing TV antenna masts.

Transitron Electronics has been charged with making "false & misleading" statements in 2 registration statements by 4 mutual funds which have filed suits totaling \$3.1 million. The funds—Diversified Growth, Wellington, Wellington Equity and One William Street—claim Transitron issued misstatements on inventories, patent rights, sales and profits in 2 registrations involving 2,250,000 common shares. Transitron Pres. David Bakalar termed suits "completely without merit," said "we will vigorously defend ourselves."

G geared to color TV, RCA's exhibit at Seattle World's Fair will include working color-TV studio where KING-TV Seattle will produce 4 shows daily, and see-yourself-on-color-TV exhibit, as well as "stereo listening lounge."

Zenith is asking \$5 million damages from Marshall-Wells Co., Duluth appliance manufacturer which also uses "Zenith" trade name. In Chicago federal court, Zenith amended old 1958 suit to charge it had lost substantial sales because of "inferior" quality of Marshall-Wells appliances. Marshall-Wells had denied it made use of Zenith's reputation to sell its appliances, and stated it had used the name 25 years before Zenith used it, charging Zenith with violation of anti-trust acts. In Zenith's complaint, Marshall-Wells' former right to use of trade name was conceded, but it was charged that the company had abandoned this right by misrepresentation.

FM stereo starter: KTBC-FM Austin, Tex. became 82nd station in North America to broadcast in stereo.

## Trade Personals

**Dr. J. Herbert Hollomon**, gen. mgr. of GE general engineering lab, named adviser to Commerce Secy. Luther Hodges & appointed to new post of Asst. Secy. of Commerce for Science & Technology.

**Eugene E. Beyer Jr.** advanced to RCA staff vp & general attorney, corporate affairs . . . **Louis Malter** elected Varian Associates vp . . . **Charles F. Avila**, Boston Edison pres., elected a Raytheon dir.

**Gene K. Beare**, Sylvania president, received Oscar from Motion Picture Academy in recognition of part played by Sylvania's Sun-Gun floodlight in movie-making.

**George A. Fadler**, RCA director of purchases, promoted to staff vp . . . **C. Gus Grant**, ex-GE, named to new post of Ampex marketing vp.

**Sherwood H. Egbert**, Studebaker-Packard pres. and chief exec. officer, elected to Indiana General board . . . **John W. Stanger** named GE Credit Corp. vp . . . **Robert Moffat** named Webcor exec. vp, succeeding **John H. Thrig**, assigned to other duties; **William A. Hriszko** named mfg. & eng. vp, succeeding **Woodrow Taradis**, resigned . . . **Edward C. Johnson Jr.** named Revere Camera merchandising supervisor, a new post.

**George Johnson**, retired pres. of Houston Fearless, has resumed that post, succeeding **Barry J. Shillito**, resigned . . . **Edwin D. Campbell**, ex-LFE Electronics vp-gen. mgr., named vp & chief financial officer of Itek Corp., Lexington, Mass.

**Bernard Murphy** named vp in charge of Electronic Associates' European Div., continues as managing dir. of British subsidiary Electronics Associates Ltd.

**John H. Adams**, formerly vp-gen. mgr. of Zenith's subsidiary Central Electronics, appointed commercial mgr. of Zenith Sales Corp.'s Parts & Accessories Div., a new post.

**Seymour Mintz**, former Capehart vp, named consultant to Datom Industries, Orange, N.J. radio & phono manufacturer.

**George T. Stewart**, recently resigned Sylvania Eastern region sales vp (Vol. 2:11 p9), appointed Sony Corp. of America gen. sales mgr., headquartering in N.Y.

**Dr. Julien Keilson** appointed Sylvania Applied Research Lab senior scientist . . . **Ivan L. Brandt** named Erie Resistor research & engineering vp, a new post . . . **Dr. Philip N. Hambleton**, ex-CBS Electronics, joins Itek as mgr., image-processing dept., Lexington, Mass.

**R. G. Nau**, Arvin Industries vp, named chmn. of subsidiary Westgate Lab Inc., Yellow Springs, O.

**Datom Industries** has taken over Madison-Fielding brand name from Crosby-Teletronics, now in Chapter X reorganization proceedings. The Orange, N.J. firm will revive Madison-Fielding brand—previously used for component hi fi—for line of moderately priced stereo-phono-radio consoles. **Oscar Dolgins** is president of Datom; **Seymour Mintz**, ex-Admiral, CBS & Capehart, heads new phono operation. Datom purchased inventory and most physical assets of Crosby Electronics for \$48,500. Real estate of parent Crosby-Teletronics was bought by Dri-Clave Corp., Franklin Square, N.Y. for \$42,200. Crosby hopes to reorganize in 30 days as research & engineering firm.

**Mergers & acquisitions:** Standard Kollsman Industries and American Bosch Arma have terminated negotiations for merger. Standard Kollsman Pres. **James O. Burke** said his company "will continue to investigate other acquisition prospects in the light of its planned growth program." **Siegler** and **Lear** directors have approved final terms for merger of Lear into Siegler. **William P. Lear** has resigned as Lear chmn. & board member. **Cousino Electronics**, Toledo maker of magnetic tape devices, is now controlled by **Champion Spark Plug Co.**, which purchased approximately 75% interest for cash. Cousino's 1961 sales were under \$1 million. **Avnet Electronics** will acquire for stock privately-owned **Spiegel Brothers** of N.Y. & subsidiaries **Steelcraft Tool Corp.** & **Century Chain Corp.**, all sellers & importers of tools & hardware. **Webcor** has purchased for cash **Harvill Corp.**'s Special Products Div., maker of food waste disposers, marking its entry in field of major kitchen appliances. Production facilities eventually will be moved to Chicago from Harvill's Compton, Cal. location. **America Corp.** has acquired for more than \$6 million **Gibbs Corp.**, Jacksonville, Fla. shipbuilder & general marine repairer. **Avnet Electronics** has acquired for 50,000 common shares, valued at \$1.4 million, **Freeman Products Corp.**, privately held N.Y. marketer of electronic components. **Peninsular Metal Products**, which is being absorbed by **Lynch Corp.** (Vol. 2:12 p11), will ask stockholders at April 25 meeting to approve name change to **Cox Instruments Corp.**

**Fines for price-fixing** have been levied against 10 electronics firms & 9 executives by Federal District Court in Dayton. They had been indicted in January. Fined were **International Resistance**, \$25,000; **Electra Mfg.**, \$15,000; **Aerovox**, \$17,000 and **Charles Golenpaul**, \$1,000, **James M. Kramps**, \$500; **Daystrom**, \$10,000 and **Wilbert Steinkamp**, \$1,000; **Allen-Bradley Co.**, \$12,000 and **William W. Garstang**, \$5,000; **Stackpole Carbon**, \$10,000; **Indiana General**, \$15,000 and **John Bouwmeester**, \$1,000; **Texas Instruments**, \$15,000 and **Leonard Maguire**, \$1,000; **Claro-stat Mfg.**, \$5,000; **Dale Products**, \$3,000. **Dale Products' George Risk** & **P. P. Geeding** and **Electra's Richard Burton** received suspended fines of \$1,500.

**Semiconductors in TV** will highlight several papers scheduled for IRE Chicago Spring Conference on Broadcast & TV Receivers, O'Hare Inn, Des Plaines, Ill., June 18-19. **Motorola Pres. Robert W. Galvin** will be June 18 luncheon speaker. In papers: **New uhf local oscillator**, **L. R. Maguire**, Sylvania; **transistors in uhf tuners**, **S. M. Weaver**, Texas Instruments; **silicon transistor TV receiver**, **J. A. MacIntosh**, **S. A. Schwartz**, **Paul J. Beneteau**, Fairchild Semiconductor; **silicon video output transistor**, **R. Gudis**, **C. Kile**, Philco; **TV stereo system**, **R. B. Dome**, GE; **low-cost FM stereo receivers**, **R. J. Nelson**, **O. P. Hart**, RCA.

**Pacific Mercury Electronics**, which makes **Sears Roebuck Silvertone TV-radio** & **Thomas electronic organs**, filed \$2 million suit against **Estey Electronics** and **Pacific Mercury's** former chief organ engineer, **Solomon Heytow**, in Los Angeles Superior Court. **Heytow** is charged with developing electronic organ for **Estey** based on work done by **Pacific Mercury**.

**New plants & expansions:** **International Resistance** will add a 12,500-sq.-ft. extension to its present 13,000-sq.-ft. **St. Petersburg, Fla. plant**. Expansion is slated for completion this summer.



**Japanese Rate of Increase Off:** Japanese electronics production in first 9 months of last year totaled \$1.022 billion, up 19% from \$857 million in same period year earlier, according to U. S. Commerce Dept.'s BDSA. This compares with 1959-to-1960 increase of 31%. TV-radio output accounted for 48% at \$486 million for 9 months of 1962 vs. \$432 million in same 1960 period. TV alone totaled \$339,738,000 compared with previous year's \$287,949,000; radio production rose only slightly, from \$142,452,000 to \$144,931,000.

Consumer products production amounted to \$567,515,000, 56% of total, compared with \$479,793,000 in same 1960 period.

Slight gain in radio output was all in transistor sets. Output of radios with 3 or more transistors rose from \$123,178,000 to \$130,773,000; tube-type production skidded from \$17,415,000 to \$14,106,000. Radio-phono output was up briskly, from \$16,308,000 to \$27,658,000, but phonos alone fell from \$2,077,000 to \$884,000. TV-radio broadcast equipment rose from \$8,050,000 to \$10,132,000; industrial TV equipment from \$241,000 to \$1,051,000.

Picture tube output slumped from \$54,685,000 to \$50,441,000, receiving tubes from \$70,849,000 to \$39,400,000. Semiconductor production rose from \$55,054,000 to \$57,518,000.

Factory sales of TV picture & receiving tubes in February moved well ahead of year-earlier pace in units, but dollar value of TV picture tubes declined. EIA reported last week that 733,670 picture tubes valued at \$13,944,313 were sold in February, compared with 728,989 at \$14,395,981 in Feb. 1961. Receiving tubes were up in both units & dollars—27,977,000 units at \$23,841,000 vs. 25,803,000 units at \$21,865,000. Here are EIA's Jan.-Feb. 1962 figures:

	Picture Tubes		Receiving Tubes	
	Units	Value	Units	Value
January	802,061	\$15,625,304	29,592,000	\$24,789,000
February	733,670	\$13,944,313	27,977,000	\$23,841,000
Jan.-Feb. 1962	1,535,731	\$29,569,617	57,569,000	\$48,630,000
Jan.-Feb. 1961	1,436,822	\$28,826,583	52,146,000	\$44,092,000

Factory sales of transistors in January pushed more than 5 million units ahead of Jan.-1961's sales pace, but dropped behind in dollar value by about \$1.5 million. EIA reported last week Jan.-1962 sales of 17,238,376 transistors valued at \$21,459,598, compared with 12,183,931 units at \$22,955,167 in 1961's opening month.

Transistorized underwater TV camera will be produced by Admiral govt. electronics div. for U.S. Navy under contract with Cook Electric Co.

Fair-trade minimum-price policy has been established by Andrea Radio for franchised dealers in greater N.Y. area.

**Officers-&Directors** stock transactions as reported to SEC for March:

- American Bosch Arma. Charles Allen, Jr. sold 2,000, held 40,457.
- AB-PT. Sidney M. Markley bought 650, held 1,170.
- Amphenol-Borg Electronics. Harold R. Egenes sold 500, held 1,033. Henry Feldmann sold 100, held 22,880.
- Arvin Industries. Fred E. Daniel sold 600, held 4,815.
- Avco. Earl H. Blaik bought 5,833, held 16,833.
- Avnet Electronics. Louis A. Tepper bought 445, held 2,412.
- Collins Radio. Sveinn J. Storm bought 2,018, held 2,995.
- Corning Glass. Robert D. Murphy bought 1,000, held 1,000. Thomas Waaland sold 200, held 3,600.
- Davega Stores. Mack Halperin sold 3,000, held 6,280.
- Electronic Specialty. Clyde F. Mooney sold 2,000, held 7,000.
- Electronics Corp. of America. Harlow F. Avery sold 1,000, held 78,000.
- Fairchild Camera & Instrument. Richard Hodgson bought 12,000, held 21,400.
- General Instrument. Moses Shapiro bought 5,000, held 41,100.
- GPE. James W. Murray bought 500, held 2,076.
- Magnavox. Frank Freimann bought 138,915, held 586,774.
- Muntz TV. Ben Regan bought 2,000, held 9,000.
- National Video. Asher J. Cole sold 24,040 Class A, held none; sold 25,040 Class B, held 75,120. Edward Conway bought 600 Class A, held 1,000.
- Packard-Bell Electronics. Lowell R. Day bought 4,590, held 10,276.
- Pentron Electronics. R. L. Moxley sold 1,500, held 220,319. Theodore Rossman sold 1,000, held 115,000 plus 9,000 in trusts.
- RCA. Kenneth W. Bilby bought 2,767, held 4,334.
- Raytheon. Thomas H. Johnson sold 250, held 2,231. Thomas L. Phillips sold 737, held 127.
- Rollins Bestg. O. Wayne Rollins bought 400 as guardian, held 7,480.
- Screen Gems. Russell Karp bought 300, held 500. Robert Seidelman bought 200, held 1,518.
- Standard Kollsman Industries. Arthur Richenthal bought 26,840, held 29,947.
- Tung-Sol. George E. Hallett bought 185, held 1,725. Mervin J. Kelly bought 200, held 300.
- Warner Bros. Charles Allen Jr. sold 8,400, held 131,600.
- Webcor. James E. Archambault bought 1,000, held 3,852.
- Zenith. Sam Kaplan sold 400, held 9,180. Donald MacGregor sold 600, held 6,450. Hugh Robertson sold 400, held 26,549.

**Feb. Production Figures:** Output of TVs & radios in 1962 continued to run markedly ahead of a year earlier, EIA's official figures for February show. Nearly 100,000 more TV sets and approximately 350,000 more radios were

turned out in Feb. 1962 than in 1961's 2nd month. UHF set production also was up appreciably, as was FM radio output—both of them almost double last year. Here are EIA's official 2-month figures:

Month	TELEVISION				RADIO					
	Total Production		UHF Production		Total Production		Auto Radio Production		FM Production	
	1962	1961	1962	1961	1962	1961	1962	1961	1962	1961
January	488,869	367,935	39,609	25,270	1,350,630	1,090,073	530,589	387,136	76,510	50,421
February	541,494	444,418	46,715	24,514	1,464,797	1,115,029	480,232	307,973	79,713	41,357
<b>TOTALS</b>	<b>1,030,363</b>	<b>812,353</b>	<b>86,324</b>	<b>49,784</b>	<b>2,815,427</b>	<b>2,205,102</b>	<b>1,010,821</b>	<b>695,109</b>	<b>156,223</b>	<b>91,778</b>

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Audio Devices	1961—year to Dec. 31	\$ 7,350,711	\$ 634,456	\$ 308,456	\$0.36	844,526
	1960—year to Dec. 31	6,562,922	280,308	142,308	.17	831,652
Capital Cities Bcstg.	1961—year to Dec. 31	11,803,781	—	1,088,197	.93	1,149,798
	1960—year to Dec. 31	8,421,321	—	800,285	.70	1,149,798
Corning Glass	1962—qtr. to Mar. 31	60,357,929	—	6,768,903	.99 <sup>1</sup>	6,775,995
	1961—qtr. to Mar. 31	48,364,944	—	4,847,056	.71 <sup>1</sup>	6,770,003
Eitel-McCullough	1961—year to Dec. 31	27,100,000	—	486,671	.26	1,838,538
	1960—year to Dec. 31	28,300,000	—	(662,961)	—	1,832,706
Famous Players Canadian	1961—year to Dec. 31	—	—	2,423,919	1.40	1,737,072
	1960—year to Dec. 31	—	—	1,857,251	1.07	1,737,072
H & B American	1962—6 mo. to Jan. 31	1,734,029	—	(60,603) <sup>2</sup>	—	2,573,160
	1961 <sup>3</sup>	—	—	—	—	—
IBM	1962—qtr. to Mar. 31	453,226,278 <sup>11</sup>	114,114,982	56,264,982 <sup>11</sup>	2.04	27,578,943
	1961—qtr. to Mar. 31	389,062,378	99,176,669	48,826,669	1.78	27,478,377
Lynch Corp. (Symphonic)	1961—year to Dec. 31	23,561,782	—	579,111 <sup>12</sup>	.81	713,555
	1960—year to Dec. 31	25,989,077	—	(623,935) <sup>13</sup>	—	692,779
Magnavox	1962—qtr. to Mar. 31	43,000,000	4,990,000	2,435,000	.35	7,296,213
	1961—qtr. to Mar. 31	32,207,000	2,930,000	1,430,000	.20 <sup>4</sup>	2,365,168
NTA	1961—year to Sept. 30	8,505,470 <sup>6</sup>	—	(7,909,299) <sup>5</sup>	—	1,627,572
	1960 <sup>3</sup>	—	—	—	—	—
A. C. Nielsen	1962—6 mo. to Feb. 28	19,413,862	—	1,358,902	.79	1,710,000
	1961—6 mo. to Feb. 28	17,321,758	—	1,211,588	.71	1,710,000
Outlet Co. (WJAR-TV Providence)	1962—year to Jan. 31	19,329,437 <sup>7</sup>	2,023,226	958,820	1.93	497,100
	1961—year to Jan. 31	17,826,316 <sup>8</sup>	1,574,848	774,848	1.56	497,100
Storer Bcstg.	1962—qtr. to Mar. 31	—	4,079,322	2,151,596	.88	2,437,861
	1961—qtr. to Mar. 31	—	2,294,918	1,055,417	.43	2,474,750
Trans-Lux	1961—year to Dec. 31	—	1,128,780	567,379	.77	732,182
	1960—year to Dec. 31	—	1,040,892	502,217	.69	554,900
20th Century-Fox	1961—52 wks. to Dec. 30	117,428,059	(22,997,159)	(22,532,084) <sup>9</sup>	—	2,495,926
	1960—53 wks. to Dec. 31	118,356,457	( 3,440,839)	( 2,868,113) <sup>10</sup>	—	2,445,486
Wometco Enterprises	1962—12 wks. to Mar. 24	4,436,441	—	449,088	.41	1,006,757
	1961—12 wks. to Mar. 24	3,434,453	—	301,293	.27	896,980

Notes: <sup>1</sup> After preferred dividends. <sup>2</sup> After special charge of \$93,598. <sup>3</sup> Comparisons not available. <sup>4</sup> Adjusted to reflect 3-for-1 stock split July 1961. <sup>5</sup> After special \$4.5-million inventory write-down. <sup>6</sup> From film rentals. <sup>7</sup> Includes \$2 million from broadcasting. <sup>8</sup> Includes \$1.6 million from broadcasting. <sup>9</sup> After \$465,075 tax credit and before net

of \$25,477,917 on sales of certain studio properties. <sup>10</sup> After \$622,726 tax credit and before net of \$9,081,214 on sales of certain studio properties. <sup>11</sup> Record. <sup>12</sup> After special charge of \$232,737. <sup>13</sup> After special charge of \$260,124.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AB-PT	Q	\$0.25	June 15	May 18
Dominion Electrohome	SA	.10	May 31	May 15
Ford Motor	Q	.90	June 1	Apr. 26
Wometco Enterprises-A	Q	.17½	June 15	June 1

Admiral will give "serious consideration to resumption of a modest dividend later in year," Pres. Ross D. Siragusa told annual meeting last week. Admiral's last common stock dividend was a 25¢ payment in Dec. 1956. Siragusa also said that first quarter sales and earnings ran ahead of 1961's March quarter. Sales jumped about 15% from first-quarter 1961's \$42.4 million. He did not estimate gain over year-earlier profit of \$204,113.

Clevite Corp. is forecasting record sales of about \$100 million this year, up from 1961's \$91.9 million. Pres. William G. Laffer said earnings could approach 1960's record \$3.53 a share.

Decca Records and MCA are verging on merger. Milton R. Rackmil, pres. of Decca, which also owns 88% of Universal Pictures, said offer from MCA to exchange its stock is "imminent." He said talks with MCA commenced last fall, asserted that integration of 2 companies would produce "greater development and use of talent & personnel in all phases of phonograph record, motion picture, and TV production & distribution." Combined 1961 revenues of Decca & MCA totaled \$173 million. Rackmil also announced that Decca's first-quarter earnings this year rose to record \$2,137,000 (\$1.65 a share) from \$963,800 (75¢) in Jan.-Mar. 1961.

GE scored 32% profit gain on 11% sales rise in 1962's opening quarter. Sales climbed to \$1.1 billion from \$992.6 million in 1961's March quarter. Earnings rose to \$56 million from \$42.5 million. Chmn. Ralph J. Cordiner said sales of consumer products "continued to strengthen" during the quarter and predicted "a steady, although not spectacular, improvement" in coming months.

NAFI Corp. will change its name to Chris-Craft Industries Inc., if stockholders approve at April 27 meeting.

# WEEKLY Television Digest

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

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**'WAIT & SEE' AFTER 'DEFENDERS' PREVIEW** by NAB Code Authority and affiliates, Swezey giving an "OK—but" recommendation (p. 1).

**ETV AIMS FOR QUICK USE OF NEW FUNDS** following Congressional passage of \$32 million aid-to-ETV bill. First grants expected in early fall (p. 2).

**NETWORKS GET IN THEIR CHICAGO LICKS**, offering "massive retaliation in hundreds of pages of analysis to refute testimony of critics (p. 2).

**SET MAKERS HOPE FOR SENATE VHF-UHF-SET STYMIE**, claiming skepticism is growing, based on extra costs for uhf which may be long unused. But enactment prospects remain strong (p. 3).

**POLITICAL BROADCASTING—2 MAJOR REPORTS** issued by White House and Senate groups, outlining proposed ground rules for campaign broadcasts (p. 3).

### Consumer Electronics

**TV SALES UP 17%**, radio up 14% in first-quarter distributor-to-dealer shipment estimates (p. 7). Official 2-month statistics show phono sales lag in January, but recover in February (p. 11).

**REPLACEMENT MARKET** for picture tubes drying up, industry leaders believe. Quality has reached point where tube now lasts useful life of set, with no replacement in normal usage (p. 7).

**TV KIT COMEBACK** may be in works as kit-building hobby spreads. Conar offers build-it-yourself TV set, but it's quite different from TV kits of mid-'40s (p. 8).

**HERTZ TV RENTALS BOOMING**. "Immense" increase reported; product-rental chain now represented in 10 cities. Hertz also rents radios & phonos, is exploring adding color TV (p. 8).

**RAULAND COLOR TUBE** output to begin early next year in large-scale expansion of Zenith subsidiary. CBS-TV may use color on couple of specials next season, but plans no regular colorcasts (p. 9).

**RCA SCORES RECORD QUARTER** as sales climb 18%, profits jump 21%. Company forecasts 1962 as one of its "most rewarding & productive" years (p. 12).

**GT&E RINGS UP RECORD SALES** in first quarter, scores 13% profit gain. Sylvania more than doubles year-earlier profit (p. 12).

**CBS'S BRIGHT OUTLOOK** delights Paley & Stanton at L.A. stockholders meeting, first quarter shaping up as best in history (p. 12).

**'WAIT & SEE' AFTER 'DEFENDERS' PREVIEW:** Good test of NAB Code system, coupled with affiliate previewing, is in works for April 28 CBS-TV episode of *The Defenders* dealing with abortion of pregnancy caused by rape.

CBS called in NAB Code Authority Dir. Robert Swezey for preview, fed it also to affiliates April 19. No affiliates had cancelled by week end, CBS reported.

Asked for comment, Swezey came up with an "OK—but" report, as we read it. Excerpts:

"Apparently a sincere effort to present in a dramatic & forceful manner a point of view respecting a significant social problem. . . . The Code Authority is nevertheless impelled to raise the following considerations: (1) The suitability of *The Defenders* or other dramatic series as a vehicle for such a direct treatment of this subject. (2) The wisdom of selecting an early evening family viewing hour [8:30] . . .

"Program subjects the audience to a strong emotional thrust toward a particular point of view which some will find offensive; that some may well consider the blunt dramatic intensity of the presentation unsuitable for group viewing in the home while others will take a position quite to the contrary. . . . The episode should not be condemned as violative of the Code.

"It is earnestly recommended, however, that each affiliate . . . decide in the light of the specific requirements, characteristics and attitudes of its local community whether the public interest would be served

by the broadcast of the episode at the time and in the manner contemplated." In short—it's up to you, boys. Prognosis: very few affiliate dropouts, lots of public commendation, some vigorous condemnation. And a good rating for newly acquired sponsor Speidel, which substitutes for the regulars April 28, and has taken alt. week half hours of series starting in Fall.

**ETV AIMS FOR QUICK USE OF NEW FUNDS:** With \$32 million in federal funds now on tap, following Congressional passage last week of aid-to-ETV bill (S-205), jubilant educational broadcasters are poised for quick action in putting money to work after administrative details are ironed out.

ETV groups, which have been pushing measure for years, reported many stations & organizations prepared to apply for funds immediately. Spokesman for Secy. of Health, Education & Welfare, who will administer program, expressed hopes Dept. could begin making grants by early fall.

Major HEW tasks now, according to Dean Coston, special asst. to HEW Asst. Secy. Wilbur J. Cohen: (1) Development of specific rules & regulations for grantees and development of application procedures. Dept. has been unable to finalize details due to last-minute Congressional conference committee revisions to bill. (2) Liaison with FCC to determine modus operandi for judging applicants' resources, technical know-how, proposed coverage, etc. Commission recently set up div. of research & education within Broadcast Bureau. Div. is directed by Dr. Hyman Goldin; educational branch is headed by Dr. Keith M. Engar.

National Assn. of Educational Bcstrs. Administrative vp Harold Hill said legislation "should lead to a truly nationwide educational TV service." According to NAEB estimates, he said, there are 20-25 stations or groups in 10-12 states "ready to go," up to 100 more in 40-45 states in varying stages of preparation. Hill reported NAEB studies estimate additional 20 stations will be on air after first year of grants, with 25-30 starting in each of succeeding 4 years of program. The 62 stations already operating also will be eligible for funds for expansion and improved facilities, up to 25% of value of existing investment.

David Stewart, National Educational TV & Radio Center Washington dir., said NET is "absolutely delighted," predicted bill would be "one of the most important pieces of domestic legislation passed this session." He estimated that 20-25 stations or groups in 10-15 states are prepared to apply for grants, having already ponied up their matching funds through private sources. Commenting on provision of bill which limits to 15% the portion of any grant which can be used for microwave equipment and other connecting apparatus, Stewart said it would be slight drawback only to few states such as Fla. and Ala. which already have number of stations. Development of new facilities, which provision encourages, is most pressing need at present, he said.

Sen. Magnuson (D-Wash.), who championed bill patiently for 7 years, said that it "will go a long way toward putting educational TV on its feet." He expressed confidence it would trigger development of an ETV service covering every state and Puerto Rico.

Final version of bill, expected to be signed by President shortly after his return from Easter vacation, provides \$32 million, up to \$1 million per state in matching funds, over 5-yr. period, to be administered by HEW Secy. Existing stations would be allowed up to 25% of present facilities; 15% of any grant would be maximum which could be spent for interconnecting or repeater facilities.

**NETWORKS GET IN THEIR CHICAGO LICKS:** "Massive retaliation" perhaps best describes networks' testimony in FCC's Chicago hearings to air pros & cons of local programming output (Vol. 2:13 p3). Network spokesmen were satisfied that their cases were impressively placed in the record. "We gave 'em their lumps," as one put it, referring to the scores of critical public witnesses. Network witnesses were vp-gen. mgrs. of Chicago o-&o's: Lloyd E. Yoder, NBC; Clark B. George, CBS; Sterling C. Quinlan, ABC.

In hundreds of pages of point-by-point analysis, network witnesses ripped into testimony of critics. They pulled no punches, expressed pride in output, argued that their local originations are substantial, insisted that balance between network & local programs was carefully arrived at by weighing viewers' needs & wishes through all practical means. As for their "autonomy" vis-a-vis "network control from New York," they maintained that they play active role in program selection and that ultimate responsibility properly rests with principal officers of licensees, as required by law.

They went through incredible amount of detail—describing local programs and reasons therefor, including techniques whereby they ascertain viewers' needs & desires.

Some of strongest language was directed at AFTRA & NABET by Yoder. He asserted, for example, that AFTRA witness gave distorted figures on WNBQ's local live trends. AFTRA claimed that such programming declined from 20% to 9% from 1958 to 1961 whereas it actually increased, he said. As for NABET, though its witness said engineering jobs at station declined by 50 during 1958-61, reduction was 17, he said. And, he added, witness "was well aware" that reduction was ordered before he came to station—though she testified that he was responsible.

There's no question that FCC enthusiasm for such hearings has abated somewhat. Whether it has eased off enough to forestall more in foreseeable future—can't be foretold yet.

**SET MAKERS HOPE FOR SENATE VHF-UHF-SET STYMIE:** All-channel-receiver bill seems to have clear road in House, where Rules Committee gave it go-ahead for consideration after Easter recess ends April 30. But going may be a little stickier in Senate.

Manufacturers' representatives who have checked with key Senators, particularly those on Commerce Committee, believe sentiment for bill is much weaker there, claim that arguments against measure are sinking in. They assert that Senators are concerned about ultimate consumer reaction among viewers who'll pay extra for uhf but won't have need for it in visible future. It's hard to believe, however, that bandwagon will halt—propelled as it is by President, FCC, House, networks, NAB, major individual telecasters, major set makers.

But EIA's Consumer Products Div. won't say die. Last week, it released study stating that 92% of viewers live beyond range of existing uhf stations and that new uhf stations will arrive so slowly that most purchasers of uhf-vhf receivers won't be able to use uhf portion during life of sets. EIA Exec. vp James D. Secrest urged Congress not to "deprive the TV set buyer of his freedom of choice and force manufacturers & dealers to raise prices in areas where uhf service may never become available." If law is enacted, he said, vhf telecasters should be required to operate uhf transmitters simultaneously "to compensate the consumer for the extra cost of his set."

**POLITICAL BROADCASTING—TWO MAJOR REPORTS:** It's premature to repeal permanently Sec. 315 "equal time" requirements in presidential & vice presidential campaigns, according to 2 substantial studies issued last week. And neither report accepted suggestions that broadcasters be forced to give free time. One study was "Financing Presidential Campaigns," by President's Commission on Campaign Costs; chmn. of 9-man group is Alexander Heard, U. of N.C. Graduate School Dean. Other report was that of 3-man Senate Commerce "Freedom of Communications Subcommittee"; chmn. is Sen. Yarborough (D-Tex.), includes Sens. McGee (D-Wyo.) & Scott (R-Pa.).

White House Commission report was devoted primarily to ways & means of fair campaign financing (income tax credits, etc.), but it noted growing significance of TV-radio, acknowledged substantial gratis contributions of industry, refused to recommend compulsory free time (and was promptly commended by NAB Pres. Collins), urged suspension of Sec. 315 for 1964 presidential & vice presidential campaigns.

Commission reported that more than 1/3 of 1952 & 1956 national campaign costs went to TV-radio, mostly TV. It said that in 1952, broadcasting took 34% of the \$4.5 million spent by 15 Democratic committees operating in more than one state, 31% of \$6.6 million outlay by 18 comparable GOP groups. In 1956, figures were 41% of \$4.3 million for Democrats, 37% of \$7.8 million for GOP. Commission said full 1960 figures weren't available but that they probably were comparable. Among other recommendations: use lots of ETV time.

Yarborough committee urged more experience with Sec. 315 suspension before considering permanent repeal. Other major recommendations:

(1) FCC should speed processing of equal-time & editorial fairness complaints, adding a system for taking testimony in field immediately.

(2) Commission should adopt "ground rules" for editorializing. These would require stations to keep tapes or films of editorials on candidates for at least a week, make them available for inspection, also provide advance notice to candidates whom station opposes. Another suggested rule would require granting candidates time to answer editorials. Political editorials should be cut off at least 48 hours before opening of polls.

(3) FCC should modify requirement for candidates to file scripts in advance, instead allow candidate to make tapes of speeches to be kept by station for hearing or reproduction by interested parties.

(4) Stations announcing plans to refuse time to candidates should not be allowed to renege without agreement of all candidates. Stations may not arbitrarily set cutoff date for sale of political time.

(5) Congress should amend Sec. 326 to enable FCC, when acting on editorial fairness complaint, to order station to give time to opposition.

(6) Commission should "study in depth" discussion of controversial issues. This would include proposal to require station to initiate scheduling of opposition viewpoints to editorials, rather than await complaints. FCC also would judge whether station can require advertiser who editorializes to give time to opposition on his program.

(7) Station should be required to report to FCC immediately any refusals to sell time for presentation of news, discussion, or entertainment.

## CURRENT CAPSULES

Since Ford has continued Philco's battle against NBC, the network decided to open new phase of fight. Only matters still pending, NBC said, are proposed swap of its Philadelphia TV-radio stations with RKO-General's Boston outlets and Philco's effort to wrest away from NBC its WRCV-TV Philadelphia in a comparative hearing. NBC argues that: (1) Ford, by taking over Philco, can't legally also take over latter's protest against renewal of WRCV-TV. (2) If you're going to examine NBC's anti-trust history, you should look into Ford's too. It said Ford has been charged with monopolistic practices in at least 12 courts, within last 3 years alone—many of them filed by Justice Dept., many still pending. (3) Philco misrepresented to FCC its financial condition when it applied for Ch. 3, claiming it had adequate funds to build & operate when in fact its position was "critical."

Nine out of ten U.S. households have TV sets, according to Census Bureau survey conducted for Advertising Research Foundation. Count made in January 1962 estimates 48.9 million households have one or more sets, an increase of 16.7 million since 1955. Biggest concentration was in Northeast, where 93% of homes have sets, followed by 92% in North Central region, 90% in West, 85% in South. Survey also reveals: (1) Two or more sets are found in 13% of households. (2) In households with phones, 95 out of 100 have one or more sets; in homes without phone, only 71% are set owners. Copies of 22-page ARF survey, expanding Census result, including charts & graphs and data from 1955-62, are available at \$5 from ARF, 3 E. 54th St., N.Y. 22. Four-page Census report (Series H-121, No. 9) can be obtained for 10¢ from Bureau, Washington 25, D. C.

Substantial step toward communications satellite system came last week with House Commerce Committee approval of bill (HR-11040) calling for 50-50 ownership by public and communications companies. Bill is almost identical with one approved by Senate Space Committee (Vol. 2:14 p6 et seq.). Senate Commerce Committee resumes hearings April 24. Major difference in House bill is provision tying number of board members which companies may appoint to amount of stock they purchase, ranging from one member for 15%, to 6 for 50%.

ETV satellite system is being given "serious thought" by Office of Education of Health, Education, & Welfare Dept. Although still in "dream stage," project has been under study for about a year, we were told by Dean Coston, special asst. to HEW Asst. Secy. Wilbur J. Cohen. Project also has evoked interest of FCC & NASA, envisions fixed satellite hung at point over equator, possibly over Pacific Ocean off Colombia coast. HEW spokesman recently told House Appropriations Committee project is feasible, would cost estimated \$50 million on experimental basis for 5 years.

FTC put foot down on TV commercials for "Outgro" ingrown toenail remedy. Commission charged American Home Products Corp., which does business as Whitehall Laboratories, with false & deceptive advertising for claiming instant relief & cure. FTC contended product has no significant effect. Even product's name is false & misleading, FTC charges. Company was also cited for similar ads in other media.

## Personals

FCC Comr. Fred W. Ford enplaned for Tokyo April 19 to attend conference on submarine cables, will return May 5.

Robert W. Sarnoff, NBC chmn., and Dr. Peter H. Odegard of NBC-TV's *Continental Classroom* American govt. course, will address League of Women Voters 25th convention in Minneapolis May 4.

Frank Marx, ABC engineering vp, elected pres. of new ABC Engineers, div. of AB-PT. . . . Eric G. Larson named *TV Guide* advertising dir., succeeding Michael J. O'Neill, who resigns effective May 15.

Donald S. Shaw, Jr. promoted to ABC-TV station relations dir.; Joseph Giaquinto advances to TV station clearance dir., Mario Cucinotta to TV station clearance mgr.

Guy C. Fraker promoted to a Nielsen vp. . . . David Chasman promoted to UA advertising exec. dir.; Mort Hock, ex-Paramount asst. ad mgr., becomes UA advertising mgr.

Jack Cron, ex-Screen Gems European sales dir., named TV Enterprises Corp. international sales mgr. . . . Mel Bernstein advanced to Ziv-UA sales promotion dir.

John S. Allen promoted to WLBW-TV Miami gen. sales mgr., Charles J. Mathews to national sales mgr., Mollie Flynn to national sales coordinator. . . . William P. Dix, Jr., ex-WDAU-TV Scranton mgr., named WCHS-TV Charleston, W. Va., gen. mgr.

James M. Strain, ex-Filmaster western sales dir., named Storer Programs western div. sales mgr., Los Angeles. . . . Dick Jungers promoted to WGN-TV Chicago midwest national sales mgr., Marvin Rudolph to asst. eastern div. national sales mgr., N.Y.

James L. Lahey promoted to Entron pres. & chief exec. officer; Henry M. Diambra moves up to board chmn.; W. C. Godsey Jr. named head of new executive committee; Spencer Allen, KMOX-TV St. Louis news dir., elected Metropolitan St. Louis Press Club pres.

Harold Solding named WTAR-TV Norfolk programs & operations vp; Jack B. Prince radio vp; William A. Gietz TV sales vp. . . . Tom Goodgame, ex-Commercial Credit Corp., named KATV Little Rock commercial mgr. . . . James W. Anderson promoted to gen. advisor to Televisora Nacional, ABC Panama City affiliate.

NAB Pres. Collins' blast at FCC for Chicago hearings got nationwide attention because he reserves barrages for legitimate threats to industry, NAB PR mgr. John M. Couric told Phila. PR Assn. He said that Collins' popularity with broadcasters is at all-time high since his keynote address at NAB convention April 2 (Vol. 2:15, Supplement). Because of his policy of not "continually carping," the NAB chief's speech defending broadcasting not only rallied industry but brought support from many newspapers as well, Couric asserted.

Education of citizens to work for peaceful world is most pressing task facing nation, NAB Pres. Collins told annual dinner of patrons of Queens College, Charlotte, N.C. He criticized "blind reaction against change," told group: "There is no cause to quake before the prospect of a future filled with unpredictables. On the contrary, there is every reason to welcome it with enthusiasm."

**Minow Gets Peabody Award:** FCC Chmn. Minow received coveted Peabody Award April 18, was cited as "most courageous, responsible and energetic FCC Commissioner in years, [who] has done much to rescue the wasteland from the cowboys and private eyes." First govt. official to win this award, Minow told audience at luncheon meeting of N.Y. chapter of Broadcast Pioneers he considered award was not for him personally, but in recognition of govt.'s role in broadcasting. President Kennedy sent wire "noting with pride," saying "I am glad one of our boys made it."

Other winners: *David Brinkley's Journal*, NBC, TV news; *Bob Newhart Show*, NBC, TV Entertainment; *An Age of Kings*, BBC, and *Vincent Van Gogh: A Self-Portrait*, NBC, TV Education; *Expedition*, ABC, TV Youth & Children's Programs; Walter Lippmann, CBS, TV Contribution to International Understanding; *Let Freedom Ring*, KSL-TV Salt Lake City, TV Public Service; *Fine Arts Entertainment*, WFMT Chicago, radio entertainment; *The Reader's Almanac* and *Teen Age Book Talk*, WNYC N.Y., radio education.

Radio WRUL N.Y. was cited for radio contribution to international understanding, for coverage of UN General Assembly in English & Spanish. Special awards went to Fred Friendly, CBS, and to Capital Cities Bestg. Corp. for Eichmann trial coverage.

Violin virtuoso Jascha Heifetz will appear as performer-teacher in special National Educational TV network series this fall. Programs will be recorded during artist's classes at U. of Southern Cal.'s Institute for Special Musical Studies. Producer is Nathan Kroll, whose *Casals Master Class* series won documentary first prize at 1961 Venice Film Festival and special prize at 1962 Monte Carlo International TV Festival.

Construction of broadcast center for WTTG Washington will begin April 23. New center will include 5-story office building with connecting one-story broadcast wing. Studios will have 17,000 sq. ft. of space, more than double station's present facilities. Managers of Washington's 3 network stations will join WTTG executives in groundbreaking ceremonies. Completion of new facilities at 5151 Wisconsin Ave., N.W. is scheduled for next spring.

Horse "Vast Wasteland" won special race at annual National Press Club outing at Laurel, Md. track last week. Race features newsmen as jockeys, and horses are given temporary names. Winning jockey: Dawson (Tack) Nail, *Broadcasting* magazine reporter.

CATV system, Huntsman TV Cable Co., Johnson City, Tenn., has been bought for undisclosed price by industrialist and multiple-CATV owner C. A. Sammons, Dallas. R. M. Huntsman will remain as mgr.

FCC has approved purchase of remaining 50% of KCRA-TV & KCRA Sacramento, for \$2.8 million by 50% owners Nina N., Robert E. & Jon S. Kelly from Gerald & C. Vernon Hansen.

International Radio & TV Society may become new name of Radio & TV Executives Society, N.Y. RTES pres. Matthew J. Culligan explained word "executive" is hard to define, said new title would be more descriptive.

Unusual sponsorship of Easter Parade in N.Y. on WPIX has been purchased by Union Label Dept. of International Ladies' Garment Workers' Union. Commercials will stress significance of union label in women's clothes.

## 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	1962—qtr. to Mar. 31	—	\$ 6,442,000	\$ 3,042,000 <sup>10</sup>	\$0.70	—
	1961—qtr. to Mar. 31	—	7,325,000	3,425,000 <sup>11</sup>	.79	—
American Electronics	1961—year to Dec. 31	\$ 16,807,633	—	(638,874)	—	1,177,842
	1960—year to Dec. 31	22,609,422	—	(6,452,572) <sup>1</sup>	—	1,177,708
CTS Corp.	1962—qtr. to Mar. 31	6,672,486	—	550,014	0.38	1,447,003
	1961—qtr. to Mar. 31	4,439,860	—	351,243	.26	1,372,003
Electronic Specialty	1962—qtr. to Mar. 31	8,099,800	832,817	564,817	.64	887,621
	1961—qtr. to Mar. 31	6,188,074	220,139	185,139	.21	872,608
Fairchild Camera & Instrument	1962—qtr. to Mar. 31	23,884,000	—	1,352,000	.54	2,526,083
	1961—qtr. to Mar. 31	20,655,000	—	877,000	.35	2,467,392 <sup>7</sup>
GE	1962—qtr. to Mar. 31	1,100,566,000	114,169,000	55,963,000	.63	89,391,842
	1961—qtr. to Mar. 31	992,622,000	84,689,000	42,476,000	.48	88,860,183
GT&E <small>Story on page 12</small>	1962—qtr. to Mar. 31	317,906,000 <sup>2</sup>	—	18,162,000	.25 <sup>5</sup>	73,470,000
	1961—qtr. to Mar. 31	287,915,000	—	16,319,000	.22 <sup>3</sup>	73,273,000
Goodwill Stations	1962—qtr. to Mar. 31	1,819,097	—	140,106	—	631,903
	1961—qtr. to Mar. 31	927,389	—	44,676	—	632,143
Harvey Radio	1962—year to Jan. 31	4,356,081	—	232,592	.42	550,000
	1961—year to Jan. 31	4,172,123	—	203,230	.37	550,000
Hazeltine	1962—qtr. to Mar. 31	10,087,000	1,034,000	487,000	.31	1,568,029
	1961—qtr. to Mar. 31	12,645,000	868,000	421,000	.27	1,568,029
Indiana General <small>Story on page 12</small>	1962—qtr. to Mar. 31	7,283,028 <sup>2</sup>	1,483,493	717,763 <sup>2</sup>	.62	1,150,002
	1961—qtr. to Mar. 31	4,813,462	725,888	356,243	.31	1,139,522
Jerrold Electronics	1962—year to Feb. 28	18,045,564 <sup>2</sup>	—	591,171 <sup>2</sup>	.30	1,999,682
	1961—year to Feb. 28	11,935,899	—	248,873	.13	1,884,569
P. R. Mallory	1962—qtr. to Mar. 31	24,506,709 <sup>2</sup>	2,259,462	1,074,321	.68 <sup>3</sup>	1,501,848
	1961—qtr. to Mar. 31	19,745,337	1,640,406	781,797	.49 <sup>3</sup>	1,469,739
MGM	1962—28 wks. to Mar. 15	76,766,000	5,353,000	2,553,000	1.00	2,554,229
	1961—28 wks. to Mar. 15	75,778,000	14,684,000	6,684,000	2.65	2,521,529
Mavielab	1962—qtr. to Mar. 31	1,685,314	—	97,235	.30	328,034
	1961—qtr. to Mar. 31	1,436,380	—	69,399	.23	312,500
Muter	1962—qtr. to Mar. 31	4,132,740	—	72,701	.06	1,199,094
	1961—qtr. to Mar. 31	2,656,735	—	(13,894)	—	880,461
Paramount Pictures	1961—year to Dec. 31 <sup>8</sup>	—	—	7,148,000 <sup>9</sup>	4.23 <sup>9</sup>	1,688,531
	1960—year to Dec. 31	—	—	7,026,000	4.20	1,673,231
Penron Electronics	1962—9 mo. to Mar. 31 <sup>4</sup>	8,567,992	—	364,553	.15	2,441,037
	1961—9 mo. to Mar. 31	1,404,965	—	(448,554)	—	810,000
	1962—qtr. to Mar. 31 <sup>4</sup>	3,160,054	—	201,459	.08	2,441,037
	1961—qtr. to Mar. 31	407,961	—	(194,026)	—	810,000
RCA <small>Story on page 12</small>	1962—qtr. to Mar. 31	425,000,000 <sup>2</sup>	28,900,000	14,500,000 <sup>2</sup>	.81	16,913,000
	1961—qtr. to Mar. 31	361,700,000	22,600,000	12,000,000	.68	16,553,000
Raytheon	1962—qtr. to Mar. 31	157,334,000	—	2,499,000	.60 <sup>3</sup>	4,013,754
	1961—qtr. to Mar. 31	138,158,000	—	1,365,000	.33 <sup>3</sup>	3,855,045
Reeves Bcstg. & Development	1961—year to Dec. 31	4,340,240	—	157,877 <sup>5</sup>	.11	1,408,893
	1960—year to Dec. 31	2,432,280	—	328,284 <sup>5</sup>	.23	1,408,893
Texas Instruments	1962—qtr. to Mar. 31	57,483,000	4,663,000	2,411,000	.60 <sup>3</sup>	3,945,613
	1961—qtr. to Mar. 31	58,977,000	7,737,000	3,773,000	.95 <sup>3</sup>	3,929,226
Varnado	1962—6 mo. to Feb. 28	57,081,325 <sup>2</sup>	—	1,936,843 <sup>2</sup>	1.48	1,310,593
	1961—6 mo. to Feb. 28	53,493,945	—	1,377,976	1.05	1,310,593
	1962—qtr. to Feb. 28	28,878,919 <sup>2</sup>	—	1,072,914 <sup>2</sup>	.82	1,310,593
	1961—qtr. to Feb. 28	26,536,772	—	673,095	.51	1,310,593
Wells-Gardner	1962—qtr. to Mar. 31 <sup>0</sup>	4,380,000	—	62,000	—	422,400
	1961—qtr. to Mar. 31	4,085,000	—	35,000	—	422,400

Notes: <sup>1</sup> Includes \$1.7 million in special items. <sup>2</sup> Record. <sup>3</sup> After preferred dividends. <sup>4</sup> Includes on "pooling of interests" basis operations of 6 firms acquired in 1961. <sup>5</sup> Includes \$142,594 gain on sale of investments. <sup>6</sup> Includes \$101,437 in special credits. <sup>7</sup> Adjusted for 2-for-1

stock split Nov. 1961. <sup>8</sup> Preliminary. <sup>9</sup> Includes profit of \$1.5 million (88¢) from sale of investments. <sup>10</sup> Before \$133,000 (3¢) Capital Loss. <sup>11</sup> Before \$3,914,000 (91¢) Capital Gains.



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TV SALES UP 17%, INVENTORIES UP MORE:** First quarter sales were good—TV up 17%, radio 14%, in distributor sales compared with same 1961 period. As industry moved into traditionally slow 2nd quarter, however, most manufacturers were beginning to keep watch on production.

Distributor-to-dealer sales of TVs were at rate of little less than 6.3 million a year (seasonally adjusted) during first quarter, while manufacturer-to-distributor shipments were at nearly 6.7-million rate.

Unit sales of TV sets to dealers during first quarter were about 1,560,000, up from 1,330,000 during slow first-quarter 1961. In radio, figures were 2,237,000 vs. 1,965,000. March TV sales totaled about 573,000 vs. 501,000 in 1961, radio sales 976,000 vs. 853,000. (These are estimates, not official industry figures.)

Phono sales haven't been sharing TV-radio's upswing. First publicly released EIA statistics on distributor sales of phonos show first 2 months of 1962 were nearly 17% poorer than same 1961 period. (And these months of 1961, in turn, were sharply below banner 1960.) Phono factory & distributor sales figures and EIA's official TV-radio distributor sales for January & February will be found on p. 11.

**PICTURE TUBE REPLACEMENT MARKET DYING?** We used to hear grandiose predictions of an ever-increasing replacement market for picture tubes—4 million, 5 million, 6 million, soaring skyward through the years. These predictions have not come true. Despite increasing number of TV sets in use, replacement sales have been diminishing in recent years. Tube manufacturers almost unanimously say they expect further contraction—some even going so far as to predict this part of their business will almost dry up altogether.

There's one important reason for this—and it's so simple & logical that it's easy to overlook: Quality of picture tubes has increased to point where today's tube can be expected to last life of TV set in normal usage.

Picture tube sales statistics aren't very reliable—because many rebuilders aren't included in them. Nevertheless, EIA's year-by-year breakdown (TV Factbook No. 32, p31) shows replacement picture-tube sales peaked in 1957 at 2,779,111, then fell off to 2,405,952 in 1960. (These figures exclude many rebuilder sales.) EIA hasn't yet compiled replacement tube statistics for 1961, but all tube industry sources express belief that gradual fall-off continued last year.

There's growing feeling now that rebuilt tube market never was as big as it was presumed to be. Some independent surveys are said to show that it probably was only half the size it was thought to be by many in industry. And it seems to be getting smaller by the week.

Never before were so many independent tube rebuilders in trouble. Two of largest independent tube makers have gone out of production—Thomas Electronics, Passaic, N.J., and Pioneer Electronics, Los Angeles—although both firms are still in business (Vol. 2:8 p8). Several others are said to be desperate. Calvideo Electronics, Compton, Cal. has complained to FTC & Congress, charging monopoly by major tube makers and stating that 40% of independent tube manufacturers have gone bankrupt since Jan. 1959, that 36,000 people have lost jobs in picture-tube & supplier industries.

It's more than a case of majors gobbling up market, however. It's case of market shrinkage, and the company which depends on replacement business—with no manufacturer accounts—is going to find sledding even tougher from now on.

One of the very biggest picture-tube manufacturers estimates life of today's TV tubes as "approximately up to 8 years, depending on varying conditions." He predicts replacement market will continue to go

down because "the total number of TV sets is not increasing appreciably and tubes are lasting longer." He adds: "Furthermore, as color continues to grow, the demand for b&w tubes will be lower."

Replacement picture tubes will represent "a continually declining business," according to another major manufacturer—Pres. Asher Cole of National Video, biggest independent picture-tube maker. "Our life tests show tubes which have been run for 8,000 hours—the equivalent of about 6 years' wear—still look good as new. And they're still getting better. With the optimum life of a set about 7 years, I think we're going to see replacement tubes diminishing to the category of a very low-volume business."

**HERTZ TV RENTALS BOOMING:** "Our TV rental business is excellent & growing," we were told last week by Harlan Liss, vp-gen.mgr. of Hertz Rent-All, subsidiary established in 1960 (Vol. 16:40 p15) by the worldwide car & truck leasing organization to rent a broad range of merchandise. "Compared with a year ago," he said, "our increase in TV rentals is immense, and we're real happy with the business."

How has Hertz prospered in a field which has produced more ulcers than profits for so many TV dealers? "The short-term rental of TV sets, of any product, is a specific business," Liss told us. "You can't operate it successfully on a part-time basis. I have seen many retailers attempt to add rentals as a sideline. It just doesn't work out in most cases. You can't devote your full time and effort to the special details involved in selling & renting. The rental business is different from the retail business—and like all businesses, it requires special know-how, experience, and concentration to make it successful."

Hertz Rent-All unquestionably has made progress since last we spoke with Liss in October (Vol. 1:5 p6). Then, the new corporation embraced company-operated stores in Chicago & N.Y., franchisers in 3 other cities. Today, there are Rent-All stores in 10 cities, and contracts signed for other cities which Liss said will be announced when store locations are firmed. Hertz operates its own stores in Chicago & N.Y. and has just taken over previously franchised New Brunswick, N.J. Franchised rental stores are operating in St. Louis, Cincinnati, Norfolk, South Bend, Ind., Hartford, Huntington, N.Y., Springfield, Ill.

Former New Brunswick franchiser, Lee Merel, now devoting full time to operation there of his Made-well Furniture Co., told us his experience with TV rentals had been "very good," attributed TV demand to pull of Hertz name and fact that "hardly any dealers in this area rent TV sets."

Hertz Rent-All in Chicago rents 19-in. Motorola, Sylvania & RCA portables for \$20 a month, \$25 with remotes, which, Liss told us, "are quite popular, particularly for sickroom use." For shorter terms, rates are a minimum of \$10, for one week, with free pickup & delivery, \$15 for 2 weeks. Rates last October were \$5 weekly & \$15 monthly, and Liss said higher rates reflect increased operating costs. Average rental span is one month, and primary customer is homeowner whose TV set has broken down.

"We get calls for color TV," Liss said, "and are exploring the possibilities of adding color sets to our rental program." However, Hertz so far has not included color TVs because "they are a good deal more expensive than b&w sets, less easy to handle from a rental standpoint, and present more maintenance problems." Liss said that maintenance on b&w merchandise has been no problem, noted that rental customers are particularly careful with sets. "Our sets have suffered no abuse or damage, beyond the normal wear & tear expected," he said.

Hertz also rents radios & phonos, although volume is nowhere near as high as that for TV rentals. Most radios, table models, are rented for sickroom use. Phonographs are rented principally for parties.

**COMEBACK FOR TV KITS?** With kit-building fever sweeping America, will TV kits make comeback? Nobody knows, but one new deluxe kit went on market recently, and there are rumors of others to follow.

TV kits today would fulfill different purpose from kits of the late 1940s. In TV's early days, kits offered the venturesome & well-equipped hobbyist a way to save money on sets, which were high priced in completed form. In our Oct. 1949 *Television Factbook*, 8 TV kit manufacturers were listed, and some sources say that kits accounted for nearly 7% of all TV sets sold that year. Our most recent *Factbook* lists 3 kit makers, of which Transvision Inc. (Grey Oaks Ave., Yonkers, N.Y.)—old-timer in TV kit field—is most active.

Today's kit builder isn't really out to save money — but for sheer joy of putting together a complex piece of electronic equipment which works. Aiming at this market, Conar Instruments div. of National Radio

Institute (3939 Wisconsin Ave., Washington 16, D.C.) is offering complete 19-in. TV kit, including cabinet, bonded picture tube, etc. to hobby trade. It's same kit which is supplied to NRI electronics students, but now is available to all comers under Conar trade name.

It isn't particularly cheap, as TV sets go. It costs \$135, or can be bought in 3 "pay-as-you-build" packages at \$36 each. According to NRI, it can be built by average untrained hobbyist in as little as 25 hours, requires no test equipment. It's deluxe set, with Sylvania 114-degree bonded tube, Standard tuner, U.S.-made brand-name components, has 15 tubes, including one GE Compactron.

TV kit was introduced by Conar, according to merchandising mgr. Jack Thompson, "on the theory that a lot of kit builders have put together all the hi-fi equipment they can use and want to go on to something else." Other major kit manufacturers—such as Heath, Eico, Dynaco—won't say whether they plan to go into TV business. However, Muntz recently confirmed that it was "considering" kit version of its \$99 "Metropolitan" portable.

Transvision hasn't found hi-fi kit builder a good prospect for TV kits. Pres. Herbert Suesholtz told us last week his company thinks TV kit constructor is different breed of cat altogether. "Ads in the general electronics hobby magazines pull better for us than ads in hi-fi magazines," he said.

Transvision has two basic models—"Professional" 23-in. chassis kit at \$199 and 27-in. at about \$50 more; "Economy" model at \$168 for 23-in., \$228 for 27-in.—both including picture tube but excluding cabinet. Like Conar's set, these aren't cheap items. By the nature of the business, Suesholtz said, "a kit must sell for more than a finished set—so we stress high quality, high-fidelity sound, and so forth; it's a better set than anyone could buy in completed form."

Like NRI's kits, Transvision's TV kits are now byproduct; in Transvision's case they're byproduct of its school TV receivers & custom installations. Suesholtz said he's seen no recent increase in TV kit business. "Back in the early days," he added, "we did a volume of \$1 million a month in kits." Suesholtz said much of Transvision's volume comes from cabinets, wood panels and other custom-installation accessories for the kits. Transvision now also has course of study, sold in conjunction with kits, with which builder can learn electronic fundamentals while he builds. Suesholtz looks forward to rise in kit sales through more aggressive merchandising, rather than by winning over hi-fi kit hobbyists.

**RAULAND COLOR TUBES EARLY NEXT YEAR:** Color seems to be here to stay, what with RCA's shorter 90-degree tube due for production in January (Vol. 2:16 p7) and other manufacturers looking for continued sales step-up. This week brought news that Zenith's tube-making subsidiary Rauland has decided to take step into color and its first tubes will come off line early next year.

Rauland's interest in color-tube production was first reported in these pages last January (Vol. 2:4 p7). Color output "for Zenith & others" will be made possible by \$4-million expansion program, involving 50,000 sq.-ft. addition to Chicago plant, which will also make possible increased b&w tube output. Rauland also plans to build 55,000 sq.-ft. lab & administration building at Niles, Ill. and has purchased 45,000 sq.-ft. Chicago building for storage & warehousing.

Hopes that color set boomlet would encourage CBS-TV to burst forth in hue were dimmed last week. Network left door open, however, for couple of color specials next season. It had no color programming at all this season. Spokesman told us there was "some talk of maybe one or 2 individual shows in color during the 1962-63 season"—such as "Wizard of Oz" or one Red Skelton special—but even these plans are nebulous, and network plans "nothing resembling large-scale color programming."

In other color news last week:

RCA gave a little peek at its new color set line, to be shown to distributors next month, in statement by a spokesman confirming it will have "modified chassis" in high-end models permitting field conversion to uhf and "a new RCA remote-control unit." Current 70-degree tube will be used in 1963 line.

Motorola spokesman stated that 23-in. rectangular 90-degree color tube being developed jointly with National Video won't be ready for production this year.

Reporting record first-quarter sales & earnings, RCA said its dollar earnings from sale of color sets again exceeded those from b&w. RCA makes chassis for most color set manufacturers. (Details on p. 12.)

Admiral is 3rd largest in color-TV sales, company officials indicated in commenting on our rankings of manufacturers last week (Vol. 2:16 p7). Any attempt to rank manufacturers in this industry is tricky & dangerous, but we'll stick our necks out again with revised estimate of 1962 color-TV brand rankings: (1) RCA, which apparently is shooting for at least 200,000 this year. (2) Zenith, on record as predicting 100,000 in 1962. (3) Admiral, something more than 50,000. (4) Silvertone (Warwick), about 50,000. If we've slighted anyone else, we'll be glad to correct the record further.

**TV-RADIO PRODUCTION:** EIA statistics for week ended April 13 (15th week of 1962):

	April 7-13	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	131,535	126,241	112,364	1,950,635	1,513,327
Total radio .....	365,624	351,710	268,604	5,352,418	4,138,745
auto radio .....	133,376	138,388	83,645	1,922,359	1,256,661

**TOPICS & TRENDS**

"Chaotic" is word for pocket-radio price situation, with name-brand U.S.-made sets underselling top-brand Japanese receivers. Without announcing it, some manufacturers have quietly entered promotional models which can be sold competitively with RCA's & GE's \$14.95 six-transistor units. Admiral, for example, is understood to be making limited run of last year's shirt-pocket model which can be sold at \$14.95, although its stated price leader still lists at \$16.95.

Emerson chopped nearly \$10 from one gift-packed 8-transistor set, dropping it from \$29.88 to \$19.95, making it competitive with 6-transistor sets by most other U.S. set makers.

FM-stereo broadcasting is available to 70 million listeners, or about 40% of nation, according to report by EIA consumer products staff dir. L. M. Sandwick. As of April 15, he said, 81 FM stations were stereocasting an average of 66½ hours weekly and at least 20 manufacturers are shipping stereo receiving equipment.

U.S. TV-radio manufacturers are becoming important customers of Japanese parts makers. Kataoka Electric Co., maker of TV & FM tuners, switches & variable capacitors, reports 12% of its total sales are made to U.S. companies—and it lists RCA, GE, Motorola & Westinghouse among its American customers.

"Japanese" radios are coming into Canada duty-free & quota-free, reported EIA of Canada in brief submitted to Canadian Tariff Board. Radios assembled from Japanese designs & Japanese parts, in Shannon, Eire, where Sony has factory, are shipped to Canada duty-free under British preferential tariff, whereas U.S.-made radios are subject to 20% duties. EIAC noted that about 10,000 radios were imported from Eire duty-free in first 10 months of 1961, and asked establishment of 15% British preferential duty on radios, TVs, phonos & recorders.

You can expect more & lower-priced FM sets from Japan next year. This will come with opening of home FM markets in Japan, which should spur research & development there and help amortize larger production runs of FM radios, bringing down costs. Japanese govt. announced it will begin regular licensing of FM broadcast stations in October. FM broadcasting in Japan is now on experimental basis.

Westinghouse has discontinued suggested list prices on consumer electronic products.

Walter Voss Inc. has been appointed eastern U.S. sales agent for West Germany-made Uher tape recorders and Metz console stereo & radio instruments. Vim Stores will continue to distribute some of Metz line in metropolitan N.Y.

Philco's first-quarter sales of its Town & Country portable TV are running 3 times ahead of 1961's top 19-in. Philco portable. T&C model also has accounted for 40% of company's portable business so far this year.

## Trade Personals

S. M. Fassler, GE TV receiver dept. mktg. mgr. since 1960, becomes clock & timer dept. mktg. mgr. May 1.

Elof Sandstrom, one of Oak Mfg.'s founders, will retire as chmn. at month's end. Vice Chmn. Robert A. O'Reilly is slated to become chmn. Finance vp Frank A. Astrologes is scheduled to succeed Sandstrom on Oak's board.

C. Gus Grant appointed Ampex mktg. vp, a new post. . . . Richard Helhoski, ex-Magnavox, named Blonder-Tongue Labs mktg. dir. . . . Daniel F. Neumaier, Bell Sound audio & tape recorders sales mgr., has resigned to join Glendale Electric Supply, Detroit distributor of Bell, V-M, other product lines, as consumer products sales mgr. . . . Gordon L. Duern named Dominion Electrohome consumer products styling coordinator; secy.-treas. Donald S. Sykes also assumes responsibility for all consumer products.

Joseph Lydon, former mgr. of Philco's defunct "Instant Dividend Plan" (Vol. 2:9 p7), has resigned.

Anthony J. Froio, former Allen B. Du Mont Labs, joins Kudner Agency as group account exec.

J. Lee Lockard, former Argus Cameras controller, appointed Sylvania Home & Commercial Electronics Div. controller, succeeding Douglas L. Hamilton, named controller of Electronic Systems Div., Waltham, Mass. Lockard will headquarter in Batavia, N.Y.

B. E. Vinkemulder, Centralab mktg. mgr., elected pres., Assn. of Electronic Parts & Equipment Mfrs. Other elections: first vp, Walter A. Clements, Littlefuse sales vp; 2nd vp, Norman Triplett, Triplett Electrical Instrument mktg. mgr.; treas., J. Wayne Cargile, United Catalog mid-west mgr.; Kenneth C. Prince re-elected exec. secy.

Edward F. Hoy, one-time General Dynamics Telecommunications Div. production planning mgr., promoted by United States Instrument Corp to mfg. vp.

E. R. Wagner, former Datronics Engineers vp-gen. mgr., named vp & asst. to pres., Emertron Inc.

Richard K. Mosher named pres. of Lab for Electronics' LFE Electronics operation.

Dr. Jay Tol Thomas, ex-Sylvania, Minneapolis-Honeywell, appointed dir. of newly established Siegler Research Labs, Los Angeles. . . . Dr. Ernest E. Pittelli, ex-Philco, appointed physics specialist, Sylvania Applied Research Lab, Waltham, Mass.

Lucien E. Rawls promoted to DECO Electronics senior vp, Washington; William S. Alberts moves up to vp, Leesburg, Va.

W. R. Johnson named branch mgr., David C. Miller branch sales mgr., Philco Distributors Inc., Houston. . . . Paul S. Heflin named vp-Newark operations, General Instrument rectifier div.

Salary & stock ownership of Magnavox officers, as reported in proxy notice for May 2 annual meeting (1961 figures): Chmn. R. A. O'Connor, \$65,000 & 227,106 shares; Pres. Frank Freimann, \$75,000 & 586,784 shares, including 173,592 shares held by Ft. Wayne National Bank, Ft. Wayne, Ind., as trustee pursuant to agreement executed in 1943 by bank & Freimann's deceased mother; Gerard M. Ungaro, vp, secy. & gen. counsel, \$40,000 & 41,621 shares.

**TV SALES UP, PHONOS DOWN:** First public EIA release of distributor-to-dealer sales figures showed TV up 18%, radio up 13%—and phonos down a surprising 17% during first 2 months of 1962. However, February phono sales were slightly ahead of last year. Unofficial estimates indicate that TV-radio rise continued in March (see p. 7). Here are EIA sales figures for TVs, radios & phonos for first 2 months of 1962, with comparative 1961 figures:

Month	TV-RADIO DISTRIBUTOR SALES			
	TV		Radio (excl. auto)	
	1962	1961	1962	1961
January	465,836	403,570	562,869	471,518
February	521,275	428,705	697,893	640,379
<b>TOTAL</b>	<b>987,111</b>	<b>832,275</b>	<b>1,260,762</b>	<b>1,111,897</b>

Month	PHONO DISTRIBUTOR SALES					
	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	48,423	171,305	219,728	71,197	203,639	274,836
February	50,563	188,857	239,420	48,219	189,679	237,898
<b>TOTAL</b>	<b>98,986</b>	<b>360,162</b>	<b>459,148</b>	<b>128,978</b>	<b>421,633</b>	<b>550,611</b>

Month	PHONO FACTORY SALES					
	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	68,545	191,014	259,559	80,366	211,383	291,749
February	52,566	202,846	255,412	50,710	204,638	255,348
<b>TOTAL</b>	<b>121,111</b>	<b>393,860</b>	<b>514,971</b>	<b>131,076</b>	<b>416,021</b>	<b>547,097</b>

Reports & comments available: CTS Corp., prospectus, Goldman, Sachs & Co., 20 Broad St., N. Y. 5. Cenco Instruments, discussion, A. M. Kidder & Co., One Wall St., N.Y. 5. Collins Radio, comments, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4. TV Shares Management, analysis, Wedbrush & Co., Airport Station, Los Angeles 45. International Resistance, review, Butler & Sherrerd, 1500 Walnut St., Philadelphia 2. Raytheon, review, Sutro Bros. & Co., 120 Broadway, N.Y. 5. Loral Electronics, prospectus, Lehman Brothers, One William St., N.Y. 4. GT&E, prospectus, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4. The Japan Fund, prospectus, Bache & Co., 36 Wall St., N.Y. 5. International Resistance, review, Sincere & Co., 231 W. LaSalle St., Chicago 4. Western Union, discussion, William M. Rosenbaum & Co., 331 Madison Ave., N.Y. 17. Almo Industrial Electronics, prospectus, Harrison & Co., 67 Wall St., N.Y. 5. Minnesota Mining & Mfg., technical memo, Auchincloss, Parker & Redpath, 52 Wall St., N.Y. 5. Newark Electronics, prospectus, H. M. Byllesby & Co., 405 Lexington Ave., N.Y. 17.

**New plants & expansions:** GE will spend \$3 million to expand its electronic capacitor plant at Irmo, S.C. Half of the funds will go to expanding manufacturing & research space by 40%. Balance will be used for additional equipment. Ampex will begin construction this summer of a 150,000-sq.-ft. hq complex on newly-acquired 25-acre site at Redwood City, Cal. Project, including land purchase, will total \$5 million, is slated for completion by mid-1963. New hq center will consolidate departments now housed in 17 leased buildings scattered throughout Redwood City. Muntz TV will add 36,000-sq.-ft. of production space to its new 70,000-sq.-ft. Wheeling, Ill., plant which it occupied last July. The \$240,000 expansion program is slated for completion within 3 months. Fairchild Camera & Instrument's Semiconductor Div. is nearing completion of \$1-million plant at South Portland, Me., will initiate pilot production this fall.

**RCA SCORES RECORD QUARTER:** RCA opened 1962 with highest first-quarter sales & earnings in its 43-year history. Sales climbed 18% to \$425 million from 1961's opening quarter, profits jumped 21% to \$14.5 million (see financial table). Chmn. David Sarnoff & Pres. Elmer W. Engstrom attributed rise to "major upsurge in all the principal areas of RCA's business," forecast continuing upward trend balance of year. "We expect this year to be one of the most rewarding & productive in the history of our company," they said.

Sarnoff & Engstrom reported that "sales of color TV receivers & picture tubes continued to set the pace in consumer products & components," noted that "dollar earnings from the sale of color TV again exceeded those of b&w set sales" as they did in 1961's 4th quarter. Sales of b&w receivers "maintained a steady improvement."

NBC also set first-quarter sales & profit records, they said, and defense & space activities "maintained their strong cycle growth." Although over-all computer business continued in red, this activity contributed to improved profit "through reduction in costs & increased sales volume."

#### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Andrea Radio	Q	.12½	June 15	June 1
Allied Radio	Q	.08	May 22	May 8
Avco	Q	.17½	May 20	Apr. 27
Canadian GE	Q	.05	July 3	June 12
GT&E	Q	.19	June 30	May 22
Indiana General	Q	.20	June 11	May 18
National Video-A	Q	.12½	May 18	May 1
Stewart-Warner	Q	.35	June 9	May 18
Texas Instruments	New	.20	June 1	May 1
Wometco				
Enterprises-A	Q	.17½	June 15	June 1
Wometco				
Enterprises-B	Q	.06½	June 15	June 1

Magnavox racked up first-quarter gains of 65% in earnings & 33% in sales over 1961's initial 3 months (Vol. 2:16 p12). Pres. Frank Freimann reported TV & radio sales up 40% in the quarter, stereo phono ahead 100%. He said that sales of hi-fi sets topped TV volume by a "substantial margin." Sales of government & industrial electronic products rose 25%, and he attributed this smaller-than-usual gain to "slow test & acceptance of certain items."

Muntz TV is "well on its way" toward achieving previously predicted annual sales of \$12 million & earnings of \$1.1 million for its 1962 fiscal year ending Aug. 31, Pres. Wallace A. Keil said last week. Announcing a planned 50% expansion of company's Wheeling, Ill. plant, Keil said the additional production space would enable Muntz TV to reach its goal of 3% of national TV market within 3 years.

Textron Electronics reversed 1961's first-quarter loss of \$276,000 with earnings of \$372,000 in 1962's initial 3 months. Sales increased to about \$6.9 million from \$5.5 million in the year earlier period. Chmn. Rupert C. Thompson told annual meeting: "Indications are that operations will continue profitable in 1962."

Movielab Film Labs has been renamed Movielab Inc.

**CBS's Bright Outlook:** "Delighted" was word used by both CBS Chmn. William S. Paley and Pres. Frank Stanton, as they reviewed & previewed for stockholders at meeting in Los Angeles, the first held outside N.Y.

Said Paley: "I am delighted to be able to report that CBS has just completed the best first quarter in its 34-year history . . . For 1962 as a whole we look forward to a strong year. We hope to post increases both in sales & profits."

Stanton reviewed activities of CBS's 7 divisions. Among notations: Coverage of Glenn space shot cost CBS "just over a million dollars." CBS-TV is almost sold out for fall—"the earliest this has ever been accomplished." CBS will fight anti-trust suit on "incentive compensation plan" (Vol. 2:16 p2) which is embodied in contracts with only 31 of its 188 TV affiliates. "International Program Exchange" with 7 foreign countries starts shortly—with England, Canada, Australia, Mexico, Argentina, Italy, Japan. CBS Radio looks for sales equal to or better than last year's. CBS International had best year in 1961, and prospects of bettering it in 1962 are bright.

**GT&E Rings Up Record Sales:** GT&E reported first-quarter profit gain of 13% to \$18.2 million as sales rose 10% to record \$318 million (see financial table). Chmn. Donald C. Power forecast record sales & earnings for total 1962.

Sylvania had a good quarter, too, Power noted, adding: "The main pressure on earnings last year came from certain aspects of the Sylvania subsidiary's operations. Consequently, I am very pleased to tell you that Sylvania's earnings in the first quarter were more than double the first quarter of 1961. We anticipate continued progress in Sylvania's sales & earnings during the remainder of the year."

First-quarter sales of GT&E's manufacturing subsidiaries, led by Sylvania, increased 10% to record \$179.3 million. Earnings improved to \$6 million from \$5.2 million.

Electronic Transmission Corp. filed registration statement (SEC File 2-20008) for 125,000 shares of common stock at \$3 per share to be sold by V. S. Wickett & Co., N.Y. Statement also includes 15,100 outstanding common shares to be sold by the holder to Wickett for \$151, and 5,000 shares to be issued in lieu of interest on \$60,000 in loans to Electronic Transmission. Company constructs & installs closed-circuit TV systems. Proceeds of sale will be used for loans, promotion, advertising, and to invest in subsidiary Musi-Paks Inc. and Shamark Industries. Outstanding common stock totals 197,000 shares, of which Pres. Lawrence Kanover and Constance Schwartz own 16.2% each, and management officials as a group, 49.4%.

Indiana General expects "1962 sales & earnings to increase at least 15% from 1961 to new records," Pres. Robert F. Smith reported. First-quarter sales & profits set records (see financial table) and Smith based his optimism on "the expected rise in general business conditions and several new products in the magnetic materials & precision motor fields." In 1961, Indiana General earned \$1,790,663 (\$1.56 a share) on \$22,034,915 sales.

Fairchild Camera & Instrument has acquired Di-Tran Corp., Los Angeles maker of electronic testing equipment.

NT&T stockholders have approved change in name to National General Corp. (Vol. 2:5 p12).

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# WEEKLY **Television Digest**

APRIL 30, 1962

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

## SUMMARY-INDEX OF WEEK'S NEWS

### **Broadcast**

**WHAT'S ON TAP AT FCC**—program form & logging rules, FM rules revision, GE license renewals, Denver pay-TV test, option time, network regulations, staff Review Board (p. 1).

**'DEFENDERS' BRINGS FEW DROP-OUTS, SOME DELAYS**—11 stations rejecting CBS episode on abortion, 15-20 picking post-children-bedtime period (p. 2).

**COMMERCE DEPT. LUKEWARM ON ALL-CHANNEL BILL**, Acting Secy. Martin telling Senate he likes objectives—but lists downbeat aspects (p. 2).

**FTC's ELMAN FINDS NO TV COMMERCIALS 'TRIVIAL'**, thus departs from position in Gimbel's newspaper case, pays tribute to TV's effectiveness (p. 2).

**CATV'S BIGGER-CITY TREND** includes franchise for Jerrold in Binghamton. Firm teams up with KNTV in Salinas-Monterey 7-way contest (p. 3).

**FCC WEIGHING NEW FM ALLOCATIONS PLAN**, considering new table of assignments, minimum mileage separations, compromise with AFCCE proposal (p. 3).

**FCC NEEDS MONEY, MEN, MANAGEMENT** to carry out "staggering" responsibilities, according to management consultants Booz, Allen & Hamilton (p. 3).

**'SECOND GENERATION' CONELRAD SYSTEM IN WORKS** as Defense Dept. decides present emergency broadcast setup no longer necessary (p. 4).

### **Consumer Electronics**

**1961 PRICE HISTORY—EVERYTHING DROPPED**. Average TV price slipped \$10 below year-earlier levels. Radios, phonos also showed decline (p. 7).

**FORD'S PHILCO—AFTER 4 MONTHS**. First evidence of Ford's impact on Philco consumer products will be seen in upcoming TV line, Pres. Charles E. Beck tells us (p. 8).

**OLYMPIC TO IMPORT JAPANESE TV**, becoming first U.S. manufacturer to do so. Up to 20,000 19-in. models from Nippon Columbia due this year, possibly more in 1963. Pres. Sobin calls move necessary for profit (p. 9).

**WHAT'S ON TAP AT FCC?** FCC has spent extraordinary amount of time on Capitol Hill—testifying on deintermixture, satellites, daytime radio hours, etc.—but has many matters of its own it hopes to get back to soon. Let's tick off some top topics in broadcast field:

(1) Program forms & logging rules. Coming up fast, likely to be finalized as indicated earlier—most of industry's objections satisfied.

(2) FM rules revision, due for May 10 special discussion (see p. 3).

(3) GE license renewals, in light of price-fixing anti-trust convictions. Presumably will get cleared as did Westinghouse—maybe a little more knuckle-rapping.

(4) Pay-TV test in Denver. Application not yet accepted. Theater owners will demand hearing, have at least fair chance of getting it. They'll also appeal to Supreme Court the Court of Appeals ruling supporting FCC's go-ahead for Hartford test.

(5) Option time. Uncertain. Staff expected again to recommend barring practice—but commissioners may not buy that. No action imminent.

(6) Big project in network regulation & proposed legislation—lots of work to be done yet.

(7) Staff Review Board. Coming up fast. New candidates mentioned, to add to previous list (Vol. 2:16 p3): Sol Schildhause, Sylvia Kessler, Evelyn Eppley, Philip Cross.

**'DEFENDERS' BRINGS FEW DROP-OUTS, SOME DELAYS:** CBS-TV *Defenders* case seems to be going as expected (Vol. 2:17 p1). Of the 180 CBS affiliates, only 11 said they wouldn't carry April 28 "Benefactor" episode dealing with abortion. Additional 15-20 planned to run it at time later than scheduled 8:30 p.m.; these include CBS o&o's in St. Louis & Chicago, which set it for 10:15. Canadian Bcstg. Corp. rejected it, too, substituting another *Defenders* episode.

Virtually all stations dropping program are in areas with heavy concentration of Roman Catholics, whose tenets reject abortion: WHDH-TV Boston, WBEN-TV Buffalo, WBAY-TV Green Bay, WKBT La Crosse, WISN-TV Milwaukee, WWL-TV New Orleans, WPRO-TV Providence, WHEC-TV Rochester, WHBF-TV Rock Island, WCNY-TV Watertown, WOW-TV Omaha. WNBF-TV Binghamton pulled out then came back in.

Of those delaying program, comment of WBTB Charlotte was typical. It called program "one of the finest TV presentations we have ever seen" but "suitable only for adult minds." It was set for 11:20 p.m.

CBS issued statement terming program "another step in TV's continuing march to maturity." However, it added, "we recognize and respect the right of each station to make its own determination as a broadcasting licensee of what it will broadcast in its own community." Program was offered to other stations in drop-out markets—but CBS reported no acceptances at week's end.

NAB Code Authority Dir. Robert Swezey, who previewed show and evaluated it for members, said very little comment had been received from stations.

**COMMERCE DEPT. LUKEWARM ON ALL-CHANNEL BILL:** Our reading of Commerce Dept. comments on all-channel-receiver legislation comes up with conclusion Acting Commerce Secy. C. D. Martin Jr. isn't very enthused about it—but doesn't intend to offend the boss, President Kennedy. Meanwhile, bill goes to House floor for debate May 1.

In letter to Senate Commerce Committee, Martin said he's much in favor of bill's objectives, then went on to list rather bearish factors: (1) Set sales might slow down because of price increase of \$25 or so. (2) It would take 6-8 years to have substantial effect. (3) Bureau of Standards engineers say new techniques might double availability of existing vhf channels. (4) Vhf propagation is better than uhf.

**FTC'S ELMAN—NO TV COMMERCIALS 'TRIVIAL':** "Scant," apparently, is the kind of comfort TV industry may extract from FTC Comr. Philip Elman, who recently toasted advertisers' cockles in dissent lambasting colleagues for nit-picking. In Gimbel Bros. misleading newspaper advertising case, he had jabbed FTC majority for "swatting flies with a sledgehammer" (Vol. 2:10 p5).

First, Elman is frequently a maverick, departing from majority's views. Second, he doesn't think any TV advertising is trivial. In interview with us last week, matter of fact, he actually paid tribute to TV commercials' effectiveness while asserting that FTC must watch it carefully.

Asked if FTC is frittering energies on insignificant TV matters, he stated: "Definitely not. TV is a unique medium. When you're dealing with nationwide networks or stations in large markets, reaching millions of people, no advertising can be classed as trivia.

"The nature of the medium is such that if there is any deceptive advertising, the impact is usually greater than in other media. There are a number of reasons for this. With magazine advertising, for instance, you can skip over it without any difficulty; but TV audiences are semi-captive. They don't jump up and shut off the set when the commercials come on, and even if they leave the room, the sound can follow them.

"Another important thing to remember is that TV ads are short and concise—they hit the viewer quickly; he usually doesn't have a chance to think about them. With other media, say magazines, he can examine them carefully, read the fine print to determine if there are any qualifications in the claims. For this reason, there shouldn't be any inkling of deception in TV ads.

"There's more to be done in the field of TV advertising. I think the FTC should work more closely with the FCC. TV monitoring could be done jointly; at present they have people doing it and so do we. Also, broadcasters could help themselves by watching what the FTC is doing."

Actually, FCC doesn't monitor in sense FTC does. It monitors only for technical & legal violations, not for advertising deception.



**CATV'S BIGGER-CITY TREND:** CATV pioneer Jerrold Electronics Corp. is in middle of gradual build-up to status as major operator of systems, after having sold 9 systems for \$5 million to H & B American Corp. 2 years ago (Vol. 16:33 p8).

Last week, it obtained city council franchise to build in Binghamton, N.Y., which will make it largest CATV city of all. City has 2 stations—WBNF-TV & WINR-TV—and CATV system will feed subscribers 8 channels. Maximum installation fee will be \$50; maximum monthly charge, \$3.75.

In Salinas-Monterey, Cal., where 7 applicants vie for franchise, Jerrold & KNTV San Jose have teamed up in joint venture; among their competitors for franchise is KSBW-TV. Plan is to carry the 2 local stations, 5 San Francisco.

In last year, Jerrold has built systems in Ottawa & Marseilles, Ill., will build soon in Streator, Ill.—all jointly with big theater-chain owner Alliance Amusement Co.

In addition to those, Jerrold is building 12 for others (cities undisclosed), each with capacity of at least 9 channels.

Trend is sometimes difficult for telecasters to handle. Some station operators are fighting 'em, some joining 'em. No question about it, viewers will pay for the great variety of signals CATV can provide—and telecasters would do well to face up to it, determine where their interests lie.

**FCC WEIGHING NEW FM ALLOCATIONS PLAN:** New FM allocation plan, re-establishing table of assignments with minimum mileage separations, is under consideration at FCC. It's understood Commission will discuss it at special meeting May 10.

New staff proposal is said to be compromise between substantial changes in existing rules proposed by Commission in July 1961 and a counter-proposal by Assn. of Federal Communications Consulting Engineers (AFCCE). It's designed to protect existing stations to their 1 mv/m contours and anticipate future community needs. However, compromise would allow relaxation of general restrictions to permit:

(1) First FM to a community. (2) Station which would give first urban service of 1 mv/m or better or first rural service of 100 uv/m or better. (3) Replacement of daytime or marginal unlimited AM station in a community without better AM facilities. (4) Easing of interference through channel changes. (5) Improved urban service through across-the-board power increases.

Also under consideration is plan whereby FM channels would be made available for all existing AMs.

**FCC NEEDS MONEY, MEN, MANAGEMENT:** FCC now has 600 pages of analysis of its innards by management consultants Booz, Allen & Hamilton, commissioned by Budget Bureau for some \$63,000.

Report is chock full of ideas, most of which you can expect Commission to pooh-pooh. FCC has already discussed preliminary findings (Vol. 2:8 p3), emphatically agreed that it doesn't want an all-powerful "executive director," attached to chairman, between it and staff. It might go for straw boss to keep things hopping—but not to influence policy.

Report insists law gives chairman large responsibilities, that Commission doesn't let him exercise them—but should. Both commissioners & Congress made it clear, in debates on Reorganization Act passed last year, that they don't want chairman to have too much power, so they're likely to take it easy in that area.

Report goes through Commission, office by office, finds good & bad—and staff members react to report accordingly.

FCC needs much more money & men for its "staggering" responsibilities. That's basic conclusion of report. But it also finds areas of inadequate organization & management. Actually, consultants say, "FCC is a viable agency doing reasonably well under many handicaps." Following are Commission's basic weaknesses, according to report:

Management of work load is "informal, loose, and too dependent upon voluntary consent arrangements." "Internal management at operating levels frequently is insufficiently tight." Commission frequently doesn't give "definite body of policy or explicit instructions for staff guidance." Commissioners spend too

much time on operational detail, not enough on policy. Staff productivity is "marginal, and morale would benefit from the adoption of more explicit performance standards & improved supervision." "Many FCC personnel, particularly at key leadership levels, need to be upgraded in terms of stature, competence, and capacity." "Commission tends to respond to, rather than anticipate, emerging issues."

Consultants' recommendations include: Make chairman "chief executive officer" in fact as well as in name. Give him an executive director. "Bureau & office internal organization should be rationalized by a number of consolidations, transfers, and other adjustments . . ." Create a staff Review Board and give it all the less significant cases. Give staff in general wide latitude in handling cases for which policy has been set. Get a real recruiting & training program. Improve enforcement activities. Strengthen the 3 operating bureaus to "undertake economic and social analysis and to pursue lines of inquiry and develop recommendations on major matters of policy." Make more use of electronic data processing systems. Improve budget-determining processes.

Staff reactions ranged from "it's a crock" to "a lot of crud." Govt. employes appear to differ little from private employes confronted with management consultants' reports.

**'SECOND GENERATION' CONELRAD SYSTEM IN WORKS:** Ten-year-old CONELRAD emergency broadcasting setup got heave-ho by Defense Dept. last week, will continue in effect while modernized system is developed. Dept. informed FCC system restricting broadcasting to 640 & 1240 kc during defense emergency no longer is necessary, will be changed to "insure more effective presidential and civil defense communication with the public in the event of a national emergency."

FCC Defense Comr. Bartley, in address to Ore. Assn. of Bcstrs., predicted new system would include: (1) Some stations in multiple-station markets will still be shut down or placed in stand-by status to reduce interference. (2) Stations will receive fall-out protection surveys and emergency power equipment from Defense Dept. (3) State defense network FM stations will have top priority in getting this assistance. (4) Acceleration of development of "Restore Projects" ("survivable communications") and expansion of FM defense network to a national network.

## **CURRENT CAPSULES**

Senate Commerce Committee ended hearings on communications satellite bill (S-2814) last week with testimony from USIA Dir. Edward R. Murrow, Sen. Kefauver (D-Tenn.), Deputy Atty. Gen. Nicholas deB. Katzenbach. Murrow expressed misgivings about user costs of system, said his agency couldn't afford it unless it receives special "affordable" rates. If USIA had TV circuits to 7 foreign countries, used average of 1½ hours daily, cost would be \$900 million a year, Murrow claimed. And he compared that with USIA's annual budget of \$115 million.

Sen. Kefauver, who has been holding his own hearings on monopoly aspects of system, told committee he preferred govt.-owned corporation similar to TVA. He also suggested delaying legislation for 18 months, but got short shrift from committee Chmn. Pastore (D-R.I.). Katzenbach expressed general satisfaction with bill but he urged Congress to give FCC more flexibility in determining who should construct and own ground stations.

— ■ —

Every major school in U.S. probably will have own ETV system in 10 years, according to U. of Chicago graduate library school dean Lester Asheim. This is one of views & predictions in new Stanford Institute for Communication Research 375-page "Educational Television, The Next Ten Years." Summarizing views of 19 ETV experts, Asheim ventures that by 1971, as much as 50% of college degree programs will be available for credit on TV. Other points brought out in the study: (1) According to Institute analyses directed by Wilbur Schramm, 21% of students learned more from TV instruction than from conventional teaching, 65% showed no significant difference; 14% learned less. (2) Doubling of stations from 60 to 120 in 10 years will take at least \$30 million, plus \$15 million for operating expenses; closed-circuit systems may cost \$50 million, with annual operating cost of \$150 million.

## Personals

Hubbell Robinson, CBS-TV senior vp and National Academy of TV Arts & Sciences trustee, appointed to U.S. National Commission for UNESCO . . . Paul Good promoted to ABC News Caribbean correspondent, Mexico City . . . Gilbert S. Cohen promoted to ABC Films International sales asst. dir., a new post. . . Thomas Petree promoted to NBC-TV central div. sales service mgr.

Sol Schreiber, MGM-TV operations dir., elected Tel-Fil Group chmn.; Sid Smith, UA, named vice-chmn. . . Francis P. Barron promoted to vp, Gail Yingling to treas., Storer TV Sales Inc. . . Robert Huber promoted to WJW-TV Cleveland program dir.

Marion Harper Jr., Interpublic Inc. chmn. & pres., re-elected AAAA chmn.; Arthur E. Tatham, Tatham-Laird Inc. chmn., named vice-chmn.; John H. Hofer, Hofer, Dieterich & Brown Inc. pres., elected secy.-treas.

Richard Solomon, chief of Justice Dept. anti-trust div. appellate section, former FCC asst. gen. counsel, appointed FPC gen. counsel as of April 30.

Richard Brandt elected Trans-Lux Corp. pres.; Percival Furber remains chmn. & chief exec. officer; Aquila Giles named exec. vp.

Richard Caffey, ex-Paramount, named gen. production mgr. of AB-PT's Selmur Productions. . . Larry Lowenstein, General Artists Corp. advertising & PR vp, named TV div. acct. exec. . . Lloyd M. Jones, KMUZ(FM) Santa Barbara, also becomes chief engineer, KEYT there.

Donald V. Taverner, U. of Maine development dir. and Eastern Educational Network trustee, named educational WQED (Ch. 13) Pittsburgh gen. mgr., succeeding acting gen. mgr. Thomas Petry, who begins graduate work at Columbia U. under CBS news & public affairs fellowship in fall.

James Dunn promoted to ARB asst. gen. mgr.; J. Ralph Crutchfield advances to station sales mgr.; James Rupp, station services marketing dir., also becomes market reports asst. product mgr.; John Thayer, market report technical dir., assumes additional post as standard services technical dir.

James P. Storer promoted to WJW-TV Cleveland gen. mgr., succeeding James E. Bailey, retiring. . . Jack Dorr, ex-WBNS-TV Columbus promotion dir., named WRCV-TV & WRCV Philadelphia advertising & promotion mgr., succeeding John P. Wiley, recently promoted to WRCV-TV sales mgr.

Gary Eckard, ex-Charles Harriman Smith Associates partner, named Bolling sales development, research & promotion dir. . . Carl Russell, ex-Ziv & I.T.C., named Tele-Synd central div. mgr.

Wilmer, Cutler & Pickering is big new Washington law firm formed by attorneys drawn from 3 firms: Wilmer & Broun; Cox, Langford, Stoddard & Cutler; Haley, Wollenberg & Bader. First suppld 10; 2nd, 8; 3rd, one. The lawyers: Richard H. Wilmer, John H. Pickering, J. Roger Wollenberg, Marshall Hornblower, Reuben Clark, William R. Perlik, Lloyd N. Cutler, Hugh R. H. Smith, Charles C. Glover III, Henry T. Rathbun, Samuel J. Lanahan, Samuel A. Stern, Arnold M. Lerman, Robert P. Stranahan Jr., Thomas G. Watkinson, Max O. Truitt Jr., Arthur Z. Gardiner Jr., Allen H. Harrison Jr., Ezekiel G. Stoddard. Office: Transportation Bldg. (Republic 7-7474).

Video-tape producers backed out of American TV Commercials Festival, scheduled to open May 4 at N.Y.'s Waldorf-Astoria. Withdrawal from event was announced last week when it was learned that Festival group planned to exhibit film commercials on motion-picture screens, tape commercials on TV monitors, and show only film commercials at highlight luncheon, screening tape commercials before & after luncheon. At press conference last week, tape producers explained that since TV commercials are prepared for viewing on TV screens, all commercials should be shown on monitors. Festival director Wallace Ross replied that decision to use theater screens was made "by a counsel of top advertising people . . . so that a thousand people in the ballroom can see." Tape commercial producers withdrawing were CBS-TV Special Projects, KTTV & KTLA Los Angeles, MGM Telestudios, Tele-Tape Productions, Videotape Center, Video Tape Unlimited, WFAA-TV Dallas, and VHF Inc.

U.S. TV exports lack quality, giving nation false image abroad, according to Philip H. Coombs, Asst. Secy of State for Educational & Cultural Affairs. He told National Assn. of Foreign Student Advisors meeting in Washington that he has encouraged U.S. broadcasters to export "more documentaries, music, dance and cultural stuff." He also proposed foreign language dubbing for better programs sent abroad. Noting increase of foreign students in U.S., he urged more imports of high-quality foreign TV productions.

Polish TV & press got tongue-lashing from Communist boss Wladyslaw Gomulka, who said they are deferring to Western ways. At recent Communist Party conference in Warsaw, he criticized 2 recent Polish TV shows. One was documentary on U.S. land reclamation, other a news background discussion of international affairs with top Polish journalists paraphrasing views of Communist and free world leaders. Gomulka apparently saw program, thought President Kennedy's viewpoint got best of debate.

First N.J. uhf station is virtually assured, now that federal funds are available, according to Orville J. Sather, pres. of N.J. ETV Corp. Group is also making plans for 5-station state network, engineering done by committee comprising: Sather; G. Edward Hamilton, engineering dir. of ETV for Metropolitan Area; John Wentworth, RCA; Paul Godley & Rodney Chipp, consulting engineers; James Valentine, ITT engineering dir.

Radio "overpopulation" conference between FCC and industry, agreed upon at NAB convention (Vol. 2:15 p1), is expected this fall. There's been no formal understanding about date, but high-level assumption at Commission places session in fall. On May 1, NAB Pres. Collins discusses radio in speech before Washington Ad Club.

FCC Chmn. Minow's upcoming appearances: April 29, Boston, on *Prospects of Mankind*, with Mrs. Eleanor Roosevelt; May 4, Milwaukee, speech before Jewish Community Council, followed by citation from Board of Milwaukee Radio & TV Council; May 16, Miami Beach, on panel at Mayors' Conference.

New Lebanon station "Telibor," Beirut—established by ABC International TV, subsidiary of AB-PT—starts April 30. Danny Thomas, whose forebears were Lebanese, will be guest of honor. Gina Lollobrigida and Anita Ekberg round out cast of participating stars.

New TvB members: TvAR, KTVU San Francisco, KRLD-TV Dallas-Ft. Worth, KRIS-TV Corpus Christi, KCSJ-TV Pueblo, WLBW-TV Miami.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Amphenol-Borg-Electronics	1962—qtr. to Mar. 31	\$20,021,427	—	\$ 412,384	\$0.30	1,388,677
	1961—qtr. to Mar. 31	15,227,558	—	59,270	.04	1,371,472
Beckman Instruments	1962—9 mo. to Mar. 31	52,394,399	\$5,853,830	3,223,830	2.11	1,529,237
	1961—9 mo. to Mar. 31	50,610,254	5,587,249	2,773,249	1.93	1,437,818
	1962—qtr. to Mar. 31	17,843,930	1,980,917	1,130,917	.74	1,529,237
	1961—qtr. to Mar. 31	17,702,749	1,986,791	1,040,791	.72	1,437,818
Capitol Cities Bcstg.	1962—qtr. to Mar. 31	—	521,302	241,962	.21	1,149,798
	1961—qtr. to Mar. 31	—	442,255	206,107	.18	1,149,798
Dynamics Corp. of America	1962—qtr. to Mar. 31	18,254,593	1,752,656	853,626	.25	2,995,365
	1961—qtr. to Mar. 31	12,285,942	976,553	528,792	.15	2,787,027
Fleetwood Corp. (Conoda)	1961—year to Dec. 31	14,243,236 <sup>1</sup>	—	855,093 <sup>1</sup>	—	—
	1960—year to Dec. 31	11,381,423	—	658,978	—	—
Friendly Frost	1962—year to Jan. 31	29,273,895	404,934	300,934	.32	937,620
	1961—year to Jan. 31	25,693,162	903,899	574,899	.66	866,569
General Bronze	1962—qtr. to Mar. 31	3,518,297	9,457	9,457	.02	391,820
	1961—qtr. to Mar. 31	4,836,471	(442,877)	(212,877) <sup>2</sup>	—	391,820
GPE <small>Story on p. 11</small>	1962—qtr. to Mar. 31	48,300,000	—	866,000	.46 <sup>3</sup>	1,643,101
	1961—qtr. to Mar. 31	62,896,867	—	1,333,239 <sup>4</sup>	.80 <sup>3</sup>	1,496,795
Globe-Union	1962—qtr. to Mar. 31	16,488,298	1,338,000	623,362	.72	867,462
	1961—qtr. to Mar. 31	12,864,000	764,000	356,870	.42	851,714
International Rectifier	1962—9 mo. to Mar. 31	12,850,172	—	859,546	.36	2,412,028
	1961—9 mo. to Mar. 31	10,763,278	—	928,201	.38	2,405,708
	1962—qtr. to Mar. 31	5,101,371 <sup>1</sup>	—	358,133 <sup>1</sup>	.15	2,412,028
	1961—qtr. to Mar. 31	3,821,446	—	325,997	.14	2,405,708
Ling-Temco-Vought	1962—qtr. to Mar. 31	82,346,650	—	2,222,928	.80	—
	1961 <sup>5</sup>	—	—	—	—	—
MCA	1962—qtr. to Mar. 31	—	7,338,346	4,203,841 <sup>1</sup>	1.04 <sup>1</sup>	4,040,735
	1961—qtr. to Mar. 31	—	4,173,253	2,019,553	.50	3,995,735
Oak Mfg.	1962—qtr. to Mar. 31	7,415,802 <sup>1</sup>	569,463	276,013	.42	655,794
	1961—qtr. to Mar. 31	5,182,930	109,412	66,912	.10	655,794
Howard W. Soms	1962—9 mo. to Mar. 31	9,148,366	—	647,442	1.21	500,550
	1961—9 mo. to Mar. 31	7,487,519	—	462,749	1.08	500,550
Sonotone	1962—qtr. to Mar. 31	5,088,321	—	38,676	.03 <sup>4</sup>	1,169,137
	1961—qtr. to Mar. 31	4,723,472	—	(89,741)	—	1,158,745
Standard Kollsman	1962—qtr. to Mar. 31	23,436,676	—	850,381	.37	2,179,686
	1961—qtr. to Mar. 31	24,670,723	—	770,149	.35	2,080,556
Stewart-Worner	1962—qtr. to Mar. 31	29,427,178	3,581,657	1,743,657	.52	3,332,803
	1961—qtr. to Mar. 31	26,345,096	2,819,422	1,346,422	.41	3,318,721
Technicolor	1962—qtr. to Mar. 31	14,796,100	—	567,326	.22	2,623,218
	1961—qtr. to Mar. 31	11,807,564	—	451,479	.18	2,543,179
Thompson Romo Wooldridge	1962—qtr. to Mar. 31	111,670,230 <sup>1</sup>	5,914,766	2,878,166	.83 <sup>1</sup>	3,384,679
	1961—qtr. to Mar. 31	96,735,704	3,008,937	1,490,037	.45 <sup>5</sup>	3,186,457
United Artists	1961—year to Dec. 31	112,717,000	—	4,042,000	2.34	1,729,373
	1960—year to Dec. 31	108,531,000	—	3,498,000 <sup>7</sup>	2.02	1,664,218
Varion Associates	1962—26 wks. to Mar. 31	34,348,760	—	1,737,885	.15	3,844,833
	1961—26 wks. to Mar. 31	27,322,793	—	1,716,501	.50	3,461,744
	1962—13 wks. to Mar. 31	18,116,294	—	912,538	.24	3,844,833
	1961—13 wks. to Mar. 31	14,574,861	—	851,493	.25	3,461,744
Westinghouse <small>Story on p. 12</small>	1962—qtr. to Mar. 31	460,466,000	21,178,000	11,778,000	.32 <sup>2</sup>	35,618,153
	1961—qtr. to Mar. 31	436,103,000	14,967,000	9,067,000	.25 <sup>3</sup>	34,837,472
Zenith <small>Story on p. 11</small>	1962—qtr. to Mar. 31	81,520,763 <sup>1</sup>	—	4,728,791 <sup>1</sup>	.52	9,033,177
	1961—qtr. to Mar. 31	63,965,865	—	3,446,030	.39 <sup>6</sup>	8,864,352 <sup>8</sup>

Notes: <sup>1</sup> Record. <sup>2</sup> After \$230,000 tax credit. <sup>3</sup> After preferred dividends. <sup>4</sup> Before \$545,258 net from sale of property. <sup>5</sup> Not available. <sup>6</sup> Includes non-recurring income equal to 46¢ a share. <sup>7</sup> Before

special credit of \$797,000. <sup>8</sup> Adjusted to reflect 3-for-1 stock split Nov. 1961.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**1961 PRICE HISTORY—EVERYTHING DROPPED:** Recap of last year's industry statistical breakdown shows that 1961 was year when all prices dropped—in TV, radio & phonos.

Average factory price of a TV set last year was \$135.23, according to our calculations (total factory sales of 6,155,222 units at \$832,345,000). This is a drop of \$10 below 1960 average, and ends 4-year progression of rising average factory prices. Here are average TV factory price trends since 1947 (rounded to nearest dollar):

1947.....	\$280	1951.....	\$177	1955.....	\$138	1959.....	\$141
1948.....	\$235	1952.....	\$172	1956.....	\$127	1960.....	\$145
1949.....	\$193	1953.....	\$170	1957.....	\$130	1961.....	\$135
1950.....	\$180	1954.....	\$140	1958.....	\$136		

Industry's efforts to upgrade TV market through introduction of 19- & 23-in., therefore, must be written off as failure—for time being at least. Certainly, expansion of portable market has been at expense of part of market formerly represented by 21-in., and some in industry argue 19-in. tube is "too big" and has therefore cut sharply into 23-in. market. Table-portable category increased sharply last year, at expense of consoles. Distributor-to-dealer sales of TV sets were broken down this way in 1961: Total sales, 5,773,931; table-portables, 3,401,716; console, 2,146,035; combination, 226,180.

Taken in terms of percentages, table models & portables accounted for 58.9% of distributor unit sales last year, consoles 37.2%, combinations an all-time high of 3.9%. This means portables & table models constituted highest percentage of total industry sales since 1956 & 1957. Here's breakdown of historical sales by type of set since 1953 (1953-60 sales are retail; 1961 are distributor; rounded to nearest percentage point):

Year	Table-Portable	Console	TV-Phono Comb.
1953.....	46%	51%	3%
1954.....	55%	43%	2%
1955.....	57%	41%	2%
1956.....	64%	35%	1%
1957.....	60%	38%	2%
1958.....	56%	41%	3%
1959.....	58%	39%	3%
1960.....	54%	42%	4%
1961.....	59%	37%	4%

Transistor radio competition took domestic prices down to lowest average level in history last year—\$18.05 at factory (11,588,859 units at \$209,132,000). Last year marked 3rd consecutive year of declining radio prices. Before that, prices wandered up & down with no apparent pattern. Here's average factory unit price trail blazed by radios (excluding auto) in last 10 years:

1952.....	\$22.92	1954.....	\$22.06	1956.....	\$21.37	1958.....	\$26.90	1960.....	\$20.13
1953.....	\$22.73	1955.....	\$20.23	1957.....	\$24.25	1959.....	\$21.21	1961.....	\$18.05

Average phono factory price dropped little more than \$3 from 1960 to 1961, despite fact that greater percentage came from factory equipped with radio. Here is phono factory sales pattern for last 3 years:

Year	Unit Sales	Dollar Volume	Average Price
1959	4,303,617	\$372,747,000	\$86.60
1960	4,523,385	394,515,000	87.22
1961	3,988,680	334,586,000	83.88

Both TV & radio appear to be headed for even lower average prices this year as result of price-cutting in popular-model category and vastly increased emphasis on portable TV. Price changes & innovations at new-model time could modify this situation, however. While low-end phono category seems to be getting biggest play this year in many lines, inclusion of factory-installed FM stereo tuners could lift average price somewhat.

**FORD'S PHILCO — AFTER 4 MONTHS:** First evidence of Ford's impact on Philco consumer products will be contained in forthcoming new TV line, slated for introduction to distributors in early June. So we were told by Pres. Charles E. Beck during recent visit to see what changes were evident at Philadelphia firm in the 4 months since Ford's takeover (Vol. 1:14 p10).

Although no details are available on TV innovations, the forthright, purposeful Beck makes it obviously clear that (1) he's already at home in home electronics field, (2) new atmosphere of decision, action and follow-through is energizing Philco, (3) Ford's rules to succeed by are being transplanted quickly at Philco. Here's sampling of his thinking:

Product planning: "If you follow competition you are always late. You may guess wrong if you want to be a leader, but if you make decisions the odds are that you'll make more right decisions than wrong ones. If the market calls for a \$125 TV set, you don't strip a \$150 set and call it a \$125 model. You've got to design a \$125 quality set. This business requires nimble decisions. In the automotive field we have longer lead time and a different distribution setup—but the principles of sound management are the same. Some fruits of our labor will be seen in the spring line."

Consumer products: Beck made it clear that Ford is aiming to make Philco's consumer products business go. He termed it a "hard core business," said "we want to build it into a year-in, year-out business." He observed that consumer products "are not characterized by high profits" but emphasized that "the competition makes money out of it and there's no reason why we can't."

Beck has broad view of role of consumer products in Philco's over-all operation. "Consumer products represent a worldwide business," he told us, "and we intend to run it that way. Growth here in the U. S. is moderate. But on a worldwide basis, with a flow of goods both ways, consumer products become very profitable." He made very clear his one-world market concept: "We will buy, make and merchandise products anywhere in the world to meet market demand. That's the new concept we have introduced at Philco. We are not here to see how little we can do or how little we can get away with. If you want to stagnate a business, just leave things as they are."

"People" play major role in Ford-Beck thinking. "My job is 95% people," he said, explaining Ford-tested concepts which are being applied at Philco. "We are instituting autonomous divisions with strong central staff," he explained. "This is something it took us 15 years to develop at Ford. You don't have to be in a business for 20 years to learn it. You have to learn to delegate authority and responsibility. You have to have people who know what they're doing, who know how to run the business, but who are also interchangeable. We've filled Philco with men who are interchangeable—but we didn't drain Ford to do it. It is Ford training that enables us to move key men into key spots, wherever they develop. As a matter of fact, we plan to transfer people from Philco to Ford. Any man with leadership qualities qualifies for any executive post in all Ford divisions."

Distributor-Dealer Council, offshoot of another successful Ford technique, is in the making (Vol. 2:6 p7) and "we'd have one today except that our general manager has been on the job only a few weeks," Beck said. "We want to be understood in the marketplace," he continued, "and the Distributor-Dealer Council will serve as a means of understanding mutual problems of company, distributor and dealer—all as a team. I want to know what their problems are. I plan to sit in on these meetings. We're going to run the company, but we want to know their problems to guide our thinking. This is a team effort, and we have no less interest in a dealer even if he carries 5 or 6 other lines."

From start, Ford visualized Philco as 5 separate businesses, Beck told us. "This was a preconceived notion, and one we worked on in Dearborn long before we took over." The 5 businesses: (1) Consumer Products, including TV, white goods, international operation. (2) Communications, both commercial & government. (3) Space, through Philco's Western Development Labs. (4) Computer Division, which also ties into communications. (5) Components, through Philco's Lansdale Division.

Summing up, Beck told us reorganization has whittled division management teams to point where decision-making now is matter of consultation with only a few key people. "It's not difficult to make the right decision with the right facts," he said, "and now I'm getting facts. I'm used to that from my Ford background. We have people getting us the facts here, and there are very visible signs of progress."

**OLYMPIC TO IMPORT JAPANESE TV:** First American TV manufacturer to import Japan-made sets will be Olympic—which, after year of soul-searching & negotiation, announced deal with Nippon Columbia to bring in up to 20,000 19-in. sets this year, possibly more next year.

"We don't want to do it, but we're being forced into it," we were told by Pres. Morris Sobin of the profit-minded TV-radio-phono div. of Siegler Corp. In Olympic's announcement, Sobin said: "Current factory prices on portable TV sets have reached a point where adequate profit margins are not possible. This condition prompted our decision to seek products that can be sold competitively at a profit."

Deal with Nippon Columbia provides for Olympic to be its exclusive TV customer in U.S., and for sale in Japan of Olympic-designed sets by Nippon Columbia on royalty basis. Olympic will supply design, engineering, manufacturing & procurement assistance. Sobin said addition of Japanese-made portables to line should add about 10% to Olympic's over-all TV volume next year.

Move is taken as sign of Olympic's determination to be as competitive in portables as it has been in combinations & consoles. More than 60% of Olympic's business is now in latter 2 categories—and company never has been big in portable field. Olympic is traditionally a "dealer's line" without widespread consumer advertising but with attractive prices & mark-ups on relatively moderately priced big-cabinet merchandise.

In non-TV goods, Olympic has always specialized in console phonos—but this year it started pushing hard on radio line, part of it Japanese-made, with surprising results. "The upswing in our radio business pulled our stereo phonos to a higher level," said Sobin. He attributes increase in Olympic's phono business to access of the brand to new dealerships opened by radio line. Olympic will continue to expand radio business next year with broader line, including 2-piece FM-stereo table model.

Olympic's color sales are expanding, too, Sobin told us—"at the rate of about 50% a year." Company now buys chassis from RCA, but plans to produce its own sets beginning next year, when new RCA 90-degree tube becomes available (Vol. 2:16 p7).

Olympic's deal with Nippon Columbia for 19-in. portables appears to put it into direct competition with Delmonico (Thompson-Starrett Co.), headed by 2 former Olympians, Albert Friedman & Herbert Kabat. Delmonico is only company now importing large-screen TVs from Japan in quantity, has brought in more than 10,000 sets so far this year.

Only other major TV importer at present is Sony Corp. of America, subsidiary of Japanese Sony, which has brought about 6,000 battery-operated transistorized 8-in. sets to this country so far this year. Although Toshiba, Matsushita & Star-Lite have announced small-screen sets for import to U.S. this year, there is still no evidence of any mass shipments.

Except for Delmonico—and now Olympic—almost all announcements about TV imports have been concerned with specialty items, tiny-screen units not handled by U.S. manufacturers. Newest category of miniature TV is just beginning to show up in Japan and undoubtedly will eventually be seen on U.S. market. It's "micro TV," now down to size of first portable radios. Mitsubishi announced it will start marketing 6-lb. set with 6-in. screen (measuring 6x6x6-in.) in Japan this year. Sony will have 5-in. micro set (around \$165 in Japan), and undoubtedly others will announce similar models—whether they're ever produced or not. They're transistorized and designed for playing in home or auto (rear seat, please).

Though Olympic is first U.S. TV maker to announce import of complete TV sets, many other manufacturers are increasing their use of foreign parts in U.S.-assembled sets. Undoubtedly, "all-American" TV set will soon be thing of the past.

## TOPICS & TRENDS

Some 75% of music stores carry TVs, radios or phonos, according to study by National Assn. of Music Merchants. Highlights of survey: "Typical" gross margin on TVs (in stores doing more than \$100,000 total annual business) is 28.7%; on radios & phonos it is 32.8%. Both are less profitable than pianos (40%), organs (36%), musical instruments (45.4%) & phono records (33.3%). Radios & phonos account for 12% of music store's annual dollar volume, TV 6.6%, compared with records (11.5%), pianos (22.8%), organs (18.3%), instruments (17.4%).

Some TV stands and "bases" are subject to 10% federal manufacturers' excise tax, Internal Revenue Service ruled last week. Here's gist of ruling: If it's merely a "table" to support table-model or portable set, it's not taxable. But if it "encloses" set on sides & top, it's technically a cabinet and therefore taxable as "TV component."

Big pitch for FM-stereo table radios will start this spring, when nearly every set maker will have model (or mock-up) to show distributors & dealers. Two approaches are being used—2 separate pieces joined by cable, and single-piece model in which one or more speakers can be extended for greater separation. Latest to join single-piece approach is Arvin, whose \$169.95 unit is due for shipment this week. Olympic is planning 2-piece unit, which presumably will sell for less than \$100 (see p.9).

Advance in microcircuit technology, announced at week's end by Sylvania Pres. Gene K. Beare, could have eventual implications on consumer electronic devices—in costs, miniaturization & reliability. Sylvania announced it has achieved new method of forming silicon semiconductors directly from vapor on ceramic wafers, without need for crystal growing, cutting, polishing, etc. Developmental process makes possible application of entire "thin film" circuits at one time. For example, transistors, diodes, resistances, capacitances & inductances can all be formed at once in microscopically thin deposit. Beare predicted that vapor-formed diodes & transistors "will be major factors in the integrated microcircuit field within 3-5 years."

Electronics offers inviting future for prospective small businesses, despite increasing competition, Small Business Administration reports. New publication, "A Study of Small Business in the Electronics Industry," prepared for SBA by Stanford Research Institute, points out that greater investor interest, stable production and marketing methods, and other features especially favorable to a small business will continue to characterize industry. Most firms, however, rarely compete in consumer products field, SRI report notes, but specialize in selected areas, mostly for military market, including communications, test instruments, optics, nuclear products, radar. Copies may be obtained for \$1.25 from Supt. of Documents, Washington 25.

Montgomery Ward will sell color sets under its own Airline Brand name next fall. RCA-built chassis will be incorporated in sets to be sold in 175 Ward retail stores, mostly in major market areas. Companies major retail stores have been selling RCA color sets for 3 years.

CBS's earnings in 1962's 2nd quarter should rise 20% from 39¢ a share earned in year-earlier period, treas. Samuel R. Dean reported. He said that first-quarter sales probably topped \$126-million volume of Jan.-Mar. 1961, forecast that 2nd-quarter sales would be "somewhat" ahead of \$115 million posted in 1961's 2nd quarter. For total 1962, Dean said earnings of \$2.75 a share (vs. \$2.55 in 1961) on 8.9-million shares outstanding is "reasonable" estimate, added that sales "could be as good" as \$473.8 million posted last year, even though latter figure included volume of now-defunct Electronics Div. Dean attributed anticipated profit gains to increased TV advertising, elimination of losses of Electronics Div., cost reductions.

Admiral has sold to Zenith its 45,000-sq.-ft. Knox Avenue, Chicago building. Plant's production facilities for record changers and metal cabinets for portable TVs have been transferred to Admiral's Courtland Ave. plant, marking "final step" in consolidating production under one roof. Zenith's subsidiary Rauland recently announced entry into color tube production, noted expansion plans which included purchase of a 45,000-sq.-ft. Chicago building for storage & warehousing (Vol. 2:17 p9).

New plants & expansions: Clevite's Electronic Components Div. will complete \$1-million expansion of its Bedford, O. plant by end of August. Enlargement will more than double existing production operations.



## Trade Personals

**Don G. Mitchell**, GT&E vice chmn., resigned April 18 but continues as a consultant and a dir. He was Sylvania's chmn. & chief exec. officer at time of merger with GT&E in 1958, continued as Sylvania's pres. until his appointment to the GT&E post in April 1961.

**Marshall M. Bartlett**, former mktg. mgr. of GE's audio products dept., appointed to same post in TV receiver dept., succeeding **S. M. Sassler**, now with clock & timers dept. (Vol. 2:17 p11).

**William R. Wilson**, Philco treas. & finance vp, resigns to become vp of Provident Tradesmen Bank & Trust, Philadelphia, May 1.

**John R. O'Brien** elected Hoffman Electronics vp, named head of govt. relations.

**John W. Lienhard** named pres. of ITT Export Corp., ITT's newly-formed export subsidiary which begins operations May 1 at 67 Broad St., N.Y. to promote & expand export sales of products manufactured by ITT's U.S. divisions and ancillary products produced by more than 1,000 non-ITT manufacturers with whom export distribution agreements exist.

**Dr. Arthur J. Bruno** appointed Audio Devices research & engineering mgr., headquartering at Glenbrook, Conn.

**Nicholas Dykstra**, Mack Truck pres., elected a dir. of Oak Mfg.

**R. A. Cohen**, former Telectro asst. sales mgr., joins N.Y. office of Clairtone Sound.

**Dr. Frederick Seitz**, U. of Ill. physics dept. head, elected National Academy of Sciences pres. . . . **Walter R. Brehm**, Page Communications Engineers Dir. of Administration, named a vp in Washington.

**G. Wallace (Wally) Crawford**, veteran RCA Electron Tube exec., leaves May 4 for Italy to become tube project mgr. for ATEs, electronics firm owned by Italian govt. RCA is furnishing management for ATEs . . . **George G. Main** elected chmn. of Westinghouse Credit Corp., succeeding Westinghouse chmn. **Gwilym A. Price**; **Chester F. Gilbert** succeeds Main as pres. of credit subsidiary.

**Leon Robbin** elected **P. R. Mallory** senior vp, **Mogens E. Christiansen**, vp; **George Fortheringham** named pres.-treas., **P. R. Mallory** Foundation. . . . **Frank Pace Jr.** officially stepped out as General Dynamics chmn. and chief exec. officer April 27 (Vol. 2:5 p10), but will continue as a dir. for "limited time."

**Fred D. Herbert Jr.** named pres. of GPE's newly-formed Aerospace Group, succeeded as pres. of Kearfott Div. by **H. R. Shuart**. Also named to Aerospace Group's management team: **R. N. Brown**, exec. vp; **Shuart**; **J. R. Hiemann**, Aerospace Systems Div. pres.; **T. D. Bannon**, vp-treas.; **S. P. Herbert**, vp-personnel & general services; **M. B. Bassett**, vp-systems management; **D. C. Webster**, engineering vp; **W. S. Smith**, mktg. vp; **Dr. E. T. Feraro**, logistics vp.

**Richard C. Sorensen** named pres. of Lab for Electronics' Tracerlab Div. and Keleket X-Ray Corp. . . . **William E. Frady**, ex-Ford Aeronautic Div., named Packard Bell Computer vp & data and industrial systems dir. . . . **E. Douglas Kenna** appointed vp-gen. mgr. of Avco's Research & Advanced Development Div.

**Henry J. Lenox** appointed mktg. vp, Nytronics Inc., Berkeley Heights, N.J. components manufacturer. . . . **Herman Kornbrodt** named Audio Devices sales vp.

**Zenith Nets Record Quarter:** Zenith opened 1962 with record quarter as sales & earnings increased markedly from 1961's initial quarter (see financial table). Sales climbed to \$81.5 million from \$64 million in Jan.-March 1961 and record \$68.1 million in 1960's first quarter. Profits rose to \$4.7 million from \$3.4 million a year earlier and record \$3.9 million in 1960's first quarter.

Chmn. **Hugh Robertson** said also that Zenith in first quarter obtained largest share of industry TV sales it ever has held, that production & factory shipments of b&w TV sets during period were highest for any quarter in Zenith history. Officials said that distributor & factory inventories are "slightly higher" than a year ago, but are in line with increased sales and are being held "under close control."

GPE sales & earnings dropped from year-earlier levels (see financial table) but Chmn. **James W. Murray** forecast pickup in 2nd quarter and a good total year. Earnings slumped to \$866,000 from \$1.3 million, sales tumbled to \$48.3 million from about \$62.9 million. "Second quarter results will show improvement over the first quarter's," Murray told stockholders at annual meeting, "and the performance for the year should compare very favorably with 1961's," when GPE earned \$5.9 million on \$234.7-million sales. He forecast 1962 sales "in the neighborhood of \$240 million to \$250 million," said "we expect operating profit—aside from any special gains—to be more than those in 1961." He attributed slow opening quarter to lag between order, production & delivery of equipment. More than 75% of GPE's volume is in military electronic systems.

GE "is on the march again" after "our highly publicized difficulties" in connection with price-fixing conspiracy early last year, Pres. **Gerald L. Phillippe** told annual meeting last week. He said GE prospects for "sustained future growth are being strengthened on a broad front," announced a new "accent on value" program to meet domestic & foreign competition. Phillippe explained: "Competition from low cost producers overseas is making greater inroads in the U.S. & world markets. In this highly competitive situation, the key to business success is to offer customers the finest values—all things considered—that they can obtain anywhere." He said that this approach could be America's answer to foreign competition, that it "certainly is going to be GE's main line of advance in the period ahead."

**International Resistance** sales & earnings rose about 15% in the 15 weeks to April 15, and vp-treas. **Edward A. Stevens** said "business is coming in fast and we're running ahead of our forecasts." He predicted that if orders continue at current pace, IRC's total 1962 sales & earnings will run 10-15% ahead of 1961. Stevens said IRC is "actively looking for acquisitions, but there's nothing hot now." He noted that IRC is setting up pilot production for a new type of resistor that will be introduced later this year. Pres. **Walter W. Slocum** announced increase in quarterly dividend from 7½¢ to 10¢, payable June 1 to stock of record May 15. He attributed rise to "significant increases" in sales & earnings this year and steady growth in recent years.

**General Precision** and Japan's **Mitsubishi Electric** have formed a joint manufacturing company, **Mitsubishi Precision Inc.**, which will begin operations with a \$7-million contract for aircraft components awarded by Japanese government.



# Television Digest

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

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**CBS-TV CUTS PAYMENTS TO AFFILIATES**, decreasing payments for afternoon programs by average of 22-23% (p. 1).

**ALL-CHANNEL IMPACT ON MANUFACTURING-DISTRIBUTION** worrying industry as House approves bill, with Senate expected to do same shortly (p. 2).

**SPENDING FOR ETV—\$64 MILLION QUESTION** weighed by equipment makers who expect little movement before end of year. HEW official spells out general plans (p. 3).

**BEARISH PROSPECTS OF SPACE-TO-HOME BROADCASTS** outlined by USIA engineers at Montreux TV symposium. Problems: power, antenna size, reliability, allocations—and cost (p. 3).

**1961—BIG YEAR FOR FOREIGN TV**, USIA reporting stations passing 2,000 mark, sets near 54 million (p. 4).

### Consumer Electronics

**16-IN. SETS** to be shown this spring by at least 2 manufacturers in lightweight portables. Kimcode tube still tied up in UL tests (p. 7).

**TOP TV BRANDS-IN-USE** in 17 markets shown in 1962 Consolidated Consumer Analysis. RCA is No. 1 in 15 markets, Zenith & Philco cop first place in one market each (p. 7).

**SYLVANIA COLOR TUBES** due for marketing within year; they'll be 90-degree round, similar to RCA's planned new tube; 100,000 sq. ft. of Seneca Falls plant earmarked for color (p. 8).

**PHONO MAKERS SPIN FIRST-QUARTER PROFITS**. Nine manufacturers tell us pace quickened in March and pushed sales & profits ahead of Jan.-March 1961. EIA had reported phono sales down 17% in 1962's first 2 months (p. 9).

**UPDATED CALENDAR** of 1963 line showings indicates junket-less year, 8 manufacturers are showing in home cities, RCA & Sylvania will travel to Chicago. Distributors will give dealers red-carpet treatment (p. 10).

**RECORD FIRST HALF** predicted for RCA by Gen. Sarnoff, as stockholders hear first-quarter sales-&-earnings momentum is continuing (p. 11).

**CBS-TV CUTS PAYMENTS TO AFFILIATES:** CBS-TV affiliates came to their N.Y. session last week bringing bad news—and they got it. Network unveiled its new compensation formula, which cuts gross payments to affiliates for afternoon programs by average 22-23%. No other time periods are involved, and CBS officials estimated it would result in total reduction of about 6% in payments to average station on a day, year-round basis.

There was some give & take, since plan—as finally announced—isn't scheduled to go into effect until calendar 1963. It's good guess CBS had hoped to make change earlier—but it may well have been influenced in discussion with its Affiliate Advisory Board, whose members argued that change this year would affect their 1962 revenue forecasts & financial planning.

Affiliates couldn't be expected to jump for joy—and they didn't. A few were pretty riled up, but most were inclined to accept CBS's logic—and new rates—stoically.

CBS made case for readjustment of compensation payments by pointing to increasing program losses of 65% in 1961 over 1956, while its total program costs climbed to \$120 million from \$72 million. If new plan had been in effect for calendar 1962, CBS would have kept an additional \$4.1 million (over 1961) out of sponsor payments. And Affiliate Relations & Engineering vp William B. Lodge told stations they still would have increased their network revenues 3%. (CBS affiliates' network revenues went up 9% from 1961 to 1962.)

"At the heart of the matter," Lodge explained to affiliates, "is the differential between daytime and nighttime rates." CBS-TV's hourly daytime compensation to stations is currently 50% of gross nighttime

Class A hour, even though discounts have made daytime programs far cheaper to advertisers than 50% of nighttime. Network has been paying stations on basis of "inflated gross of 50% of nighttime rates."

Here's how CBS will change its rate card and compensation: It will establish new time classification of noon-5:p.m. weekdays & 10:a.m.-1:p.m. Sat. (formerly in Class C time). By eliminating certain discounts, it will fix card rates at levels advertisers are now paying when the discounts are included. End result will be that afternoon card rates will be about 37.5% of nighttime. CBS pointed out that ABC-TV has always listed afternoon time at 33-1/3% of nighttime, and that NBC-TV's afternoon bonus plan works out to about 40%.

Network held out a little lure to stations for going along with plan. It told affiliates, in effect: "When daytime compensation isn't pegged to an artificial 50% of nighttime, we can be more generous in approving network rate increases for individual stations."

Affiliates also heard CBS Inc. Pres. Frank Stanton express what seemed to be minority viewpoint on touchy subject of America's image as reflected in TV shows sent abroad. Taking issue with USIA Dir. Edward R. Murrow, FCC Chmn. Newton Minow and others, he urged against "representing ourselves abroad as something that we are not." Americans shouldn't conceal fact "that we are diverted by mystery dramas or Westerns or situation comedies."

"We cannot have a double standard of reporting," he said. "CBS will never be a party to a policy of concealment that directs us to hide from the rest of the world our imperfections."

**ALL-CHANNEL IMPACT ON MANUFACTURING-DISTRIBUTION:** Headaches to be caused by new all-channel-set law already are being anticipated by TV receiver manufacturing-distribution industry—now that House has approved bill. Though some opposition may develop in Senate, no one expects measure to get blocked there. Action is expected in couple weeks.

EIA Exec. vp James Secrest says "we're going to fight it to the bitter end" but adds that he's not kidding himself about prospects. He reports that dealers & distributors "are finally beginning to wake up" and worry about impact of law on their business. "The public may well decide to 'wait & see' what the new receivers are like," he said, "and the dealers are quite likely to reduce their buying of vhf-only sets. The manufacturers are worrying about when to do what—knowing that it will take the FCC quite some time to put new rules into effect, and knowing that the public will get confused & cautious. The industry may be in trouble for a year or 2. I'm afraid that the market is going to be a mess."

House chewed bill over for hours last week—most of the arguers displaying profound misunderstanding of the bill and the business—but it doesn't matter: vote was 279 to 90. There were a few remarkable exchanges, one of which we must repeat. Pro-bill Rep. Rogers (D-Tex.) was telling anti-bill Rep. Gross (R-Ia.) that law wouldn't affect sets built & sold within same state (thus wouldn't be interstate commerce), so that vhf-only sets could still be bought:

Rogers: "They can buy the set in Chicago and take it to Texas or California or Iowa if they want to, and use it."

Gross: "Yes, if for instance they want to drive from Amarillo, Tex., to Chicago and buy a set."

Rogers: "Oh, they would not have to do that at all. They could telephone the man and make a trade in Chicago and the man could ship it."

Gross: "But it has to be dually equipped if he ships it interstate."

Rogers: "Unless it is shipped for sale or resale. There is not anything unreasonable about it and, I know the gentleman from Iowa is not unreasonable." It went on and on in that vein. Two amendments proffered by Rep. Younger (R-Calif.) were rejected: make vhf telecasters also telecast on uhf; allow multiple owners to have 5 vhf's & 5 uhf's.

Main opposition to bill was for oft-expressed reasons: (1) Public would have to pay extra for uhf features which they may never need. (2) Congress shouldn't be telling manufacturers what to make in products which don't affect public safety; this was termed "bad precedent."

Simple fact remains: Congress was ready to give FCC its much-wanted all-channel law just as soon as Commission was ready to call off deintermixture proposals which would adversely affect powerful constituents.

**SPENDING FOR ETV—\$64 MILLION QUESTION:** Effects of new federal ETV funds won't be felt until near end of year, according to equipment makers. Though President Kennedy signed bill into law last week, making \$32 million available—when matched by non-federal funds—educators still have a lot of selling to do to raise their 50%.

Charles H. Colledge, RCA broadcast & TV equipment vp-gen. mgr., told us: "We've had a great many people in from all over the country, and it's our impression that it will be the last quarter before there's real movement. It's like building a high school in your town—everybody has his own ideas, and they've got to be debated. We've made studies of the possible growth, but we don't rely on them very much."

John Wall, GE broadcast equipment sales mgr., reported that "it's difficult to tell how this thing will move." He noted that GE introduced special studio ETV package at NAB convention—approximately \$24,000 including 2 live vidicon cameras, 2 vidicon projectors—termed it "very flexible."

One equipment producer, who asked not to be identified for obvious reasons, put it this way: "You know educators. They're sometimes hard to work with. They need educating. Some think you can duplicate CBS for a couple thousand dollars. On the other hand, there are some very savvy ETV people—and the newcomers ought to consult them."

Signing new law, President Kennedy termed it "a new chapter in the expression of federal interest in education." He likened it to Morrill Land Grant College Act of 100 years ago, which "reduced old barriers to education and offered new opportunities for learning." HEW Secy. Ribicoff, who has job of administering grants, said law "will make it possible to bring quality education to all who wish to learn." FCC Chmn. Minow called measure "a landmark," said "it promises a much broader range of choice for the American public in the next decade."

Plan of implementation was outlined by HEW Undersecy. Ivan A. Nestingen in May 2 speech to Institute for Education by Radio-TV in Columbus. His office probably will administer program. HEW is working as rapidly as possible to prepare application forms & regulations, expects to start making grants within "several months," he said. Applications in general, Nestingen said, must include total cost of project, amount of federal funds requested, assurance that applicant is qualified.

Qualified applicants are: (a) An agency or officer responsible for supervision of public elementary or secondary education, or public higher education in state. (b) State educational TV agency. (c) College or university, wholly or partially tax-supported. (d) Non-profit foundation, corporation, or association organized primarily for ETV broadcasting and eligible for FCC ETV license.

Nestingén pointed out in addition that regulations will require proof operation will be under control of applicant, that funds to construct, operate and maintain facilities will be available, that facilities will be used only for ETV.

Approval of applications will be guided largely by 3 general criteria, he noted: (a) Prompt & effective use of all remaining ETV channels. (b) Equitable geographical distribution. (c) Service to greatest number of persons in as many areas as possible.

Although bill specifies that federal funds may be used only for purchase & installation of transmission equipment, Nestingen emphasized there is no restriction on use of the 50% matching funds. These can be used for buildings, studios, operations, program production facilities, etc.

**BEARISH PROSPECTS OF SPACE-TO-HOME BROADCASTS:** Direct TV, FM or AM to homes from satellites (as compared with use of satellites as super-microwave relays) seem mighty remote. That's essence of paper prepared for delivery by 2 USIA engineers at last week's international TV symposium in Montreux, Switzerland. Similar downbeat conclusions were reached by Stanford Research Institute (Vol. 2:14 p3).

Technical problems alone are "formidable," said Edgar T. Martin & George Jacobs, in addition to fact that much of desirable spectrum is already taken up by ground stations, unavailable for satellite use because of interference.

They limited consideration to synchronous satellite—one about 22,300 miles in space, stationary rela-

tive to any spot on earth. Here are minimum powers satellite must transmit, they said: AM, 18 mc, 564 kw; FM, 100 mc, 276 watts; TV, 70 mc, 43.5 kw; TV, 650 mc, 1,070 kw; TV, 11,800 mc, 185 kw.

Diameter of parabolic antennas needed: AM, 18 mc, 40 meters; FM, 100 mc, 12.5 meters; TV, 70 mc, 17.9 meters; TV, 650 mc, 1.9 meters; TV, 11,800 mc, .106 meter.

Summarizing technical problems, they listed 4 major requirements: (1) High-capacity power supplies and system components, highly reliable without maintenance—"consistent with economic justification." (2) Dissipation of heat from large power losses. (3) Precise stabilization, orientation and stationkeeping. (4) Allocations—avoidance of interference with existing ground stations. Shf spectrum could be used, but no home sets are equipped to receive it.

Authors concluded with typical engineering restraint: "While not discussed in this paper, the desirability of satellite broadcasting systems must also be considered in relation to the actual need for such a service and to the costs of such a service compared with costs of competing conventional broadcasting systems."

To which might be added: History of broadcasting indicates that technical problems can be licked if allocations problems—which are economic & political—are resolved.

**1961—BIG YEAR FOR FOREIGN TV:** Another boom was racked up in TV abroad last year, as stations increased to 2,047 compared with 1960's 1,488, and sets pushed near 54 million mark, vs. 43 million year earlier. Year also saw first TV hookup between Western Europe & USSR, live transmissions both ways.

USIA annual report (formerly issued quarterly) notes that 66 foreign countries had TV last year, up 4 from 1960: Ireland, Albania, Kuwait and Syrian Arab Republic. ETV also scored first sizeable impact abroad during year, agency reports, with many educational institutions, foundations and international organizations intensifying efforts to use medium to expand education & cut illiteracy.

USIA warns "statistical data must be viewed with caution since the reliability of the sources from which these statistics are compiled varies." Other highlights of report: (1) Communist TV propaganda, chiefly anti-West German & anti-U.S., was stepped up sharply. (2) Western Europe's Eurovision network is possibly most powerful international broadcasting organization, now reaching 30 million viewers in 17 countries. (3) ETV is said to be making big impact in Communist China, TV universities reported operating in 5 large cities, although entire country has only some 20,000 sets in use. For USIA figures on foreign stations & sets, see p. 6.

## **CURRENT CAPSULES**

CBS-TV's "The Benefactor" episode of *Defenders* (Vol. 2:17 p1, 18 p2) produced anticipated results. Almost all comment so far has praised CBS for stimulating discussion of touchy subject, abortion. Only 11 of 180 affiliates declined to carry it—and sponsor Speidel benefited from 28.4 Arbitron rating, compared with 26 ratings for recent *Defenders* episodes.

Miami Ch. 6 is cleared and ready for CP following agreement between competitors Coral TV Corp. and South Fla. Amusement Co. Latter will dismiss, getting up to \$60,000 for expenses, and its pres. Sherman Grossman will have option to acquire 7% of grantee.

House passed by overwhelming 354-9 vote bill to establish private communications satellite corp. (Vol. 2:17 p4 et seq.). Similar measure has cleared Senate Space Committee, will be ironed into final shape by Commerce Committee in executive session, probably next week. Final bill approved by House calls for corporation owned half by individual shareholders, half by U.S. communications common carriers. Board of directors numbers 15—6 from public, 6 from companies, 3 appointed by President with Senate approval. Ground stations may be owned either by corporation or individual communication companies, but FCC is instructed to favor latter. Move by Rep. Moss (D-Cal.) to delete this stipulation from bill was defeated by 116-33 voice vote. Under amendments adopted before passage, directors appointed by President would serve 3-year terms, and State Dept. would be reimbursed for any assistance rendered in foreign negotiations.

TV advertising is most effective & most objectionable, according to survey of businessmen made by Harvard Business Review asst. editor Stephen A. Greyser. Extensive study of businessmen's attitudes toward advertising, directed by Greyser, will be published in May-June issue of *Review*. Some of findings: (1) 38% of businessmen who answered questionnaire said TV advertising was most effective, but 57% said it was most objectionable. (2) 80% believed advertising essential to business, over 90% think public has more confidence in advertised brands, 85% believed it raised living standards, 89% said it provides most efficient means to stimulate mass buying. (3) 30% believed advertising lowers prices, 24% said it partially lowers prices, 28% think it raises prices, others didn't know. (4) 78% agree advertising often persuades people to buy things they shouldn't, and 80% of these thought this was bad. (5) 40% believe advertising standards are higher today than decade ago, 36% think they are about same, 24% said they are lower. (6) 74% believe introduction of code of ethical practices would be good, 69% said they knew of no current effort at industry self regulation.

FTC took razor to TV shaving cream commercials for second time in 6 months, ruled Carter Products used deceptive & disparaging commercials to promote "Rise." Commission's order, which also cited agency Sullivan, Stauffer, Colwell & Bayles, upheld findings of hearing examiner John P. Poindexter. He held that alleged "ordinary lather" shown as inferior to "Rise" actually was a prepared concoction containing 90% water. Opinion by Comr. Sigurd Anderson noted: "Since we believe, as respondents obviously did, that the demonstration would serve to induce members of the public to purchase 'Rise' in preference to competing lathers, there is sufficient public interest to warrant the conclusion that the practice should be prohibited." For emphasis, the opinion concluded: "We might add in this connection that our views with respect to the use of television demonstrations that convey false or deceptive impressions to the public were fully set forth in our opinion in the matter of Colgate-Palmolive Co. . . . and the rationale of that decision is equally applicable here" (Vol. 2:2 p2). No dissents.

Low-power radio transmitters in foreign embassies in Washington would be permitted under bill (S-3252) introduced by Sen. Fulbright (D-Ark.) at request of Secy. of State Rusk. President would have power to authorize stations in return for reciprocal privileges by foreign govts. In letter to Vice President Johnson, Rusk pointed out that foreign delegations in U.S. already have access to very rapid communications, would gain little by being permitted transmitters. U.S. posts abroad, he said, often must rely on facilities under Communist control, which often break down when most urgently needed.

"Vast new multi-billion dollar industry" will be created by expansion of ETV, NAEB Pres. William C. Harley told Institute for Education by Radio-TV, sponsored by Ohio State U. He said TV will be used by every school in nation "in the foreseeable future," and in many areas will be source of all instruction. Although \$32 million federal aid-to-ETV bill is "long step to the future," Harley declared, it "must be matched by scores of other important steps by all American citizens."

New U. S.-Mexican agreement on vhf assignments within 400 kilometers (248.6 miles) of border has been signed. It allows additional allocations in both countries. In U. S., it provides for these new ones: Ariz.—Nogales 11, Prescott 7; Cal.—Bakersfield, Santa Barbara, Santa Maria, Lompoc, 12; El Centro 7, 9; N. M.—Silver City—Truth or Consequences 6; Tex.—Boquillas 8; Brady 13; Del Rio 10, Ft. Stockton 5, Marfa 3, Presidio 7, San Antonio 6, Sonora 11. Mexico adds 23, but virtually all are at distances greater than existing Mexican assignments co-channel with U. S. stations—i.e., they'd create no more interference than would be given by existing assignments. Text of agreement, which includes refinement of notification procedures, is available from Commission.

FCC switched Ch. 18 from commercial use at Ft. Valley, Ga., Murfreesboro, Tenn. & Burnside, N. C., to Dalton, Ga. for ETV, at request of Ga. State Board of Education. Commission previously moved Ch. 25, Dalton, to Huntsville, Ala.

Network TV gross time billings totaled \$65,530,658 in January, 1962, up 10.4% from January, 1961's \$59,375,571, TvB reports. CBS billings increased 13.9% during period, from \$22,378,008 to \$25,498,117. NBC gained 10.7%, rising from \$21,099,253 to \$23,358,879; ABC moved up 4.9%, from \$15,898,310 to \$16,673,662. During January, daytime billings were up 14.9%, nighttime rose 8.3%. TvB also announced revised totals for 1961 billings in line with new tabulating methods (Vol. 2:5 p5): Total, \$712,128,148; ABC, \$190,615,140; CBS, \$268,676,875; NBC, \$252,836,133.

Sale of radios WHAM & WHFM Rochester by Henry I. Christal Co. to Rust Bestg. Co. for \$1.3 million has been approved by FCC. Transfer will be made after Rust Pres. William F. Rust Jr. disposes of one of his present AM holdings.

RKO's Hartford pay-TV project will be studied by John J. Henderson & Assoc. Company will handle research into consumer attitudes, program evaluations, ratings, and other aspects of 3-year experiment which begins in July.

**USIA FOREIGN TV SURVEY:** Here is USIA's list of foreign stations and sets-in-use as of Dec. 31, 1961 (see p. 4). List does not include U.S., Canada or U.S. armed forces stations abroad:

COUNTRY	STATIONS	SETS	COUNTRY	STATIONS	SETS
<b>Western Europe</b>					
Austria	26	290,000	Near East and South Asia (incl. Arab World)		
Belgium	10	900,000	Algeria	6	62,000
Denmark	11	711,000	Bahrain <sup>5</sup>	—	1,000
Finland	21	200,000	Cyprus	1	3,000
France	121	2,800,000	India	1	500
West Germany	386	5,888,000	Iran	2	62,000
Iceland <sup>1</sup>	—	700	Iraq	1	35,000
Ireland	1	100,000	Kuwait	1	1,000
Italy	541	3,000,000	Lebanon	2	40,000
Luxembourg	1	7,300	Libya <sup>4</sup>	—	7,000
Malta <sup>2</sup>	—	15,000	Qatar	—	300
Monaco	2	12,000	Saudi Arabia	1	8,700
Netherlands	7	1,051,000	Syrian Arab Republic	4	25,000
Norway	15	107,000	Tunisia <sup>5</sup>	—	2,000
Portugal	7	88,000	Turkey	1	500
Spain	29	420,000	United Arab Republic	4	120,000
Sweden	67	1,405,000	<b>Total</b>	<b>24</b>	<b>368,000</b>
Switzerland	23	194,000	<b>Africa (non-Arab)</b>		
United Kingdom	44	12,000,000	Ethiopia <sup>6</sup>	—	1,000
Yugoslavia	12	67,000	Nigeria	3	10,000
<b>Total</b>	<b>1,324</b>	<b>29,256,000</b>	Rhodesia & Nyasaland (Federation)	3	25,000
<b>Latin America</b>					
Argentina	8	770,000	<b>Total</b>	<b>6</b>	<b>34,000</b>
Brazil	30	1,621,000	<b>Far East</b>		
Chile	3	3,000	Australia	18	1,309,000
Colombia	14	200,000	Hong Kong	(1) <sup>7</sup>	11,000
Costa Rica	2	10,000	Japan	145	8,686,000
Cuba	15	400,000	Korea (South)	1	20,000
Dominican Rep.	4	18,000	New Zealand	1	17,000
Ecuador	2	5,000	Philippines	6	45,000
El Salvador	3	24,000	Ryukyu Islands (Okinawa)	2	33,000
Guatemala	2	22,000	Thailand	2	100,000
Haiti	1	2,000	<b>Total</b>	<b>175</b>	<b>10,221,000</b>
Honduras	1	4,000	<b>Communist Bloc</b>		
Mexico	25	1,000,000	Albania	1	—
Netherlands Antilles (Curacao)	1	5,000	Bulgaria	2	8,000
Nicaragua	1	4,000	Czechoslovakia	62	1,100,000
Panama	1	23,000	East Germany	73	1,338,000
Peru	5	82,000	Hungary	8	180,000
Uruguay	2	60,000	Poland	22	645,000
Venezuela	17	263,000	Rumania	3	68,000
<b>Total</b>	<b>137</b>	<b>4,522,000</b>	USSR	198	6,000,000
			Comm. China	12	20,000
			<b>Total</b>	<b>381</b>	<b>9,359,000</b>

<sup>1</sup>These sets tune in to the Armed Forces stations.

<sup>2</sup>These sets tune in to Italian stations.

<sup>3</sup>These sets tune in to the Aramco-TV station in Dhahran, and to the Armed Forces station.

<sup>4</sup>These sets tune in to Armed Forces stations and RAI, the Italian network.

<sup>5</sup>These sets tune in to RAI.

<sup>6</sup>These sets tune in to Armed Forces stations.

<sup>7</sup>Closed Circuit wired service; not counted in totals.

First TV relay by satellite—feeble but first nonetheless—was accomplished by MIT last week for Air Force. It bounced 20-kw 8,350-mc signal off old Echo balloon satellite, now half-deflated. Signal went from Camp Parks, Cal., near San Francisco, to Middlestone Hill, near Westford, Mass., about 2,700 miles, via satellite about 1,000 miles above earth. MIT's Walter E. Morrow Jr., project director, said much of signal weakness & distortion was caused by wrinkled surface of satellite. Pictures sent were "MIT" letters, cowboy on horse, trained seal in action.

Britain's Granada TV Network Ltd. has established N.Y. office, which will handle program sales, buying & talent in U.S. Heading new office at 509 Madison Ave. (Room 1206) is Kay Campbell, former assistant to Edward R. Murrow.

Canada's CTV TV network will nearly double present schedule in fall, with 25 hours of programming weekly, plus football; Network will have microwave completed by August.

## Personals

Jack Kiermaier, CBS news public affairs dir., promoted to news vp . . . William A. Bates, WDAF-TV-AM-FM Kansas City gen. mgr., elected a vp of parent Transcontinent TV Corp. . . . Arie Landrum promoted to WCCA-TV Columbia, S.C. station mgr., Dean Poucher to operations dir., Bryan Bisney to production mgr.

Stanley Chase, ex-stage producer, named ABC-TV program development dir., succeeding Robert Rafelson, who has joined Revue Productions . . . Charles Ayres promoted to ABC vp & ABC-TV assoc. sales dir. . . . Peter Reinheimer promoted to ABC-TV Eastern sales mgr.

Joseph Kotler, ex-Ziv-UA vp, named vp & sales dir. of new Warner Bros. syndication div. . . . Ben Strouse, WWDC-AM-FM Washington pres. & gen. mgr., named NAB FM Radio Committee 1962-63 chmn.

Millard Cope, Marshall, Tex. *News Messenger* publisher & partner in Harte-Hanks Inc. newspaper chain (KENS-TV & KENS San Antonio) named to National Advisory Council for Peace Corps . . . Lawrence J. Pollock named WABC-TV N.Y. research & advertising dir.

John Crichton, ex-*Advertising Age* editor, assumes AAAA presidency, succeeding Frederic R. Gamble, retired. . . . Bernard Kalb, brother of CBS Moscow correspondent Marvin Kalb, will join network as India & Southeast Asia chief correspondent.

Daniel T. Pecaro named WGN-TV Chicago program mgr., succeeding Edward A. Warren, who moved to similar post with WNBC-TV N.Y.; Robert L. Bradford promoted to radio WGN program mgr.

Ralph Guild promoted to rep Darren F. McGavren Co. mgr.; Ed Argow advances to N.Y. sales mgr., Mike McNally to Chicago mgr.; Tom Sullivan, ex-NBC Spot Sales, becomes St. Louis office mgr.; Harvey Glor promoted to Midwestern sales rep.

John B. Soell, KTVE-TV El Dorado, Ark. vp & gen. mgr., named to United Cerebral Palsy Assns. national standing committee on PR.

USIA Dir. Edward R. Murrow has squelched rumors he might be Democratic candidate for Senate in N.Y., in opposition to Republican Sen. Javits. "I'm too busy running USIA to run for another position," he said.

Switch from NBC-TV to ABC-TV by WRAL-TV Raleigh is effective Aug. 1. WTVD has had ABC-TV in addition to CBS-TV. NBC-TV affiliate WITN Washington, N.C. reaches into part of Raleigh stations' coverage area. ABC also announced affiliation, as expected, of new Ch. 9 Syracuse station to be built by 10 competing applicants pending FCC hearing to select winner (Vol. 2:16 p4); affiliation is effective Sept. 15.

New WCIV-TV (Ch. 4) Charleston, S.C., expected to begin about July 15, has become NBC affiliate. Harold E. Anderson is pres., Lee Gorman exec. vp & gen. sales mgr., William E. Lucas, ex-WSAV-TV Savannah, station mgr.

For stereo transmission between studio & transmitter, FCC is proposing to change rules to permit simultaneous operation of 2 STL transmitters on single channel. Comments are invited until June 11.

KYA-AM-FM San Francisco has been sold for \$1,250,000 plus assumption of liabilities, by Macfadden-Bartell Co. to Clinton D. Churchill, ex-WKBW-TV Buffalo. Broker: Blackburn & Co.



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TWO MANUFACTURERS SLATE 16-IN. SETS:** New lightweight portables with 16-in. square-cornered picture tubes (Vol. 2:16 p8) will show up in minimum of 2 lines this spring. At least one will use Pittsburgh Plate Glass bonded implosion plate. Weight of set may be around 20 lbs.

Both are made by large manufacturers—very big in portables—and both set makers will proceed with extreme caution on new size, feeling out market. The 16-in. bulb was developed more than year ago at request of Admiral—but there's no indication Admiral will have set with this size screen in spring line.

In other picture-tube news, Kimble's Kimcode bulb, which requires no external safety glass (Vol. 2:16 p8, 12 p7) is still tied up in UL tests. It's understood that tube successfully survived all implosion tests, and that UL is now conducting accelerated life tests to determine long-range safety. UL is being exceptionally cautious because of radical approach used in Kimcode, and tests are expected to take 30-60 days more.

Until these tests are completed—in N.Y. & Chicago—Kimcode remains in suspended animation.

**TOP TV BRANDS-IN-USE IN 17 MARKETS:** Ownership of TV sets by brands in selected markets has again been tabulated by Consolidated Consumer Analysis and is summarized in table on p. 8, reproduced by special permission.

Consolidated Consumer Analysis is newspaper-operated research group which annually surveys consumers' use of various products & services, from brassieres to airlines, from cat food to outboard motors. The 17-market survey of TV ownership ranks 13 brands according to percentage of households owning them in the various markets.

The 1962 survey covered 18 markets with total of 2,528,423 households, using total sample of 48,037 households. Only 17 markets are represented in TV tabulation, however, since TV tally wasn't announced for Indianapolis. Interviewing for survey was conducted in Sept. & Oct. 1961.

TV study covers all sets in homes of interviewed families—with no emphasis on recent purchases. Therefore recent surges in popularity of one make or another don't show up strongly, and can be recognized only in comparison with past surveys. Hoffman is still included in list—even though it no longer makes TV sets—because substantial Hoffman ownership showed up in 11 of the 17 markets.

RCA was No. 1 TV brand-in-use in 15 of 17 markets, 2nd in the other 2. (Last year RCA was first in 18 of 19 markets surveyed.) Zenith & Philco were first in one each. This marks first time Philco has shown up as No. 1 in any market in this survey series; Zenith was first in one market last year, although a different market (Modesto this year, Honolulu last year).

It should be noted that last year's survey included 19 markets (Indianapolis, Portland & Seattle not represented this year) and that Pensacola is included this year for first time. Rankings of 2nd & 3rd most popular brands in the 17 markets (compared with 19-market rankings of same brands last year):

Zenith was 2nd in 3 markets, 3rd in 6 (2nd in 4, 3rd in 5 last year); Philco, 2nd in 3, 3rd in one (2nd in 3, 3rd in 4); GE, 2nd in 3, 3rd in one (2nd in 2, 3rd in 4); Admiral, 2nd in 4, 3rd in 4 (2nd in 7, 3rd in 5); Motorola, 3rd in 3 (3rd in one); Silvertone, 3rd in 2 (3rd in one); Hoffman, 3rd in one (2nd in one).

For direct comparisons of sets-in-use ratings with past surveys, check your back files of Television Digest—1961 (Vol. 17:28 p15), 1960 (Vol. 16:35 p11), 1959 (Vol. 15:26 p16), 1958 (Vol. 14:28 p12), 1957 (Vol. 13:40 p10).

More detailed tabulations of brand preferences in individual markets will be found in Consumer Analysis reports published by each of the CCA member newspapers. These are participating papers, each of which will supply its own area tabulations on request: *Columbus Dispatch & Citizen Journal*, *Denver Post*, *Duluth Herald & News-Tribune*, *Fresno Bee*, *Honolulu Star-Bulletin*, *Indianapolis Star & News*, *Long Beach Independent & Press Telegram*, *Milwaukee Journal*, *Modesto Bee*, *Omaha World-Herald*, *Pensacola News-Journal*, *Phoenix Republic & Gazette*, *Providence Journal Bulletin*, *Sacramento Bee*, *Salt Lake Tribune & Deseret News*, *San Jose Mercury & News*, *St. Paul Dispatch & Pioneer Press*, *Wichita Eagle & Beacon*.

Rankings aren't necessarily representative of country as whole, of course, reflecting ownership only in markets surveyed. However, they show regional patterns & variations in brand preferences.

## Television Set Ownership in 17 Markets, 1962

(See story above)

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CITY	Per Cent of Owners			RCA Victor	Zenith	Philco	General Electric	Admiral	Silvertone	Hoffman	Motorola	Packard Bell	Mognavox	Emerson	Westinghouse	Sylvania	
	1962	1961	1960														
Columbus	98.9	98.7	98.5	18.4	1. 29.8	4. 12.2	2. 18.3	6. 8.7	3. 16.4			5. 11.6		10. 3.1	11. 2.8	7. 5.4	9. 3.5
Denver	97.5	96.4	96.9	13.5	1. 16.6	3. 10.6	6. 8.2	5. 9.7	2. 12.7	8. 4.8	14. 2.8	4. 10.4	7. 7.0	13. 3.3	11. 3.7	12. 3.5	17. 1.7
Duluth-Superior	97.5	98.2	96.6	11.2	1. 23.2	4. 8.9	5. 8.4	2. 15.2	3. 9.1	10. 3.3		7. 5.9		15. 1.6	6. 7.1	8. 5.5	16. 1.4
Fresno	94.6	93.8	93.7	15.2	1. 18.3	2. 10.9	5. 9.3	6. 8.6	10. 4.3	3. 10.0	7. 7.4	3. 10.0	8. 6.6	11. 3.4	9. 5.9	11. 3.4	13. 2.8
Honolulu	90.8	90.2	91.2	23.3	1. 17.7	2. 16.3	5. 8.3	3. 11.5	7. 7.1	4. 11.1	14. 1.4	5. 8.3	9. 4.4	12. 1.9	10. 3.3	13. 1.8	8. 5.5
Indianapolis	92.1	96.0	95.0	9.2	N.A.												
Long Beach	95.5	97.5	96.7	10.6	1. 20.5	2. 11.5	8. 7.6	4. 10.2	6. 10.0	3. 10.5	7. 9.7	10. 5.2	5. 10.1	9. 7.2	12. 2.7	13. 2.2	15. 1.9
Milwaukee	97.0	97.1	96.8	14.0	1. 28.5	3. 11.8	5. 10.2	6. 6.8	2. 18.5	8. 4.0		4. 11.2		7. 4.1	11. 2.3	9. 3.3	10. 2.4
Modesto	92.2	92.1	89.1	16.9	2. 12.9	1. 13.9	4. 11.3	7. 6.6	8. 4.9	5. 10.5	3. 11.5	6. 7.8	9. 4.5	14. 2.0	10. 3.7	12. 3.1	13. 2.8
Omaha	98.6	98.6	98.5	15.1	1. 24.0	4. 10.9	2. 18.0	5. 9.6	6. 9.1	8. 4.4	16. 1.3	3. 11.1		7. 4.6	9. 4.3	10. 3.7	21. 1.3
Pensacola	95.4			13.6	1. 24.2	3. 17.0	2. 17.9	7. 6.8	5. 8.4	6. 7.9		4. 10.4		12. 1.2	10. 1.6	11. 1.5	9. 1.9
Phoenix	95.3	95.9	95.1	14.2	1. 11.2	3. 8.6	8. 6.0	2. 9.5	4. 7.2	9. 5.8	12. 3.8	5. 7.1	11. 4.4	10. 5.2	7. 6.4	6. 6.8	13. 3.2
Providence	97.6	97.3	97.4	11.2	2. 12.2	5. 9.7	1. 13.1	7. 7.0	3. 10.2	12. 2.2		4. 9.9		8. 3.7	6. 9.2	9. 3.5	9. 3.5
Sacramento	95.3	95.2	94.9	17.4	1. 18.6	3. 10.8	4. 9.4	2. 11.6	6. 7.9	5. 8.2	8. 7.1	7. 7.2	8. 7.1	11. 4.6	10. 5.2	12. 3.9	14. 2.3
Salt Lake City	96.3	96.5	96.6	15.2	1. 17.1	6. 6.7	3. 12.1	4. 11.7	2. 13.0	10. 4.5	9. 5.4	5. 9.6	7. 6.3	10. 4.5	15. 2.3	8. 5.5	12. 2.8
San Jose	96.2	96.3	94.4	14.9	1. 16.4	2. 12.6	5. 8.8	8. 7.3	6. 8.4	4. 9.7	10. 5.2	3. 9.9	7. 8.1	9. 5.8	11. 4.7	12. 3.4	13. 2.4
St. Paul	98.2	98.2	98.1	19.7	1. 22.8	4. 12.1	5. 9.5	2. 12.4	3. 12.3	18. 1.2		6. 9.4		11. 2.9	13. 2.5	9. 3.9	
Wichita	97.2	95.9	96.3	11.6	1. 17.8	3. 11.0	5. 9.8	4. 10.1	2. 15.0	9. 4.1	10. 3.9	6. 8.9		7. 4.5	14. 2.0	8. 4.4	12. 2.6

N.A. - Not available.

**SYLVANIA RESUMING COLOR-TUBE OUTPUT:** Sylvania will market color picture tubes within a year. They'll be 21-in. round shadow-mask glass tubes with 90-degree deflection angle—same type RCA has slated for January production (Vol. 2:16 p7). Initially, 100,000 sq. ft., or about one-fifth of Sylvania's Seneca Falls, N.Y. plant will be devoted to color.

Engineering & marketing studies, said Sylvania Pres. Gene K. Beare, "show the color TV market now is expanding, and that this is the time for us to re-enter the field." Decision was widely anticipated. Sylvania produced color tubes from 1953 through 1957 and has been in experimental "dry run" color tube production for last few weeks.

Industry thus will have at least 3 sources for color picture tubes—RCA, with production in Lancaster, Pa. & Marion, Ind., and Zenith subsidiary Rauland, which recently announced it will begin color tube production early next year in Chicago, as well as Sylvania. Sylvania, incidentally, took what appeared to be back-hand slap at Rauland in its announcement at last week's end. Pointing out that much of color production equipment is already on hand at Seneca Falls, Pres. Beare said this will enable Sylvania to market color tubes within year. "Without the existing machinery," he added, "it would be very difficult to go into production of a long-life, highly reliable color tube in so short a time."

Sylvania named its electronic tube division's asst. chief engineer, Max Krawitz, as mgr. of color tube manufacturing. Company recently moved much of its b&w tube manufacturing operations from Seneca Falls to Ottawa, O. (Vol. 2:13 p10)—to be closer to midwest TV set manufacturers, and presumably to make room for color production in Seneca Falls.

In announcing resumption of color tube output, Sylvania reported that it has produced more than 26 million b&w picture tubes—or about 23% of approximately 113 million b&w entertainment picture tubes manufactured by industry to date.

**PHONO MAKERS SPIN FIRST-QUARTER GAINS:** Phonograph sales really took off in March and pushed 9 major manufacturers to sizable first-quarter sales & profit gains over year-earlier levels. Opening quarter's performance is particularly interesting in light of EIA's report that distributor-to-dealer phono sales for 1962's first 2 months were a depressing 17% behind Jan.-Feb. 1961 (Vol. 2:17 p11). Manufacturers we spoke with last week, however, told us phono sales are now winging and outlook is for one of phono's better years.

Motorola's William Laswell (national radio & stereo sales mgr.) told us, for example, "we're just pinching ourselves, business is so good. In February, we were up 18%. We did wonderfully in March. For the quarter we were 22.2% ahead, and the profit picture is equally good."

Other manufacturers told us much the same upbeat story:

RCA's Raymond W. Saxon (Sales Corp. mktg. vp): Factory-to-distributor sales jumped 120%; "dollar volume was significantly ahead as sales of radio-phonograph combination units more than doubled sales of the comparable period" in 1961.

Philco's Charles Hakimian (consumer products gen. sales & mktg.): Distributor-to-dealer sales rose 77%, factory sales 92%.

Symphonic Pres. Max Zimmer: "Volume in the first quarter was up 16% in dollars, 11% in units."

Olympic Pres. Morris Sobin: "We were 25% ahead in phonograph units, more in dollar volume."

GE & Admiral said that first-quarter business was ahead of year-ago.

Fisher Radio's Paul E. Bryant, recently appointed gen. sales mgr.: "Console sales increased 15% in units, 18% in dollars."

Zenith noted that "factory sales of the combined category of radio & high fidelity stereophonic instruments were well ahead of the previous year."

Varied reasons for phonograph sales pick-up were noted by manufacturers. GE pointed out that "industrywide, sales of portable phonographs through February ran about 23% behind 1961. But console sales were 8.8% ahead." GE also forecast that "industry will see substantial sales gain around June" after traditional drop-off in April, noted that there are "no excessive inventories of obsolete merchandise." A few years ago, GE said, "industry was heavy on mono inventory—but not today."

Decreasing public confusion over hi-fi, stereo, & FM-stereo labels also was noted by some. Motorola's Laswell went further: "The public never was confused," he said. "Dealers were confused. The public wanted to buy good music as it always did." Philco's Hakimian said he's optimistic about a sales rise because "consumer is beginning to understand the meaning of stereo and hi-fi and what stereo FM means. Since the consumer is not confused by these terms, he is more apt to buy the product now than he was a year ago."

Interesting note in phonographs' first-quarter sales pattern is rise of high-end merchandise & decline of portables—reversing current trend of b&w set sales. Admiral attributes pattern to public's growing awareness of console cabinet's contribution to better sound reproduction. Several manufacturers also gave credit for high-end sales to growing popularity of FM stereo, improved cabinet styling, and reduction in console pricing over past several years.

"When you buy FM stereo," Philco's Hakimian pointed out, you're buying 2 home entertainment instruments in one—the record player & a stereo FM which gives you the advantage of both. Excellent programming by FM stations also has helped to develop the market."

RCA's Saxon said "it would seem today's stereo combination units show signs of taking a more prominent place in the living room as a major home entertainment item. Distinctive styling units have been so well received at the consumer level that we feel there is a sizable demand for expensive cabinetry & stereo merchandise."

As to TV-radio-stereo combinations, which accounted for a record 3.9% of TV distributor unit sales last year (Vol. 2:18 p7)—they seem to be holding up this year. Olympic's Sobin, whose company is one of biggest in this field, thinks TV combos can eventually go up about one more percentage point. "But I don't think we'll ever see them over 5% of the total TV market."

**UPDATED CALENDAR OF 1963 LINE SHOWINGS:** Latest scheduling of shows for distributor inspection of 1963 TV-radio-phono lines confirms earlier indication (Vol. 2:14 p9) that this will be pretty much a junket-less year. With few exceptions, major manufacturers are showing at home or conveniently located major city. There isn't a Miami, Las Vegas, Mexico, Mackinaw Island or West Coast jaunt scheduled.

Trend this year seems to be for manufacturers to stage low cost, high power introduction meetings for distributors, and have latter put on junket galas at local level for dealers. Admiral, for example, is showing new line to distributors in Chicago at end of May—but is working deal with distributors to enable them to give dealers resort treatment. In some areas, New England & Florida, for example, Admiral distributors are grouping to give dealers posh meetings. One group already is slated for a trip to Grand Bahamas Island.

"You can do the same thing only so many times," Admiral told us, "and after you've been through Miami and Las Vegas there aren't many resorts available that can handle the type of meeting we're accustomed to putting on. We've made this change this year for the purpose of coming up with something different."

RCA, which for past 2 years has staged distributor-dealer extravaganzas in both Miami & Vegas, is reverting this year to distributor-only show in Chicago. Distributors will run their own local showings for dealers. Bruno-New York, for example, is slated to take its dealers to Concord in the Catskills. RCA told us distributor-conductor shows for dealers enable former to retain identity which tends to be lost in company-run extravaganzas. Also, dealers can take advantage of regional junkets without sacrificing travel time and too many days away from store. Traditional traveler Sylvania also is showing in Chicago this year, and at least 8 manufacturers (Admiral, GE, Motorola, Muntz TV, Packard Bell, Philco, Symphonic, Zenith) are showing in their home cities.

Here's schedule of showings so far available:

Manufacturer	Products Shown	Dates	Event & Location
Admiral	TV, radio	Late May	Distributors. Chicago.
Du Mont	TV	Early June	Dates & location not firmed.
Emerson	TV, radio	Early June	Dates & location not firmed.
GE	TV, console phonos	May 21	Distributors. Louisville, Ky.
Magnavox	TV, radio, phono	June 24-28	Dealers. Music Show, N.Y.
Motorola	TV, radio	June 4	Distributors. Hilton Hotel, Chicago.
Muntz TV	Drop-in models	July	Key dealers. Wheeling, Ill. plant. Date not set.
Olympic	TV	June 4	Distributors. Chase Hotel, St. Louis.
Packard Bell	TV, radio	Late June	Distributors. Los Angeles.
Philco	TV, radio	Early June	Distributors. Date & location not set.
RCA	TV, stereo, radio	May 11	Distributors. Edgewater Beach Hotel, Chicago.
Sylvania	TV, radio, stereo	June 6-7	Distributors. Edgewater Beach Hotel, Chicago.
Symphonic	TV, phono	June 24-28	Distributors & dealers. Music Show, N.Y.
Westinghouse	TV, radio, phono	June 24-28	Distributors & key dealers. Music Show, N.Y.
Zenith	TV, radio, phono	Early June	Distributors. Chicago.

**TV-RADIO PRODUCTION:** EIA statistics for week ended April 27 (17th week of 1962):

	April 21-27	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV	131,543	122,798	110,397	2,201,731	1,715,619
Total radio	352,278	363,154	278,212	6,058,610	4,714,078
auto radio	123,233	130,482	100,944	2,143,810	1,454,906

**Trade Personals**

Vincent Barreca elected Admiral pres., succeeding Ross D. Siragusa who continues as chmn. & chief exec. officer. Barreca, 45, was exec. vp. He joined Admiral in 1934, was assigned in 1946 to organize Canadian Admiral in Toronto to make & sell TVs. Barreca was elected to Admiral's board in 1955 and appointed operations vp. He became exec. vp in 1957.

Richard A. O'Connor resigns as Magnavox chmn., will continue to serve on board. Post won't be filled; Pres. Frank M. Freimann will serve as chief executive officer.

William E. Boss, RCA color TV coordination dir., named exec. asst. to William J. O'Connor, pres. of Southern Wholesalers, Washington RCA distributor.

Gordon F. Fullerton appointed vp-gen. mgr., Sylvania receiving tube operations, headquartering in Emporium, Pa.; succeeded by Eugene E. Broker as Parts Div. gen. mgr., Warren, Pa.

E. E. Bareuther elected Philco treas. in addition to duties as asst. controller, succeeding William R. Wilson, resigned (Vol. 2:18 p11). . . . Ralph M. Spang elected Zenith vp & controller.

Takanobu Yoshihara named mgr. of Toshiba's expanded N.Y. office, now hq for company's North American operations.

Robert A. O'Reilly elected Oak Mfg. chmn., succeeding Elof Sandstrom, retired; Stewart Pfannstiehl appointed exec. vp. . . . William L. Strong appointed Packard Bell financial vp.

Paul W. Roth named Webcor product service vp. . . . William C. Wichman appointed GE International Div. gen. mgr., succeeding Charles V. Schelke who continues with division as GE vp on special assignment.

**Obituary**

Henry Carl Bonfig, 66, died April 30 in Evanston, Ill., after a short illness. Starting as a distributor in radio's early days, "Bonny" became one of the industry's greatest merchandising men. From 1935 to 1944 he was vp of RCA's RCA Victor Div., joining Zenith as sales vp and serving in this capacity until 1955, when he was elected president of CBS-Columbia, the now-defunct TV manufacturing division of CBS Inc. Until his retirement last year, he was a CBS vp & board member. Last month he was elected to board of Wells-Gardner, big private-label TV-radio-phono manufacturer partially owned by ITT. He is survived by daughter, 2 sons, 8 grandchildren.

Storm-damaged GE radios will be repaired or replaced at special prices, under program instituted in locations officially designated as disaster areas as result of last March's East Coast storms. GE service centers will offer free inspection, repairs at cost, or special replacement price for sets damaged beyond repair.

Wireless remote control for antenna rotors is being offered by Cornell-Dubilier. Ultrasonic unit, which looks like TV remote, is offered with receiver unit which forms base for regular CDR rotator. Transmitter-receiver combination lists at \$54.95.

Ford shareholders will vote May 24 on proposal to split stock 2 for 1 and double authorized capital shares to 415,315,350 from 207,657,675. If approved, split will be effective May 31.

**RCA Sees Record Half:** Before overflow crowd of 1,400 contented stockholders in NBC Studio 8H & environs, RCA Chmn. Brig. Gen. David Sarnoff last week predicted record first half in sales & earnings this year. "The momentum of our record-breaking first quarter has continued through April," he said, "to produce the highest sales & earnings of any first third of a year in RCA's 43-year history."

"Our major down payments on the future have now been made," Pres. Elmer Engstrom told shareholders. And he was followed by executive heads of 5 principal operating areas, who detailed progress in military, international, service, data processing, consumer & broadcasting fields.

"Our investment in color already appears to be one of the soundest your company has ever made," said Engstrom in introducing group exec. vp W. Walter Watts. Watts said RCA's color tube facilities are "being taxed beyond our current production capacity" and that RCA's share-of-market has improved this year in b&w TV, radio, phonos & tape recorders.

NBC Chmn. Robert W. Sarnoff, pointing out parenthetically that NBC's "management team [is] the most stable in the business," predicted that 1962 would be network's biggest year.

**Common Stock Dividends**

<i>Corporation</i>	<i>Period</i>	<i>Amt.</i>	<i>Payable</i>	<i>Stk. of Record</i>
Baltimore Radio				
Show .....	Q	\$0.10	June 1	May 15
Gen'l. Tire &				
Rubber .....	Q	.10	May 31	May 18
P. R. Mallory .....	Q	.35	June 11	May 11
Siegler .....	Q	.10	June 1	May 15
Sonotone .....	Stk.	4%	June 29	June 1
TV-Electronics				
Fund .....	—	.08	May 31	May 8
Whirlpool .....	Q	.35	June 10	May 11

Admiral has confirmed that it will import 50,000-100,000 six-transistor radio chassis from Japan this year (Vol. 2:6 p8). Other import news: Matsushita is notifying its U. S. dealers that it will stay out of price-cut rat-race and that its 6-transistor radio prices will remain firm, despite cuts to \$14.95 by several U. S. manufacturers. Its 6-transistor set listing at \$24.95 will be sold with plug-in external speaker thrown in (normally \$7.95) at no additional cost, in first of series of announced promotions. Meanwhile, Mitsubishi announced that its 6-in. battery TV, weighing 6 lb., will be sold in U. S. in late summer or early fall (Vol. 2:18 p9). Dimensions were given as 4¾x 6x6½-in.

EIA legislative actions: The industry association last week endorsed bill (HR-6354) introduced by Rep. Celler (D-N.Y.) which would subject phono record counterfeiters to maximum penalties of \$10,000 fine & 10 years in prison. It also opposed proposals in Administration's tax bill (HR-10650) to correct tax abuses in foreign area as "unworkable" and maintained that low-tax foreign trading subsidiaries of U. S. companies help them to sell competitively in foreign markets and create jobs at home.

Taft Bestg. was listed for trading on New York Stock Exchange May 2. Symbol: TFB. Listed were 1,578,938 outstanding common shares, 15,317 shares reserved for bonuses, 15,624 reserved for issue under Taft's stock option & bonus program.

## 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
Admiral	1962—qtr. to Mar. 31	\$49,135,496	\$1,187,956	\$ 509,957	\$0.21	\$ 2,417,261
	1961—qtr. to Mar. 31	42,432,930	302,910	204,113	.08	2,408,836
American Bosch Arma	1962—qtr. to Mar. 31	31,965,118	—	693,777	.36	1,902,041
	1961—qtr. to Mar. 31	34,556,429	—	612,946	.31	1,902,041
Arvin Industries	1962—qtr. to Apr. 1	18,832,372	973,603	474,508	.40	1,186,270
	1961—qtr. to Apr. 1	13,603,720	(65,107)	(31,117) <sup>1</sup>	—	1,137,609
Chris-Craft Industries (formerly NAFI Corp)	1962—qtr. to Mar. 31	17,860,000	859,240	469,240	.36	1,314,116
	1961—qtr. to Mar. 31	17,380,269	954,971	544,971	.41	1,314,116
Clevite	1962—qtr. to Mar. 31	25,972,229	3,839,350	1,852,350	.96 <sup>2</sup>	1,892,966
	1961—qtr. to Mar. 31	22,697,974	2,375,550	1,169,550	.60 <sup>2</sup>	1,884,713
Cohu Electronics	1962—qtr. to Mar. 31	1,570,660	—	(14,321)	—	1,428,301
	1961—qtr. to Mar. 31	2,101,507	—	209,155	.15	1,417,321
Erie Resistor	1962—qtr. to Mar. 31	6,991,486	—	255,467	.28	798,806
	1961—qtr. to Mar. 31	5,814,994	—	128,629	.13	798,806
Esquire Radio & Electronics	1961—year to Dec. 31	4,939,963	147,470	81,601	.20	417,650
	1960—year to Dec. 31	4,296,250	267,065	137,786	.33	417,650
Ford Motor	1962—qtr. to Mar. 31 <sup>9</sup>	1,999,700,000	261,500,000	127,700,000	2.32	55,054,897
	1961—qtr. to Mar. 31	1,461,100,000	148,800,000	76,200,000	1.39	54,933,327
General Dynamics	1962—qtr. to Mar. 31	525,187,133	11,190,798	10,736,196	1.07	9,997,064
	1961—qtr. to Mar. 31	507,524,954	8,233,076	4,194,076	.42	9,997,076
Hoffman Electronics	1962—qtr. to Mar. 31	12,234,879	382,085	183,085	.11	1,537,312
	1961—qtr. to Mar. 31	16,098,315	533,668	256,668	.16	1,530,254
International Resistance	1962—15 wks. to Apr. 15	8,391,400 <sup>3</sup>	1,480,596	680,896 <sup>3</sup>	.48	1,433,388
	1961—15 wks. to Apr. 15	6,495,550	1,243,106	566,906	.40	1,386,998
ITI Electronics	1962—year to Jan. 31	770,000	—	(42,900)	—	289,987
	1961—year to Jan. 31	541,000	—	(52,200)	—	275,387
Meredith Publishing	1962—9 mo. to Mar. 31	52,845,770	—	2,413,174	1.81	1,331,212
	1961—9 mo. to Mar. 31	43,961,618	—	1,347,503	1.02	1,323,866
Microwave Associates	1962—6 mo. to Mar. 31	6,311,000	—	312,000	.31	1,012,200
	1961—6 mo. to Mar. 31	4,806,000	—	295,600 <sup>4</sup>	.30 <sup>4</sup>	996,200
National Union Electric	1962—qtr. to Mar. 31	9,277,165	—	348,507	.06	5,747,479
	1961—qtr. to Mar. 31	8,435,293	—	151,028	.03	5,747,579
Paramount Pictures	1961—year to Dec. 30	115,514,000	7,473,000	7,148,000 <sup>5</sup>	4.23 <sup>5</sup>	1,688,531
	1960—year to Dec. 31 <sup>6</sup>	124,289,000	10,379,000	7,026,000	4.20	1,673,231
Siegler	1962—9 mo. to Mar. 31	83,484,099	5,561,316	2,904,531	1.26 <sup>2</sup>	2,258,116
	1961—9 mo. to Mar. 31	73,646,826	4,468,558	2,330,228	1.03 <sup>2</sup>	2,258,116
	1962—qtr. to Mar. 31	25,261,497	1,445,556	700,014	.30 <sup>2</sup>	2,258,116
	1961—qtr. to Mar. 31	24,592,863	934,838	553,363	.24 <sup>2</sup>	2,258,116
Taft Bcstg.	1962—year to Mar. 31	10,950,000	4,006,000	1,900,000	1.20	1,578,893
	1961—year to Mar. 31	11,086,717	3,350,003	1,580,003	1.00	1,578,893
	1962—qtr. to Mar. 31	2,976,642	—	520,188	.33	1,578,893
	1961—qtr. to Mar. 31	2,643,908	—	375,703	.24	1,578,893
TelePrompTer	1961—year to Dec. 31	4,921,319	—	(884,604) <sup>7</sup>	—	738,410
	1960—year to Dec. 31	4,841,043	—	51,969	.09	685,811
Tung-Sol	1962—13 wks. to Mar. 31	18,311,554	943,855	448,855	.42 <sup>2</sup>	926,786
	1961—13 wks. to Mar. 31	15,282,327	570,011	274,011	.24 <sup>2</sup>	925,783
TV Development	1962—year to Feb. 28	—	—	84,485	.38	—
	1961 <sup>8</sup>	—	—	—	—	—
Warner Bros.	1962—6 mo. to Mar. 3	44,079,000	—	4,074,000	.84	4,830,052
	1961—6 mo. to Mar. 3	47,008,000	—	3,564,000	.79	4,830,052
Wells-Gardner	1962—qtr. to Mar. 31	4,380,000	117,000	62,000	.15	422,400
	1961—qtr. to Mar. 31	4,085,000	60,000	35,000	.08	422,400

Notes: <sup>1</sup> After \$33,990 tax credit. <sup>2</sup> After preferred dividends. <sup>3</sup> Record.  
<sup>4</sup> Before non-recurring income of \$70,900 (7¢ a share). <sup>5</sup> Includes  
\$1,480,000 (88¢) profit on sale of investments. <sup>6</sup> Revised by company.

<sup>7</sup> Includes special charge of \$285,263. <sup>8</sup> Comparison not available. <sup>9</sup> Includes Philco.

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# WEEKLY Television Digest

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**FCC FRETS OVER ALL-CHANNEL LAW 'LOOPHOLE,'** fearing "token" uhf tuners will be made unless law gives Commission power to specify performance relative to vhf tuners (p. 1).

**PREVIEWING—BY AFFILIATES AND/OR NAB—**coming to head, with industry and govt. agreeing at least on wisdom of more station foreknowledge of programs (p. 2).

**PARTIAL AM FREEZE WHILE FCC STUDIES CROWDING** ordered by Commission. Existing applicants safe—but newcomers are sharply curbed (p. 2).

**WHO WATCHES ETV, HOW MUCH & WHY.** Extensive survey shows up to 25% of set owners in ETV area view regularly, find it more interesting than commercial offerings (p. 3).

**'SEX & VIOLENCE' HEARING DULL & QUIET** as TV network chiefs calmly deny Dodd Juvenile Delinquency Subcommittee charges that networks ordered injection of sex & violence into series. Stanton, Kintner, Goldenson slated to appear May 14 (p. 3).

### Consumer Electronics

**REMOTE CONTROLS** constitute smaller segment of market than previously believed; special census of 13 manufacturers (excluding Zenith) shows only 185,905 produced last year (p. 7).

**100 STEREO STATIONS** now on air, as set makers prepare campaign for table-model stereo radios. Directory of stereo stations in 30 states & Canada (p. 8).

**BANNER YEAR AHEAD FOR SET MAKERS?** Combined first-quarter profits of 9 volume TV-radio producers climbed to \$12.7 million from \$6.1 million in 1961's opening quarter as sales soared to \$316.5 million from \$252.2 million (p. 8).

**FIRST 1963 LINE,** RCA's is short, features 4 color & 4 b&w combos at lower starting prices; 23-in. table model at \$189.95, down \$10. Color prices relatively unchanged (p. 10).

**TV SALES UP 18%,** radio up 7.5% for first quarter, EIA distributor-to-dealer figures show. Uhf set production set 2-year record in March (p. 11).

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**FCC FRETS OVER ALL-CHANNEL LAW 'LOOPHOLE':** FCC is mighty pleased that House passed bill requiring that all sets shipped in interstate commerce be capable of getting both vhf & uhf. But the more it thinks about it the more it fears that law will have no teeth—that some manufacturers will put mere token uhf tuners in sets to comply with letter of law—dragging all other set makers down with them and frustrating whole purpose of the legislation.

Commission is expected to ask Senate, therefore, to amend House-passed bill to give FCC power to specify minimum performance of uhf sets. Law would say that sets must be "capable of effectively receiving uhf"—or similar language.

Absolute uhf tuner noise & sensitivity figures aren't contemplated by Commission. Rather, it would specify figures relative to the vhf tuner in set. Thus, manufacturer could put whatever performance he wanted into set—but ratio between vhf & uhf performance would be constant. In other words, he couldn't put good vhf & poor uhf tuners in same set. Obviously, reasoning is this: set-maker has to be competitive in vhf performance; therefore, his uhf performance would be competitive, automatically, under FCC rules.

Commission has no intention of requiring maximum possible uhf performance. Furthermore, it doesn't propose to pick figures out of air. Rather, it would go through full rule-making proceedings, giving whole industry chance to present views. FCC believes it can come up with specifications manufacturers can live with, just as they do with FCC transmitter requirements. In addition, it believes that reputable set makers would welcome this curb on unscrupulous competitors. Under version passed by House, Commission believes, it couldn't win either civil or criminal suit against maker of sets with token uhf tuners. House version says only

that set must be "capable" of receiving uhf—and FCC believes set performance would have to be incredibly bad before it could win in courts.

Manufacturers' "it-can't-happen-here" thinking is rapidly dissipating, now that passage of law seems assured. EIA's consumer products staff chief L. W. Sandwick reports that 14 out of 15 set makers he phoned last week urged him to try to dissuade Senators from passing measure. Commerce Committee meets on it May 18. Sandwick insists that consumer is being misled by talk of \$20-\$25 extra for uhf-vhf set. He cites own example: Bought uhf strip & antenna wholesale from manufacturer, had installation done by local technician—total, \$74. One set maker, he said, who wouldn't even discuss matter before, kept him on phone 40 minutes last week demanding information to send to his senator.

Another matter raised by tuner makers, according to Sandwick: tuners left unused for long periods can become useless—lubricant drying out, contacts corroding.

**PREVIEWING—BY AFFILIATES AND/OR NAB:** More affiliate pre-knowledge of network offerings—so that stations can use own judgment in accepting or rejecting programs—is one certain trend developed from furore out of Washington in recent months. The big uncertainty is where NAB and its Code Review Board fit into picture.

CBS remains the major opponent of NAB previewing, believes experience with association's preview of abortion-theme *The Benefactors* bears out its judgment (Vol. 2:17 pt et seq.). NAB's evaluation of show, CBS program practices vp Joseph Ream told affiliates last week, was "timid & negative." CBS Pres. Frank Stanton gave group this picture of Code Authority previewing:

"Experimentation, innovation, all chance-taking would cease as a group of timid well-meaning men took over the responsibility of deciding what was to be shown on 50 million receivers.

"We believe that the programming prerogative should be kept where it belongs—in the hands of the individual broadcaster. We believe in pre-screening—but for you."

Man to watch now is Sen. Pastore (D-R.I.), chmn. of Commerce Communications Subcommittee. He blew his easily-blown stack about ABC-TV's famed sex-violence *Bus Stop* episode, called network chiefs in and asked them to do something to avoid similar presentations. NAB Pres. Collins last week said he was "gravely concerned" about CBS's position but ventured no further comment pending discussions with Stanton. As for FCC, we find substantial satisfaction with networks' increased efforts to give affiliates foreknowledge of coming program events.

**PARTIAL AM FREEZE WHILE FCC STUDIES CROWDING:** Surprisingly sudden action by FCC is partial freeze on AM stations—its first move to curb much-talked-about "overpopulation" in radio. All existing applications pending as of May 10 are safe, will be processed by Commission. But applications will be accepted henceforth only for certain categories.

FCC's action was pitched to engineering standards, no direct talk about economics or program quality—thus making move less vulnerable to court challenges, for there will be challenges by disappointed prospective applicants. Commission still has big backlog of applicants to consider, even though it's cutting influx drastically. As of March 31, there were in non-hearing status 431 applications for new stations, 472 for major changes. In hearing status, there were 174 for new stations, 49 for changes.

Commission will continue to accept 3 kinds of applications: (1) Class IV local stations seeking to increase power from 250 to 1,000 watts or from 100 to 250 or 500 watts. (2) New Class II-A stations specified in Sec. 3.22 of rules. (3) "Applications for other facilities, except new 100 watt Class IV proposals, where a showing has been submitted to demonstrate that the proposed operation (i) would bring a first interference-free primary service, day or night, to at least 25% of the area or 25% of the population within the proposed interference-free service contour; and (ii) would not cause any objectionable interference to existing stations, and would not involve prohibited overlap, as signified in Sec. 3.37 of the rules, with existing stations."

FCC secret was well kept, commissioners taking pains to preclude sudden flood of applications by those anticipating freeze. Applications for new stations and major changes have been averaging about 40 monthly, and FCC staff expects acceptable applications to run no more than 15-20 monthly from now on.



Commission called the freeze, it said, to study its engineering standards which have been constantly eroded through the years. But, it has been made clear by commissioners—notably Chmn. Minow and Comr. Ford—that they're concerned about program deterioration stemming from heavy competition. This has been a major tenet of NAB Pres. Collins. FCC has agreed to a Commission-industry parley on subject, expected this fall.

In its announcement, FCC noted that AMs had increased from 955 in 1945 to 3,871 today, that this has produced plenty of local outlets and competition—but hasn't done much to bring good signals to "white" areas—outlying regions without primary service.

So, Commission said it will start a rule-making proceeding to examine its whole engineering policy—while calling a partial halt to aggravation of problem.

Good many station lawyers asserted immediately that FCC action is illegal, that it can't impose such freeze without rule-making—agreeing with dissenting Comr. Hyde, who argued that move is "substantive policy decision" rather than mere procedural move.

While clamping down on AM, FCC noted that it will soon unfreeze FM (Vol. 2:18 p3), urged AM applicants to "give serious consideration to the greater coverage possibilities provided, both day & night, in the FM band." It announced that it had instructed staff to draft decision with table of channel assignments.

**WHO WATCHES ETV, HOW MUCH & WHY:** Most extensive survey of ETV viewing habits to date—32,000 phone & personal interviews—has been completed by Dr. Wilbur Schramm of Institute for Communication Research, Stanford U., under \$40,000 U.S. Office of Education grant.

Some of findings: (1) Up to 25% of set owners in community with ETV station watch it regularly, say they find it more interesting than commercial TV. (2) Vhf educational outlet has 10-25% of adults in its area tuned in regularly (at least 4 times a week); uhf is watched regularly by only 2.5%, but they spend more time viewing ETV. (3) Average ETV viewer is more educated than non-viewer, has higher income, is more civic- and cultural-minded.

Survey was made among audiences of a state ETV network, 2 community non-commercial stations, outlet licensed to school district, university station, uhf in vhf market. Each station broadcasts daytime lessons to average of 100,000 school children.

Summary by National Educational TV & Radio Center: "All of these findings lead to the conclusion that once viewers are somehow exposed for a reasonable time to educational programs, they adapt their views of 'fun' to include a wider range of programs." Complete findings will be published in book form within a year.

**'SEX & VIOLENCE' HEARING QUIET & DULL:** Anticipated repeat performance of hectic Bus Stop hearing (Vol. 2:5 p3) failed to materialize last week, as network executives calmly insisted to Sen. Dodd (D-Conn.) and his Juvenile Delinquency Subcommittee that they haven't deliberately injected sex & violence into TV programming.

Dodd concentrated on 4 filmed series: ABC's *Untouchables*, CBS's *Route 66*, NBC's *Man and the Challenge & Whispering Smith*. Witnesses: ABC-TV Acting Pres. Thomas Moore, CBS-TV Pres. James T. Aubrey Jr., NBC-TV Exec. vp Walter D. Scott.

Subcommittee screened portions of *Route 66* episodes at start of hearing, and CBS vp & general attorney Thomas K. Fisher immediately protested to Dodd, requesting entire programs be shown. He charged it was "unfair" to attempt to judge merits of story from random clips. Dodd asserted that subcommittee hadn't chosen scenes just to make a case, said that at previous hearings he had offered to run entire films.

That about ended day's excitement. Aubrey quietly & methodically countered subcommittee's questions, said he was sticking by his statement made at FCC hearings (Vol. 2:5 p2 et seq.). "As far as CBS is concerned," he declared, "there were no instructions to inject sex & violence into shows." Asked about some of harsher scenes in *Route 66*, he said that sex & violence do exist in life, that CBS attempts to portray life as it is but without "salacious smut or excessive brutality."

Dodd produced documents containing correspondence between network, affiliates, ad agencies, sponsors, etc., criticizing various aspects of series. Aubrey admitted there were differences of opinion, said

judgments must be made on final product appearing on screen rather than earlier correspondence or scripts. After Dodd cited *Chicago Tribune* review of episode, calling show "sadistic," Aubrey produced review of series from *National Parent Teachers Magazine*, which praised it. "A review is a review," he contended, "the point is that critics differ as much as anybody else."

Dodd quoted from memo to CBS-TV Hollywood program vp from Howard G. Barnes, CBS-TV Hollywood dir. of programs, in which latter said Aubrey wanted more "broads, bosoms & fun" in *Route 66*. Aubrey said that "it's quite easy for people in this business" to use such words in interpreting "a request for wholesome, attractive girls rather than neurotic unpleasant girls." But, he added, "I can't be blamed for the interpretation."

NBC's session was even less controversial. Subcommittee staffers appeared to be floundering in attempts to prove network tried to beef up *Man and the Challenge* with sex & violence. Scott claimed series was lacking in action, contained no romantic interest, and network merely wanted to add excitement.

ABC-TV's Moore came in for sharp questioning about violence & brutality in *The Untouchables* and *The New Breed*. Dodd commented on dismissal of Norman Retchin, a former *Untouchables* producer, said he apparently was fired because he objected to excess sex & violence in series. Moore pointed out Retchin was employee of Desilu, not ABC, but said he wasn't dismissed because of objections to show, but for other reasons. Dodd commented that it seemed to be "pattern" that people that protest sex & violence have been fired at all 3 networks.

Queried about *New Breed* episode in which girl was kidnaped and threatened with death from hand grenade, the ABC-TV chief said series wasn't intended to be a children's program, was okayed by network's continuity acceptance dept. In reply to subcommittee staffer's point that average *New Breed* episode drew audience of 2 million under 17 years, 1.4 million under 13, Moore said these were small percentages of total audience.

Hearings resume May 14, with CBS Pres. Frank Stanton, NBC Pres. Robert E. Kintner, ABC Pres. Leonard H. Goldenson.

## Personals

Vincent A. Francis promoted to ABC-TV Western div. sales vp. . . . Leonard E. Strobel promoted to ABC Films operations dir. . . . Hugh O. Potter, radio WOMI Owensboro, Ky. gen. mgr., named NAB radio PR committee chmn. . . . Jack Murphy promoted to KOOL-TV Phoenix station mgr.

F. R. (Mac) MacFarland, AT&T long lines programs & TV sales mgr., retires July 1 from position he originated 33 years ago; he's a 37-year veteran of AT&T.

Barbara Searles, ex-NBC producer-dir., named USIA TV production branch chief; Clark Pangle, ex-CBS Washington network news & special events producer, appointed a producer-dir.

Seymour "Sam" Stowe, FTC information chief, convalescing from heart attack at Arlington Hospital, Arlington, Va.

Thomas J. White named Avery-Knodel senior vp, N.Y. & exec. committee member; Roger H. O'Sullivan promoted to senior vp, Chicago; Edward W. Lier appointed TV-radio sales development dir.; Robert J. Kizer advances to TV sales dir., N.Y.; Donald F. McCarty promoted to radio sales dir., N.Y.

Allan Moll, ex-Sawdon Advertising Hollywood mgr., named KHJ-TV & KHJ Los Angeles news dir. . . . George Palmer, ex-WSAI-FM Cincinnati gen. mgr., rejoins WKRC-TV there as exec. news dir.

James H. Ferguson, ex-WMCT Memphis program dir., named WAGA-TV Atlanta program mgr., succeeding Horace P. Ray, who becomes Storer Programs operations mgr., N.Y.

Elizabeth Black, Donahue & Coe, wins SRA's Silver Nail Timebuyer of the Year Award; William H. Kearns, Ted Bates & Co., receives Gold Key Award for outstanding leadership in advertising; Marianne Monahan, Needham, Louis & Brorby, wins Chicago Timebuyer of the Year Award.

## Obituary

Paul D. P. Spearman, 62, FCC's first general counsel, later founder of Spearman & Roberson Washington TV-radio law firm, died in Washington May 2 after long illness. One of industry's most colorful figures, he retired in 1952 after suffering stroke. As private practitioner, Spearman delighted both industry & FCC by breaking up serious & intense hearings with irreverent joshing about govt. processes, spiced with rare Southern similes. Four daughters survive. Burial took place in Hamilton, Ala. FCC adopted resolution "paying tribute to the memory of a respected former colleague and distinguished member of his profession."

Allen Parr, 49, CBS-TV Hollywood program dept. business mgr., died May 5 of a heart condition at his Brentwood, Cal. home. His widow, 2 sons, survive.

Upcoming Congressional probes into TV-radio as outlined by Rep. Rogers (D-Tex.) of House Commerce Committee in May 10 address to Station Representatives Assn.: (1) "Determination of program responsibility and possible censorship" including investigation of role of producers, sponsors, talent agencies, ad agencies, motion picture industry, networks, pressure groups, and FCC. (2) Pay TV. (3) FTC's surveillance of advertising. (4) Rating systems. (5) Network regulation. "If I were called upon to criticize your industry," said Rogers, "I think it would be for lack of courage, lack of willingness to fight for the things in which you believe, and to fight for them effectively." He urged broadcasters to press their viewpoints more vigorously, "whether it be the FCC or the networks that have created the issue."

NAB Radio Code Review Board members named by Pres. Collins: Cliff Gill, KEZY Anaheim, Cal., chmn.; Robert B. Jones Jr., WFBR Baltimore; Richard M. Fairbanks, WIBC Indianapolis; Lee Fondren, KLZ Denver; Richard H. Mason, WPTF Raleigh; Richard O. Dunning, KHQ Spokane; Elmo Ellis, WSB Atlanta; Herbert L. Krueger, WTAG Worcester; Robert L. Pratt, KGGF Coffeyville, Kan.

Newark uhf application will be filed "within a few weeks," according to former WNTA-TV producer Ed Cooperstein who said he's backed by a "large group of businessmen" whom he declined to identify. He plans to start with 3 p.m.-7 a.m. schedule, he said, adding 7 a.m.-3 p.m. later for 24-hour operation. Call letters WNJ-TV will be sought, he said, apparently unaware that FCC doesn't give TV-radio 3-letter basic calls any more.

WCKT Miami must lose Ch. 7, turn it over to Sunbeam TV Corp., FCC again ruled last week—denying WCKT's petition for reconsideration of July 26, 1961 decision (Vol. 17:31 p3). Commission held that Sunbeam was the only one of 4 original applicants which didn't attempt off-the-record influence on FCC. Sunbeam is to get license for only 4 months. Commission hasn't decided when WCKT must quit.

Vhf translator application for Goodland, Kan., has been set for hearing by FCC, following objection by KWHT-TV Goodland. Translator is to rebroadcast KHPL-TV Hayes Center, Neb. However, it's understood applicant, Goodland Chamber of Commerce, has changed plans and now proposes not to duplicate programs telecast by KWHT-TV; therefore, it's assumed FCC will call off hearing, grant application.

Scrambled Yeggs: N.Y. Police Dept. this week begins transmitting its lineup of suspected criminals to local precincts, using facilities of FCC's experimental WUHF (Ch. 31). To protect civil rights of suspects, picture is scrambled, using system developed by Teleglobe. Only Police Dept. receivers contain decoding circuits.

Reservation of Chicago's Ch. 20 for ETV is sought by education WTTW (Ch. 11) there. National Educational TV & Radio Center has asked FCC to change rules to allow use of microwaves including STL circuits for closed-circuit TV—and to permit ETV closed-circuit microwaves to be used for ETV broadcast purposes.

Uhf translator will beam programs of midwest airborne ETV project to Detroit area. Adler 100-watt unit will be located atop 285-ft. Maccabees Bldg. in Detroit, will repeat programs transmitted from circling plane 165 miles away.

TV-radio does more than entertain, despite implications to contrary by Senate Freedom of Communications Subcommittee, NAB industry affairs vp Howard H. Bell told 25th anniversary convention of Ohio Assn. of Bestrs. He referred to subcommittee's report on proposed amendment to equal time provisions (Vol. 2:17 p3), in which group urged caution against rapid repeal of Sec. 315. In report, Subcommittee stated: "There seems to be a feeling on the part of some proponents of this type of legislation that those who are eminently qualified in the field of entertainment are better able to judge the format and content of political programs . . . than the candidates themselves." Bell called statement "unwarranted," said no one was better versed in effective use of broadcast medium than broadcaster.

NET will be 4th national network in "very few years" with sufficient money & support, according to Frederick Jauch, National Educational TV & Radio Center Public Information Dept. editorial dir. Writing in new NET publication: *A True Fourth Network: Why and How*, he says "perfect framework" for nationwide cultural & informational network exists today through NET's chain of 60-odd non-commercial stations across country. Jauch says network would consist of several hundred stations, telecasting to schools during day, to adults evenings & week ends.

First international TV programs & equipment fair will be held Sept. 10-19, 1962 in Palais des Congres Internationaux, Lyons, France. Fair is being organized by Lyons International Fair, with technical assistance of Radiodiffusion-Tellevision Francaise. Event will feature aspects of TV program & film markets, and exhibits of production materials & equipment. U.S. contact is Henri Goldgran, International Entertainment Productions, 545 Fifth Ave., N.Y.

Opposition to govt. TV control—or more control—was voiced by majority of constituents polled by Reps. Minshall (R.-O.) & Avery (R.-Kan.). Of 20,000 answering Minshall query whether they favored "tighter federal controls over TV programming," 39.3% answered yes, 49.3% no, 11.4% no opinion. Of 9,500 who answered Avery's "Do you believe federal government should have control over TV & radio programs?" 24% said yes, 67% no, 9% didn't know.

Communications satellite regulation problems were outlined by FCC general counsel Max D. Paglin in speech before 2nd National Conference on Peaceful Uses of Space at Seattle last week. He said system, expected to be operational by 1966, will have "formidable impact" on international relations. He predicted that rate-making procedures will be "thorny problem," requiring "perhaps some new concepts and novel approaches by the Commission."

Extra \$1,517,000 for FCC's budget has been recommended to Congress by President Kennedy—\$1,198,000 for computer, \$184,000 for space communications staff, \$135,000 for radio monitoring equipment. All have been discussed with House Appropriations Committee by FCC, and prospects for approval of all or most of funds are considered excellent. Total FCC budget sought is now \$14,617,000.

American Civil Liberties Union attacked FTC for conducting open hearings and not allowing companies' lawyers to take active part. ACLU Exec. Dir. John d. J. Pemberton Jr. wrote FTC Chmn. Dixon that union is gravely disturbed about practices.

CATV-station joint ventures—instead of conflicts—are being promoted by Fred Lieberman, pres. of Telesystem Services Corp., Glenside, Pa. Former systems mgr. of Jerrold, he reports that his firm has provided “guidance” to 4 TV stations which have determined to enter CATV. “I do agree,” he writes, “that as many TV stations as possible should exist—but why is it so difficult to convince broadcasters that they would do well to embrace CATV and benefit from it than to take a position of being noncommittal or even opposing it, while CATV continually grows and the broadcasters fail to derive the benefits available from this media?”

North Dakota-Minnesota parlay filed with FCC: (1) Ferris Traylor, principal of WTVW Evansville & WLKY Louisville, for approximately \$615,000 plus procuring loan of \$225,000, acquires 81% of KXGO-TV (Ch. 11) Fargo, KCND-TV (Ch. 12) Pembina & KNOX-TV (Ch. 10) Grand Forks. (2) Ch. 11 is to be moved to new tall tower near Hillsboro, N.D. (3) Ch. 10 is to be moved to Thief River Falls, Minn. Moves will double population within Class A contours of stations.

Counterfeit recording bill (HR-6354) should be clarified to protect radio stations which dub records onto tape systems, NAB general counsel Douglas A. Anello told House Patents, Copyrights & Trademarks Subcommittee. He said measure, designed to protect copyright owners against unauthorized duplications of recordings, should be amended to specify that reproduction is illegal only if done with specific intent of resale.

ETV by Peace Corps is being planned, first project tentatively scheduled for Colombia. Project probably will involve 15 Peace Corpsmen working with Colombian counterparts in country's govt.-owned TV network. By end of year, network is expected to cover 90% of country, including formerly isolated areas. FCC ETV div. chief Keith Engar, on loan to Corps, recently held technical discussions on project with Colombian officials.

New studios for educational WNDT N.Y. (Ch. 13) have been acquired at 9th Ave. & 55th St., site of old Town Theatre. Operating staff moves to 1657 Broadway about June 1. Pres. Dr. Samuel B. Gould & his immediate staff will have offices in Carnegie Endowment Bldg., 345 E. 46th St., where additional studio will be maintained. Last week, WPIX N.Y. announced it will contribute \$250,000 to station over 5-year period.

NBC will consolidate Cal. facilities, moving o&o KRCA from Hollywood to Burbank. Plans call for construction of 20,000 sq.-ft. warehouse in Burbank, plus alterations to administration and studio buildings to house KRCA. Color studio facilities also will be expanded & modernized, will include already-installed technical switching center to be operated by computer.

Joint CATV development agreement has been concluded by H & B American Corp. and KEYT Santa Barbara, Cal. Firms now are associated in pending applications for San Luis Obispo, Atascadero, Paso Robles, Grover City, Morro Bay, Arroyo Grande, Shell Beach, Pismo Beach, Cayucos, Mission Hills, Vandenberg Village. Companies plan to file for additional unspecified communities.

“TV Free Film Source Book,” published by Broadcast Information Bureau, 535 Fifth Ave., N.Y., is now available at \$20. It covers 4,485 titles of PR films, indexed & cross-indexed, runs 525 pages. It's Vol. 4, No. 5; preceding volume was issued about 2 years ago.

“Hollywood Bread” doesn't have fewer calories than other brands; it's just sliced thinner, FTC hearing examiner ruled in initial decision in 3-year-old case against National Bakers Services, Chicago. Examiner Loren H. Laughlin found National had falsely advertised on TV & radio that bread had fewer calories, would reduce weight. “The evidence discloses,” he said, “that all breads, when sliced in equal portions, have about the same caloric values, and on any weight-to-weight balance, there is no substantial difference in the caloric values of different breads.” Decision is subject to review by Commission.

International medical TV & film conference in Milan, Italy, April 25-27, was attended by group from U.S. Council on Medical TV, journey financed by National Science Foundation. Conference was held under auspices of International Film, Telefilm and Documentary Market, with theme “The Present Status and Future Prospects of Television and Motion Pictures for Medical Education.” U.S. delegation was headed by RCA Labs vp Dr. V. K. Zworykin and N.Y.U. medical school TV coordinator Dr. Leo Leveridge. Council will be host to Latin American and European medical TV representatives at annual meeting May 15-16, National Institutes of Health, Bethesda, Md.

AT&T's Telstar TV satellite now is scheduled for launching at middle or end of June. If launching is successful, 20-min. trans-Atlantic telecast may be attempted on 3rd orbit, when it is hoped Telstar will be over Atlantic and in line-of-sight of both England & U.S. for about 30 minutes.

First U.S. telecast of Yugoslav TV program will be carried on CBS o&o stations' *International Hour* series this season. Production will be a ballet, “The Legend of Ohrid.” Yugoslavia is 10th country to join International program exchange project in which each participant contributes music or dance program. Series premiered May 3.

NCTA convention in Washington June 17-22 is “drawing a new record of registrations, as usual,” according to Pres. William Dalton. Exhibitors signed to date total 35, compared with 26 last year.

Airborne pickups of Cuba's CMQ-TV, recorded aboard a DC-3 65-75 miles from Cuba, are giving CBS-TV excellent pictures—compared with the unsatisfactory ground pickups network has been getting at Key West, Fla.

TV will sell TV with showing of TvB's “The Salesmachine” on WPIX N.Y. 9-9:30 p.m. May 29. Program gives behind-scenes look at TV role in mass selling. TvB vp & gen. mgr. George G. Huntington was producer-director.

Duplication of TV studio-transmitter or intercity relay links, through use of more than one microwave channel, would be prohibited by rule proposed by FCC, which said that duplication is unnecessary & wasteful.

Allocations changes proposed by FCC: (1) Shift Ch. 44 from Pulaski, Tenn. to Huntsville, Ala., reserving it for ETV. (2) Shift Ch. 26 back to Anderson, Ind. from Richmond.

In-school TV programs from U. of Nebraska will be re-broadcast by KHOL-TV Holdrege & KHPL-TV Hayes Center, Neb., 8-9:30 a.m., beginning April 16, arranged through Neb. Council for ETV.

FCC Chmn. Minow speaks on satellite communications at May 24 luncheon of American Jewish Committee Washington chapter, at Washington Hotel.

KSYD-TV Wichita Falls names Advertising Time Sales national rep.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**REMOTE CONTROLS — TINY SEGMENT OF BUSINESS:** First authoritative figures on TV wireless remote control production unearthed surprising fact: Except for possibly one manufacturer, remote-control business is far smaller than it was previously believed.

Remote-control census conducted by Television Digest, using an established statistical technique which guarantees absolute security to participating companies, covered 13 major TV producers. Only Zenith—by far the biggest factor in remote-control business—declined to participate.

Survey showed that only 3.7% of TV sets made by 13 manufacturers (for names, see below) last year were equipped with remote-control units. In actual numbers, these 13 manufacturers built 185,905 remote-control sets. Since manufacturers covered in survey included virtually all set makers who have remote-control models (except Zenith), it's safe to assume that only about 186,000 sets out of 5 million produced last year (approximate total TV set production excluding Zenith) contained remote units.

More than 60% of remote-control sets made last year were in "19-in. or smaller" category—reinforcing industry comments that biggest remote-control market is for bedroom sets (Vol. 2:15 p11). Actual breakdown was: 114,211 remote sets 19-in. or smaller (61.4%), 71,694 sets 21-in. or larger (38.6%).

The 13 manufacturers predict about 17% increase in remote-control sales this year over last, with slightly heavier emphasis on small-screen sets. Total anticipated 1962 production of remote sets is 217,350, of which 135,850 (62.6%) will be in sets of 19-in. or smaller, 81,500 (37.4%) in sets 21-in. or larger.

Where does Zenith fit into this picture? It certainly seems to be only company making any real hay out of remote controls. In our remote-control roundup last month (Vol. 2:15 p11), Zenith Sales Corp. Pres. Leonard C. Truesdell is quoted as saying "Zenith makes several times as many remote sets as all others combined."

We asked Truesdell to comment last week on our remote-control census figure of 3.7%. "You can multiply that many times to get the share of our business represented by remote controls," he replied. "This is a feature which must be promoted," he added, "and we've spent 3 to 4 times as much as the rest of the industry combined in promoting remote control—we've spent \$6-\$7 million in advertising alone on that one feature."

If you assume that remote-control units comprise 20% of Zenith's output (and it's just an assumption), on an industry-wide basis remotes still would constitute less than 7% of total production. This is lower than most people in industry have believed—since consensus as recently as last month indicated belief that 9-10% of industry output was remote-equipped (Vol. 2:15 p11).

Here is at-a-glance tabulation of 13 manufacturers' total remote-control TV production for 1961 and anticipated 1962 output (in units):

	<b>1961</b>	<b>1962</b>
19-in. or smaller .....	114,211	135,850
21-in. or larger .....	71,694	81,500
<b>TOTAL</b> .....	<b>185,905</b>	<b>217,350</b>

Remote-control census was conducted from Jan. to May of this year. Companies included in tabulation: Admiral, Emerson (including Du Mont), GE, Magnavox, Motorola, Olympic, Packard Bell, Philco, RCA, Sylvania, Warwick, Wells-Gardner, Westinghouse.

**100 FM STATIONS NOW STEREOCASTING:** FM stereo has passed major landmark—exactly 100 stations are now known to be broadcasting stereophonically, in 30 states & Canada.

Thus, as radio & phono makers prepare for big new FM-stereo push at new-line showings, they now can point to stereocasting operations in most major U.S. population centers. Most manufacturers now are supplying phono consoles with FM stereo in quantity, and this month & next, nearly all radio makers who haven't already done so are expected to show table-model stereo radios.

Big push is already on for FM stereo as added feature of phono consoles; by fall, step-up stereo table model campaign should begin in earnest—although several early birds have been in this field for some time already.

Here's list of all 100 FM stations now broadcasting stereophonically:

### FM STATIONS NOW BROADCASTING STEREOPHONICALLY

<b>ALABAMA</b>		<b>KANSAS</b>		Findlay	WFIN-FM
Birmingham	WCRT-FM, WSFM	Lawrence	KANU	Middletown	WPFB
<b>ALASKA</b>		<b>KENTUCKY</b>		Portsmouth	WPAV-FM
Anchorage	KBYR-FM	Lexington	WVLK-FM	<b>OREGON</b>	
<b>ARIZONA</b>		<b>MARYLAND</b>		Eugene	KFMY, KWFS-FM
Phoenix	KEPI, KNIX	Baltimore	WAQE-FM	Portland	KGMG, KPFM
<b>CALIFORNIA</b>		<b>MASSACHUSETTS</b>		<b>PENNSYLVANIA</b>	
Fresno	KCIB, KXQR	Lynn	WUPY	Johnstown	WJAC-FM
Los Angeles	KCBH, KFMU, KMLA	Waltham	WCRB-FM	Norristown	WIFI
	KRHM	<b>MICHIGAN</b>		Philadelphia	WFLN-FM
Riverside	KDUO	Detroit	WDTM, WGPR-FM,	Pittsburgh	WKJF
Sacramento	KSFM		WLDM, WOMC	Wilkes-Barre	WYZZ
San Diego	KGB-FM, KLRO, KPRI	East Lansing	WSWM	<b>RHODE ISLAND</b>	
San Francisco	KBAY-FM, KPEN	Grand Rapids	WJEF-FM, WOOD-FM	Providence	WPFM
San Jose	KSJO-FM	Midland	WQDC	<b>SOUTH CAROLINA</b>	
Santa Barbara	KMUZ	<b>MINNESOTA</b>		Spartanburg	WSPA-FM
Santa Maria	KEYM	Minneapolis	KWFM, WAYL	<b>TENNESSEE</b>	
Visalia	KONG-FM	<b>MISSOURI</b>		Nashville	WNFO-FM
Walnut Creek	KWME	Kansas City	KCMO-FM	<b>TEXAS</b>	
<b>DELAWARE</b>		St. Louis	KCFM, KSHE	Austin	KTBC-FM
Wilmington	WJBR	<b>NEBRASKA</b>		Dallas	KIXL-FM
<b>DISTRICT OF COLUMBIA</b>		Omaha	KQAL-FM	Houston	KFMK, KODA-FM
Washington	WASH, WHFS	<b>NEW JERSEY</b>		<b>VIRGINIA</b>	
<b>FLORIDA</b>		Dover	WDHA-FM	Norfolk	WYFI
Miami	WAEZ, WVCG-FM	Long Branch	WRLB	Richmond	WFMV
Orlando	WHOO-FM	<b>NEW YORK</b>		<b>WASHINGTON</b>	
Pensacola	WPEX-FM	Garden City	WLIR	Seattle	KETO-FM, KISW, KLSN
Sarasota	WYAK	New York	WQXR-FM, WTFM	<b>WEST VIRGINIA</b>	
<b>ILLINOIS</b>		Schenectady	WGFM	Charleston	WKNA
Chicago	WFMQ, WFMT, WEFM,	Syracuse	WSYR-FM	<b>WISCONSIN</b>	
	WKFM, WSBC-FM	<b>NORTH CAROLINA</b>		Milwaukee	WMKE, WTMJ-FM
Quincy	WGEM-FM	Burlington	WBBB-FM	<b>CANADA</b>	
Rock Island	WHBF-FM	Greensboro	WMDE	Toronto	CFRB-FM, CHFI-FM
<b>INDIANA</b>		<b>OHIO</b>			
Indianapolis	WISH-FM	Akron-Barberton	WDBN		
<b>IOWA</b>		Cleveland	WDGO, WNOB		
Des Moines	KDMI	Columbus	WBNS-FM		

**BANNER YEAR AHEAD FOR SET MAKERS?:** TV-radio manufacturers are off & running in 1962's opening months. First-quarter reports already in, coupled with manufacturers' optimistic forecasts, indicate that banner year for both profits & sales is in the making.

Combined first-quarter sales of 9 manufacturers whose principal revenue stems from home electronic products leaped to \$316,498,898 from \$252,178,831 in 1961's opening quarter. Their profits more than doubled to \$12,683,796 from \$6,131,006—and latter figure is after deducting total of \$1,196,009 in losses posted by 2 manufacturers in year-ago quarter.

Equally impressive getaway was scored by 5 giant multi-product companies in which TV-radio products account for only portion of over-all sales & profits. GE, GT&E (Sylvania), RCA, Siegler (Olympic) and Westinghouse produced combined first-quarter sales of \$2,329,199,497—up sharply from \$2,212,932,863 a year earlier. Their combined profits jumped more than \$20 million to \$101,103,014 from \$80,415,363.

Particularly significant, each of 14 companies improved both sales & profits—some impressively. Zenith & RCA posted record sales & profits in 1962's first quarter. Motorola had record sales (see financial table), as did GT&E. Each of 14 companies produced profit, compared with 2 that fell into red in year-ago quarter. Latter firms scored impressive comebacks: Packard Bell reversed first-quarter 1961's \$1,164,892 loss with \$186,751 profit as sales soared to \$11,730,615 from \$7,701,466; Arvin Industries came back from \$31,117 loss with \$474,508 first-quarter profit on a sales gain to \$18,832,372 from \$13,603,720.

Major profit gains were registered by Motorola (to \$2,445,944 from \$802,977), Admiral (\$509,957 from \$204,113), Magnavox (\$2,435,000 from \$1,430,000), Zenith (\$4,728,794 from \$3,446,030), Wells-Gardner (\$62,000 from \$35,000). Each of 9 volume TV-radio producers posted sharp sales gains. Pacing gain parade were Motorola (to \$77,017,162 from \$60,418,737), Zenith (\$81,520,763 from \$63,965,865) and Magnavox (\$43,000,000 from \$32,207,000).

Among multi-product giants, most impressive profit gains were scored by GE (to \$55,963,000 from \$42,476,000) and Siegler (\$700,014 from \$553,363). Each of remaining 3 improved profits by \$2-3 million. All but Siegler showed marked sales improvement, and boosted sales to \$25.3 million from \$24.6 million.

RCA already is on record with forecast for peak year (Vol. 2:17 p12). "We expect this year to be one of the most rewarding & productive in the history of our company," Chmn. David Sarnoff & Pres. Elmer W. Engstrom said in announcing record first quarter. They forecast continuing upward trend for balance of year. GT&E also foresees record sales & earnings in 1962. Chmn. Donald C. Power, reporting that Sylvania doubled profits in first quarter (Vol. 2:17 p12), noted that GT&E "anticipates continued progress in Sylvania's sales & earnings during the remainder of the year."

Motorola, which tripled first-quarter earnings on record sales, paced its performance with a 55% gain in consumer products sales. Pres. Robert W. Galvin said consumer products gain "results mostly from a substantially greater increase in our TV sales than the industry in general experienced. We expect to maintain this trend through the year." Galvin, forecasting 2nd-quarter results, said: "We anticipate the largest sales volume in our history for this period and earnings which will be at least approximate record performance."

With only few major TV-radio manufacturers still to be heard from—Emerson, Muntz TV, Pacific Mercury, Trav-Ler—here's 1962-vs.-1961 first-quarter performance of 9 volume producers:

	Sales		Earnings	
	1962	1961	1962	1961
Admiral .....	\$ 49,135,496	\$ 42,432,930	\$ 509,957	\$ 204,113
Andrea .....	1,455,312	1,419,017	87,185	62,473
Arvin .....	18,832,372	13,603,720	474,508	(31,117)
Magnavox .....	43,000,000	32,207,000	2,435,000	1,430,000
Motorola .....	77,017,162	60,418,737	2,455,944	802,977
Packard Bell .....	11,730,615	7,701,466	186,751	(1,164,892)
Stewart-Warner .....	29,427,178	26,345,096	1,743,657	1,346,422
Wells-Gardner .....	4,380,000	4,085,000	62,000	35,000
Zenith .....	81,520,763	63,965,865	4,728,794	3,446,030
<b>TOTALS</b> .....	<b>\$316,498,898</b>	<b>\$252,178,831</b>	<b>\$12,683,796</b>	<b>\$6,131,006</b>

Here's how 5 multiproduct manufacturers fared in first quarter:

GE .....	\$1,100,566,000	\$ 992,622,000	\$ 55,963,000	\$42,476,000
GT&E (Sylvania) .....	317,906,000	287,915,000	18,162,000	16,319,000
RCA .....	425,000,000	361,700,000	14,500,000	12,000,000
Siegler (Olympic) .....	25,261,497	24,592,863	700,014	553,363
Westinghouse .....	460,466,000	436,103,000	11,778,000	9,067,000
<b>TOTALS</b> .....	<b>\$2,329,199,497</b>	<b>\$2,212,932,863</b>	<b>\$101,103,014</b>	<b>\$80,415,363</b>

**TV-RADIO PRODUCTION:** EIA statistics for week ended May 4 (18th week of 1962):

	April 28-May 4	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	127,169	131,543	110,397	2,328,900	1,826,900
Total radio .....	341,596	352,278	278,212	6,400,206	4,995,393
auto radio .....	118,026	123,233	100,944	2,261,836	1,558,321

**SHORT RCA LINE—COLOR, COMBOS, CUTS:** There were few surprises in first of the 1963 lines—RCA's new b&w and color sets—shown at week's end to distributors in Chicago. Color line features 21 models; b&w line is somewhat shorter than current one, with 23 sets.

Lines feature 8 TV-radio-phono combos, 4 color & 4 b&w, starting lower than previously. Color combos start at "under \$1,000" (vs. \$1,500 for only color combo in line introduced year ago), while b&w combos begin with complete TV-radio-phono unit at "under \$500," down from \$525 year ago.

RCA indicated it's not going to try to compete in price with Motorola's 23-in. table model at \$169.95—at least not at present. Its leader 23-in. set is priced at \$189.95, just \$10 below company's previous bottom price for 23-in. Table models start with 19-in. at \$179.95.

All color & b&w sets in line (except table-model color sets) use bonded tubes. Color line is priced about same as current one (\$495-\$1,650), but incorporates chassis changes. Redesigned remote control system is incorporated in 7 color sets.

Console cabinets feature new finishes—such as parchment white, fruitwood cherry, black mahogany, Madrid walnut, natural cherry. B&w line has two 19-in. tables, three 23-in. tables, 4 compact consolettes, 10 consoles, 4 combos.

Next new-line show: GE distributor convention, beginning next week end, at Louisville.

## TOPICS & TRENDS

Retail record sales "went over the half-billion-dollar mark for the first time in history" last year, Record Industry Assn. of America estimated last week on basis of preliminary surveys, in its 1961 annual report. Figures are based on list prices. RIAA also reported that about 38% of all LP records sold in 1961 were stereo, up from 26% in 1960—a 50% rise in one year.

Consumer electronic products are in variety stores to stay, according to survey in May 9 *Home Furnishings Daily*. Radios & phonos are staples in most chains, but TV is handled only in few stores. Here are highlights of *HFD's* chain-by-chain survey: Newberry, radios & phonos in 60% of 440 stores, TV in about 11; Kress, small radios in all 270 stores, phonos in 80%, TV in about dozen; Penney, radios & phonos in 400 of 1,700 outlets, TV in few, but expected to increase next fall; Woolworth, radios & phonos in 400-500 of 2,300 stores, TV in 25-30; Grant, radios & phonos in about 80% of 1,000 stores, TV unknown; McCrory-McClellan-Green, radios & phonos in 60% of about 500 stores, TV in outlets offering credit.

Symphonic will re-enter TV at Music Show in June, when it will introduce 2 lines. Regular Symphonic line will begin with 19-in. portable in \$140 range, and "H-Series," using former Hoffman TV dies & circuits, will start at around \$180.

Sylvania will have 3 color sets in its new line, to be shown June 6-7 at Chicago distributor meeting. Two of the sets will be priced below Sylvania's current single color model (\$825 list). Sylvania plans to manufacture its own color chassis next year, after company's own color picture tube is available. Present Sylvania color chassis is made by Packard Bell.

"Fleetwood" trademark of home TVs has been sold by Conrac to Fleetwood Corp. of Canada—finalizing Conrac's withdrawal from home TV market to concentrate on broadcast, industrial & ETV fields.

Series of frame grid tubes developed for TV by Sylvania now includes RF amplifier, oscillator-mixer, IF amplifier & video output.

"Marketing Information Guide," annual Commerce Dept. directory of govt. periodicals, is available for 20c from Dept. field offices or Supt. of Documents, GPO, Washington 25.

Sony Corp. has obtained a U.S. patent for the tunnel diode and will grant licenses for its manufacture "on a royalty basis."



**TV SALES UP 18%:** Distributor-to-dealer sales of TV sets were nearly 18% ahead of 1961 in this year's first quarter, according to official EIA figures released last week. Radio sales for quarter were up about 7.5%. In March, TV sales were 16% ahead and radio sales 7.5% ahead of same 1961 month.

Production figures for same period were also up sharply. Interestingly, industry produced 48,323 uhf sets in March, highest total for any single month since Jan. 1960. Uhf output for March was more than double that of March 1961, and first-quarter uhf output is nearly double same 1961 period. In radio, both auto & FM categories were up sharply for first quarter.

Official EIA TV-radio distributor sales & production figures for first 3 months of 1962 with 1961 comparisons:

**TV-RADIO DISTRIBUTOR SALES**

Month	TV		Radio (excl. auto)	
	1962	1961	1962	1961
January	465,836	403,570	562,869	471,518
February	521,275	428,705	697,893	640,379
March	580,876	500,597	917,236	853,197
<b>TOTAL</b>	<b>1,567,987</b>	<b>1,332,872</b>	<b>2,177,998</b>	<b>1,965,094</b>

**TELEVISION PRODUCTION**

Month	Total		UHF	
	1962	1961	1962	1961
January	488,869	367,935	39,609	25,270
February	541,494	444,418	46,715	24,514
March	659,251	497,458	48,323	21,450
<b>TOTAL</b>	<b>1,689,614</b>	<b>1,309,811</b>	<b>134,647</b>	<b>71,324</b>

**RADIO PRODUCTION**

Month	Total		Auto Radio		FM	
	1962	1961	1962	1961	1962	1961
January	1,350,630	1,090,073	530,589	387,136	76,510	50,421
February	1,464,797	1,115,029	480,232	307,973	84,216	41,357
March	1,810,417	1,384,050	607,510	384,227	81,010	75,044
<b>TOTAL</b>	<b>4,625,844</b>	<b>3,589,154</b>	<b>1,618,331</b>	<b>1,079,336</b>	<b>241,736</b>	<b>166,822</b>

Offbeat advertising approach for offbeat product is being used by Conar Instruments (National Radio Institute) to advertise its build-it-yourself TV kit (Vol. 2:17 p8) in June *Scientific American*. Ad features busts of Benjamin Franklin & Thomas Edison, with captions: "I couldn't build one," "Neither could I." Ad copy points out that reader *can* build TV set—in fact, set shown in picture "was built by an advertising copywriter with the mechanical ability of a 2-toed sloth." It urges readers to build TV kits in name of intellectual curiosity—"even if you detest TV." Ad also emphasizes price, pointing out that kit costs \$135, takes about 25 hours to build—and at overtime hourly rate of \$40, this makes set worth \$1,135, "the most expensive TV in your neighborhood." Money-back guarantee says "we may bleed a little, but we won't quibble."

Increasing use of outdoor FM antennas has inspired new Jerrold TX-FM, designated as "antenna splitter" to use TV antenna for FM reception. The \$5.95 device separates FM from TV frequencies, filtering out FM band and feeding it to FM set.

New vidicon equipment: Blonder-Tongue is offering lightweight transistorized closed-circuit camera, with center horizontal resolution of 650 lines, at \$850. RCA Electron Tube Div. has introduced 1-in. vidicon designed for compact ultra-lightweight transistorized TV cameras.

Radio Shack has placed \$2 million in notes, with warrants, with an institutional investor, via Granbery, Mache & Co.

**Trade Personals**

Dr. Alfred N. Goldsmith, RCA senior technical consultant & electronics pioneer, elected honorary vp of RCA; only other person holding this title is Dr. Vladimir K. Zworykin.

John T. Morgan, ex-Philco, named Sylvania Home Electronics Corp. merchandising vp, a new post, headquartered in Batavia, N.Y.

Glenn E. Wallichs, Capitol Records, elected president of Record Industry Assn. of America.

Raymond L. Brittenham elected vp-gen. counsel, ITT.

Howard Hibschan named Pilot Radio mktg. mgr. . . . S. J. Brechner transferred to Westinghouse TV-radio Div., Metuchen, N.J. to "conduct special studies leading to the possible introduction of a substantially expanded line of home stereo equipment."

Nathan W. Aram promoted to Zenith vp-chief engineer, Frederick L. Hedblom advances to vp-works mgr.

Harold E. LaPoint appointed controller of Sylvania Parts Div., Warren, Pa., succeeding R. Stanley Doebler, resigned to join El-Tronics Inc. in Warren.

Joseph J. Sullivan, ex-Sylvania, appointed Sony Eastern region sales mgr., a new post. . . . John N. Vogt named Northwestern district mgr., Sylvania Tube Div.'s Pacific region.

Factory transistor sales in February jumped nearly 7 million units ahead of Feb.-1961's pace, but dropped in value by more than \$1.5 million. EIA's report last week also showed unit sales ahead for 1962's first 2 months, dollar value lagging markedly behind. Here are EIA's official figures:

	1962		1961	
	Units	Dollars	Units	Dollars
January	17,238,376	\$21,459,598	12,183,931	\$22,955,167
February	20,239,880	24,151,155	13,270,428	25,699,625
<b>Total</b>	<b>37,478,256</b>	<b>\$45,610,753</b>	<b>25,454,359</b>	<b>\$48,654,792</b>

Production of components, tubes & semiconductors in 4th quarter 1961 rose 13% over preceding quarter, 14% from 4th quarter 1960, Commerce Dept.'s Business & Defense Services Administration reports. Total 1961 shipments were estimated 6% above preceding year, with similar gain expected in 1962. During 4th quarter, all major categories of components registered gains except receiving tubes, which slumped 8%. Complete tables are available from BDSA's Electronics Div., Washington 25.

Motorola stereo cocktail table was only furniture winner in home entertainment category of 1962 Versatility in Design & Use contest sponsored by Hess Brothers dept. store, Allentown, Pa. Citation was presented last week in N.Y.

Admiral has filed patent-infringement suit against Sears, Roebuck & Co., asking injunction and damages. Infringements are charged on wireless TV remote control and automatic record changer patents.

Schlumberger Ltd., parent of Daystrom, will publicly offer 700,000 shares by next month if SEC approves the \$55 million transaction. Schlumberger family will retain controlling interest.

Dynamics Corp. of America, now traded on American Stock Exchange, will file next fall for listing on New York Stock Exchange.

## 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
Andrea Radio	1962—qtr. to Mar. 31	\$ 1,455,312	—	\$ 87,185	\$0.34	254,136
	1961—qtr. to Mar. 31	1,419,017	—	62,473	.25	254,136
Automatic Radio	1962—6 mo. to Mar. 31	7,529,900	\$ 1,013,400	477,600	.22 <sup>1</sup>	2,038,415
	1961—6 mo. to Mar. 31	6,307,400	868,000	410,000	.19 <sup>1</sup>	1,960,015
Clairtone Sound	1962—qtr. to Mar. 31	1,124,534	—	39,159	—	—
	1961—qtr. to Mar. 31	277,737	—	39,477	—	—
CBS Inc.	1962—qtr. to Mar. 31	128,550,576 <sup>3</sup>	—	7,764,855 <sup>3</sup>	.87	8,889,932
	1961—qtr. to Mar. 31	126,008,092	—	6,025,978	.68	8,896,813
Crowell-Collier	1962—qtr. to Mar. 31	16,989,671	—	226,869	.07	3,091,886
	1961—qtr. to Mar. 31	12,070,868	—	163,875	.05	2,957,236
Decca Records	1962—qtr. to Mar. 31	—	—	2,135,868	1.66	1,285,701
	1961—qtr. to Mar. 31	—	—	963,815	.75	1,285,701
Electronic Communications	1962—6 mo. to Mar. 31	14,487,863	347,235	197,335	.26	718,964
	1961—6 mo. to Mar. 31	8,455,721	(179,083)	(138,783) <sup>2</sup>	—	603,979
ITT	1962—qtr. to Mar. 31	241,964,362 <sup>3</sup>	—	8,181,921 <sup>3</sup>	.49	16,375,060
	1961—qtr. to Mar. 31	208,919,491	—	7,240,210	.44	16,189,906
Littan Industries	1962—9 mo. to Apr. 30	274,000,000	—	11,650,000	2.41 <sup>1</sup>	4,814,583
	1961—9 mo. to Apr. 30	165,698,000	—	6,821,000	1.54 <sup>1</sup>	4,376,246 <sup>1</sup>
Metromedia	1962—13 wks. to Apr. 1	12,270,314	—	138,732	.08	1,707,057
	1961—13 wks. to Apr. 1	11,059,589	—	12,334	.01	1,699,137
Minnesota Mining & Mfg.	1962—qtr. to Mar. 31	161,685,673 <sup>3</sup>	38,874,652	18,974,652 <sup>2</sup>	.37	51,754,142
	1961—qtr. to Mar. 31	140,959,527	32,491,010	16,541,010	.32	51,589,854
Motorola <small>story on p. 9</small>	1962—qtr. to Mar. 31	77,017,162 <sup>3</sup>	5,148,654	2,455,944	.61	4,028,652
	1961—qtr. to Mar. 31	60,418,737	1,699,021	802,977	.20	4,028,652
Packard Bell Electronics	1962—6 mo. to Mar. 31	23,776,196	661,895	661,895	.78	854,043
	1961—6 mo. to Mar. 31	16,439,816	(2,555,361)	(1,530,861) <sup>5</sup>	—	815,983
	1962—qtr. to Mar. 31	11,730,615	186,751	186,751	.22	854,043
	1961—qtr. to Mar. 31	7,701,466	(1,965,192)	(1,164,892) <sup>6</sup>	—	815,983
Sangamo Electric	1962—qtr. to Mar. 31	10,615,000	(1,219,000)	(546,000)	—	1,637,161
	1961—qtr. to Mar. 31	11,948,000	746,000	390,000	.24	1,622,636
Seven Arts	1962—year to Jan. 31	18,000,000 <sup>7</sup>	—	1,100,555	.85	—
	1961—year to Jan. 31	—	—	(1,090,212)	—	—
Screen Gems	1962—39 wks. to Mar. 31	37,930,560	4,851,500	2,428,236 <sup>3</sup>	.96	2,538,400
	1961—40 wks. to Apr. 1	40,510,183	3,556,948	1,817,752	.72	2,538,400
	1962—13 wks. to Mar. 31	—	—	1,055,509 <sup>3</sup>	.42	2,538,400
	1961—13 wks. to Apr. 1	—	—	845,160	.34	2,538,400

Notes: <sup>1</sup> After preferred dividends. <sup>2</sup> After \$40,300 tax credit. <sup>3</sup> Record.  
<sup>4</sup> Adjusted to reflect 2½% stock dividend Oct. 1961. <sup>5</sup> After \$1,024,500

tax credit. <sup>6</sup> After \$800,300 tax credit. <sup>7</sup> Includes some \$13 million from TV rentals.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
CBS	Q	\$0.35	June 8	May 25
Consol. Electron. Ind.	Q	.25	July 6	June 15
Electronics Investment	—	.424	May 31	May 1
GPE	Q	.30	June 15	May 28
Goodwill Stations	Q	.10	June 6	May 24
Storer Bestg.	Q	.45	June 8	May 25
Storer Bestg. "B"	Q	.12½	June 8	May 25
Minnesota Mining	Q	.20	June 12	May 21
Taft Bestg.	Q	.10	June 14	May 15
Warner Bros.	Q	.12½	Aug. 6	July 13

Toshiba's sales in 6 months to March 31 rose to \$303 million from \$232.2 million a year earlier. Profits increased to \$25.5 million from \$20.9 million.

Trav-Ler Radio more than tripled its per-share earnings in 1962-fiscal year ended April 30 from 23 cents in 1961-fiscal as sales rose 25%. Pres. Joe Friedman also reported record backlog topping \$10 million, more than double backlog of April 30, 1961. He attributed improved performance to increase in private label business—which accounted for more than 80% of volume, compared with 62% a year earlier, and only 4% at the end of fiscal 1956.

Packard Bell Electronics filed registration statement (SEC File 2-20334) for \$5,023,800 of 15-year convertible subordinated debentures. Company plans to offer bonds at rate of \$100 for each 17 shares held, through underwriters headed by Kidder, Peabody & Co., N.Y. Most of proceeds will go to reduce debts. Company has 854,043 shares outstanding, of which management officials as group own about 6%.

Amphenol-Borg has placed with institutional investors \$15 million in promissory notes, due Nov. 1, 1977.

MAY 21 1962

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# WEEKLY **Television Digest**

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

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**DODD'S MIXED RESULTS—FRUSTRATION & PUBLICITY**—conclude sex-violence hearings. No "censorship" legislation in cards, but FCC network-regulation bill may get lift (p. 1).

**COOLING LICENSE-FEE PROSPECTS** emerge after solid industry opposition develops, gaining Congressional support. Reversal of 4-3 FCC vote now likely (p. 2).

**COMMITTEE VOTES FCC UHF-SET PERFORMANCE POWER.** New law expected within weeks. Probable steps by FCC explored, indicating vhf-only cutoff in 1-2 years (p. 2).

**NEW FTC PUDDING AWAITS PROOF:** Plans to issue binding advance opinions, create "trade regulation rules," could be boon to businessmen, but experts reserve judgment (p. 3).

**FCC STAFF REVIEW BOARD CLOSE UP,** as commissioners prepare to weigh recommendations, including those originating with private practitioners (p. 3).

**CURRENT CAPSULES:** NAB chief Swezey urges boldness in TV. FCC seeking to open 2,000-mc band for ETV. Educational group seeking commercial L.A. outlet. Station gangup on competitors being probed by FCC. NCTA board members schedule pow-wow with FCC staffers about increasing restrictions on CATV systems (pp. 3-4).

### Consumer Electronics

**BUSINESS GOOD;** economy showing spring upturn, with TV & radio sales up 15% over last year during first 4 months, and phono sales finally giving signs of life. Nevertheless, industry continues to look apprehensively at Washington (p. 7).

**TV IMPORTS** in first 4 months of this year total about 25,000 sets—already exceeding full 1961 calendar year. 1962 total seen at 60-75,000. Radio, recorder imports up, too (p. 7).

**COMPONENTS MAKERS STAGE PROFIT COMEBACK** as combined first-quarter earnings of 20 representative manufacturers rise to \$14.2 million from \$11.2 million on sales gain to \$390.6 million from \$331.7 million in first-quarter 1961 (p. 8).

**TOPICS & TRENDS:** New RCA phono & radio lines; market for teaching machines; more transistor radio price cuts; Westinghouse building custom stereo components, including transistor amplifier (pp. 10-11).

**PHONO SALES** rose in March, showing 3% increase over 1961, after dropping 23% for January, 11% for February (p. 11).

**TV TUBE SALES** in 1962's opening quarter dropped to 2,353,561 units valued at \$45,149,766 from 2,372,920 units at \$47,551,594 a year earlier; EIA report also shows factory sales of receiving tubes markedly ahead in both units & dollars (p. 12).

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**DODD'S MIXED RESULTS — FRUSTRATION & PUBLICITY:** Sen. Dodd (D-Conn.) was frustrated in the hearing room, but he did get fair amount of publicity mileage in papers, as he ended year-old, fitful, hearings last week. Everyone loves to talk & write about sex-&violence—particularly if he can condemn it. Faced with networks' first team as witnesses, he squeezed no confessions of guilt; all stood ground against charges of deliberate sex-violence injections.

One of most erratic groups in Congress, Sen. Dodd's Juvenile Delinquency Subcommittee remains unpredictable—sudden hearings, sudden statements, confused staff. Presumably, his investigation is finished. He has talked frequently about "new legislation" to curb sex-violence. Staff reports it's still working on it. Congress would scarcely buy any such direct attempt at censorship. But such fussing-&fuming does enhance prospects of network regulation of type advocated by FCC. And it does add to harrassment of industry.

Dodd got in his parting shot at conclusion: "While networks, perhaps, cannot be charged with direct infractions of the law where there is no law, neither can they grasp for even an occasional laurel when they repeatedly break their own codes of conduct and encourage their affiliates who are regulated, to endanger their enterprise by tempting a penalty from the regulating agency."

Open irritation developed frequently during hearing, on part of Dodd, his drive blunted by flat denials, and network chiefs—those N.Y.-Washington commuters. Example:

Dodd told Stanton that hearings showed CBS-TV Pres. Aubrey calling for more "broads, bosoms & fun" (Vol. 2:20 p3). Stanton: "I don't agree. I think on the basis of the record developed here Friday, that Mr. Aubrey did not do it." Dodd: "Who did?" Stanton: "Nobody." Dodd: "It never happened?" Stanton: "It never happened." Dodd: "Did you recommend Mr. Aubrey's appointment?" Stanton: "Yes." Dodd: "Were you aware of his program philosophies?" Stanton: "I was." Dodd: "Did you approve?" Stanton: "I did." Dodd: "Do you plan any action in view of the documents brought up here Friday?" Stanton: "I do not."

Kintner found hearing a good forum to announce children's show premiering in Fall. Hour-long weekly program, possibly Sat., will be for 5-11-year-olds—an educational-styled production dealing with music, science, mathematics, etc.

Kintner briskly denied existence of any "Kintner edict" calling for more s-&v at NBC. Asked if s-&v trend began at "one network"—namely ABC—Kintner replied: "I wouldn't say that." Many factors contribute to "action & adventure" types of programs, he said—particularly use of filmed series. He said he expects next cycle to emphasize family comedy.

ABC's Goldenson—whose network has been main target of wrath of Dodd—got a break. Dodd had to run off to Senate floor for vote after Goldenson had time merely to agree that controversial Bus Stop episode was mistake and give assurance that ABC had taken steps to preclude more such.

**COOLING LICENSE-FEE PROSPECTS:** If industry reaction means anything, FCC's proposal for license fees is due for deep freeze (Vol. 2:8 p4). Of some 1,000 comments filed with Commission, exactly 2 favor some sort of fees. Since FCC proposed fees with mere 4-3 vote—Comrs. Bartley, Ford & Cross dissenting—it's quite easy to envision them joined by at least another, killing plan.

Strong campaign by amateurs, station engineers, small users of mobile radio, etc., brought in deluge of adverse comment. They got to work on Congressmen, who've been complaining to Commission. For broadcasters, NAB summarized:

(1) Fees would discriminate against stations, compared with other media. (2) They'd increase economic burden of stations, many operating marginally. (3) Broadcasting is public service, so FCC's work should be tax-supported. (4) If fees are levied, they should be spelled by law, after Congressional study.

**COMMITTEE VOTES FCC UHF-SET PERFORMANCE POWER:** Authority over uhf set performance was voted 14-2 to FCC by Senate Commerce Committee as it reported all-channel-set bill last week. Passage by Senate this week is likely, and House is expected to go along. Thus, Committee heeded FCC's expression of concern that legislation would be almost meaningless without minimum-performance "teeth" (Vol. 2:20 pl). EIA members, at annual convention in Chicago this week have something very large to discuss.

Committee reported bill with phrase requiring that uhf-vhf sets be "capable of adequately receiving" uhf signals. FCC had suggested word "effectively." Same thing.

Assuming bill becomes law within a few weeks, as expected, here are probable next steps for FCC: (1) Staff learns all it can about uhf-vhf receiver performance. (2) Rule-making is started, Commission proposing certain minimum technical requirements. (3) Industry comments on proposal. (4) A hearing is conducted to refine industry & FCC views. (5) Final rules would be adopted. (6) Manufacturers are given cutoff date after which production of vhf-only sets is prohibited.

Guessing at FCC—and it's only that—is that foregoing would take between one & 2 years. Rep. Harris (D-Ark.), in House debate, had said that "it will take something like 3 years before we shall be well underway with the transition to all-channel-receiving sets." FCC experts believe it won't take that long.

Senators Cotton (R-N.H.) & Butler (R-Md.) were the dissenters, asserting bill is "dangerous & far-reaching precedent" of govt. interference with "public's freedom to choose among manufactured products. It is a forerunner of the consumer control of the future and opens whole new vistas of coercion and confusion."

**NEW FTC PUDDING AWAITS PROOF:** Major policy-rules changes adopted by FTC last week could be boon to business, in opinion of some experienced FTC watchers—but there's also strong agreement that "you gotta see if it really works."

New provisions take effect June 1, cover 2 major areas: (1) Formal advance opinions on proposed practices. (2) Trade regulation rules.

Advance opinions would come from 5-man Commission itself, would be "binding" on agency, although FTC would reserve right to reverse itself. If it changes thinking after giving opinion, it would serve notice on party who had received judgment. In addition, if Commission subsequently deemed practice illegal after giving an okay, it could not use information submitted by inquirer to prosecute him, without first notifying him of reversed decision and giving him time to stop practice.

Second new policy will be issuance of "Trade Regulation Rules," which may cover all or part of an industry, single product, entire country, specific market. When Commission considers a practice illegal, it will issue rule, give appropriate notice. From this point on, a business violating rule will be considered guilty unless it can show rule shouldn't apply to its case. Idea behind this is that rules would have 2-ply effect of speeding up prosecution and guiding industry about Commission policy.

Attorneys knowledgeable about agency tell us businessmen should have much to gain, nothing to lose, under new policy, but they hint that advance-opinion proposal may be more than Commission can chew—a view shared by dissenter Comr. Elman. He doubts FTC can handle avalanche of queries from businessmen with present staff and budget, also questioned legality of proposal.

One attorney pointed out that advertising campaigns are often whipped up rapidly to meet specific need or season. He said it's doubtful whether Commission could study proposed campaign, give meaningful opinion fast enough, considering volume of advertising and speed with which industry operates.

FTC will shuffle organizational setup for new procedures. Division of Guides will be expanded into an Advisory & Guides Div., headed by George S. Rountree. Division of General Rules & Regulations Applicable to Unlawful Trade Practices will be created, under Chalmers P. Yarley, to promulgate trade regulation rules.

**FCC STAFF REVIEW BOARD CLOSE UP:** Final approval of FCC staff review board, to take routine cases off commissioners' hands, is expected to be issued within a few weeks (Vol. 2:14 p4).

Commission staff members have consulted private practitioners, per Congress' orders, accepted some suggestions, rejected others. Among ideas accepted:

(1) Make board permanent. (2) Make explicit a party's right to ask Board to certify any case to Commission for its consideration. (3) Specify that Board will pass buck to Commission only when cases involve "novel or important issue of law or policy." (4) Specify that Board acts by majority vote. (5) Specify that Board members' terms are indefinite. (6) Provide that Board members can vote if they read oral argument transcript but didn't hear it. (7) Require a Board member prepare and sign each decision in non-interlocutory matters. (8) Allow Board to decide less important AM-FM multiple-ownership cases.

Following suggestions by private attorneys were rejected: (1) Make it mandatory that commissioners consider cases certified to it by Board. (2) Prohibit Board from discussion of cases with inappropriate staff members. (FCC staff believes present laws are adequate prohibition.) (3) Let one Board member act on minor matters. (FCC staff says Board has power to set up such procedures, if it desires.)

Final recommendations of staff: Don't establish Board until you're ready to name members; allow 30 days between Board's establishment and its starting to work; name one member presiding officer.

CATV operators—in form of NCTA board members—meet this week with FCC staffers Kenneth Cox, Broadcast Bureau chief, and James Sheridan, special asst. to chairman, to discuss Commission policy toward systems. Operators are particularly concerned about Commission's tough attitude on microwaves serving CATVs—denying microwave facilities to systems in cities served by stations fearing loss of audience to CATV (Vol. 2:8 p4). CATVs are also disturbed by Commission's advice to city manager of Salinas, Cal., urging him to demand that CATV-franchise applicants promise practices to protect local station (Vol. 2:9 p5).

## CURRENT CAPSULES

Newest complaint under investigation by FCC: Station gangups on competitors. A station rep has gone to Commission charging that 2 different-format stations in market—one rock & roll, other middle-of-road, for example—offer joint discount package through single rep, undercutting competitors with similar formats. Rep claims practice is widespread. Commission also continues study of double-billing but still isn't out to make horrible example of an operator for practice common among multitude of colleagues. However, operator in trouble with Commission on more serious matters may find double-billing charges thrown into case for good measure.

Conversion of Los Angeles commercial station to ETV, a la WNTA-TV N.Y., is now officially under way. The distinguished Lee A. DuBridge, pres. of California Institute of Technology, announced that \$5 million is sought by Community TV of Southern Cal., non-profit group he heads, to buy unspecified commercial station. He said he has no assurance one of city's 7 will sell, added that no govt. pressure will be applied to them. Rumors persist that quarry is KCOP (Ch. 13). DuBridge said he expects to get funds from govt. & foundations but that most will have to come from one community. He hopes for start of ETV station within 2 years.

Irked by "timid" & "negative" labels given him by CBS for his preview of abortion-theme program (Vol. 2:21 p2), NAB Code Authority Dir. Robert Swezey last week devoted whole Washington Ad Club speech to exhorting telecasters to be bold—and responsible. "[TV] must not content itself with being a competent salesman and purveyor of news & casual entertainment," he said. "It must continue, and in increasing measure, to come to grips with the vital economic and social issues and significant thought trends of our time and to devise means of exposing them fairly, understandably and persuasively to its tremendous audience . . . but by all means let us not gallop ahead like a blindfolded Don Quixote."

Additional channels for ETV, in 2,000-mc band, may be on way, FCC Comr. Lee reported last week. He told 4th annual meeting of Council on Medical TV at Bethesda, Md., that FCC staff is preparing notice of rule-making, has authorized tests in Plainedge, N.Y. (see below). He said band could yield 20 channels, providing at least 5 outlets per community, could be answer to possible overcrowding of present TV bands. Other expected advantages: Cost of transmitting equipment at fraction of standard equipment, 5 channels equipped for same cost as single broadcast operation; built-in privacy because standard sets can't receive signals; equipment not up to broadcasting specifications could be interconnected without restriction. He told delegates proposal will be "break-through & milestone" for medical TV & ETV.

"Full-blown, non-commercial, high quality network spanning the nation" within a few years was predicted by FCC Chmn. Minow. He told annual meeting of U.S. Conference of Mayors in Miami last week that passage of all-channel-set law will hypo expansion of TV. Noting that Commission's experimental WUHF (Ch. 31) in N.Y. is used for municipal services, including training of police & firemen, he suggested that other cities could make similar use of TV as uhf opens up. ETV will also expand tremendously into uhf as soon as enough all-channel sets are available to make possible substantial audience, Minow predicted. He also urged the mayors to "speak out" if their cities are being "short-changed on responsible local programming."

Ch. 8 Moline, Ill. goes to Moline TV Corp. in final FCC decision, Comrs. Ford & Cross dissenting, favoring Community Telecasting, which had nod from examiner. Other denyees: Illway TV, Midland Bcstg., Tele-Views News. Commission said decision was very close, Moline TV winning primarily because of greater experience. Ford issued statement saying Community had edge in local ownership. Pres. of winner is Frank Schreiber, ex-mgr. of WGN-TV Chicago. Grant is conditioned on retention of Ch. 8 to area; it's involved in deintermixture proceedings determining whether Ch. 2 remains in St. Louis or goes back to Springfield, Ill. CP is dead if Ch. 8 is removed.

First N.Y. student-manned closed-circuit ETV network has gone into operation in Massapequa, L.I., using 2,000-mc transmitter. Station KE2XZA, Plainedge H.S., in 2nd year of in-school programming, began telecasting to 7 other schools in District recently on limited basis, will go on 4-hr. daily schedule in Sept.

Grand Rapids Ch. 13 interim operation is beginning to shape up. Three of the 6 applicants have agreed on an interim setup, hold it open for other 3. West Mich. Telecasters, MKO Bcstg. and Peninsular Bcstg. have joined hands; other 3 are Atlas Bcstg., Grand Bcstg. and Major Bcstg.

No new agreement between NAB and Broadcast Advertisers Reports is being negotiated, NAB Code Authority Dir. Robert D. Swezey announced. BAR quit supplying commercial monitoring reports to NAB amid sharp exchange in March over worth of operation (Vol. 2:12 p4), claiming it didn't want to be "privy to a farce." Last week, Swezey reported several code subscribers had asked if BAR would be re-hired. "In view of the alleged deep anxieties and soul-searching which BAR experienced in reaching its decision to divorce itself from any further association with the NAB Code Authority," Swezey stated, "it is highly improbable that BAR would contemplate re-engaging in this activity." He added that any independent BAR findings would be accepted as an aid to NAB's work.

"Hands-off" resolution, urging end to increasing govt. intervention into TV programming was adopted by Ill. Assn. of Bcstrs. headed by WREX-TV Rockford vp & gen. mgr. Joe M. Baisch. Resolution asked NAB to hire constitutional law expert to determine exact status of broadcasters under first amendment, also urged campaign to eliminate restrictions on equal-time, and to oppose Chicago-type hearings and principle of pre-screening by NAB Code Authority.

NAB schedules 1½-day fall conferences again this year, in place of last year's one-day sessions, for separate radio & TV sessions. Schedule: Atlanta, Dinkler-Plaza, Oct. 15-16; N.Y., Biltmore, Oct. 18-19; Chicago, Edgewater Beach, Oct. 22-23; Washington, Statler-Hilton, Oct. 25-26; Dallas, Sheraton Dallas, Nov. 8-9; Kansas City, Meuhlebach, Nov. 12-13; Denver, Brown Palace, Nov. 15-16; Portland, Ore., Sheraton-Portland, Nov. 19-20.

Six NAB board committees named by Pres. Collins, with chairmen: Radio Fund Finance, John F. Patt, radio WJR Detroit; TV Fund Finance, Joseph C. Drilling, WJW-TV Cleveland; General Fund Finance, Patt and Drilling, co-chmn.; Convention, James D. Russell, KKTU Colorado Springs, co-chmn.; By-Laws, B. Floyd Farr, radio KEEN San Jose, Cal.; Membership, Robert F. Wright, WTOK-TV Meridian, Miss. & Carleton D. Brown, radio WTVL, Waterville, Me., co-chmn.

Nation's largest all-band CATV system will be constructed in Santa Barbara, Cal. for Cable TV of Santa Barbara, according to AMECO, Phoenix, which says it will provide 8-channel service to approximately 20,000 homes. AMECO is also building all-band transistorized system in Panama City, Fla., reports it will be nearly as large as Santa Barbara's. The Cal. system is headed by Harry C. Butcher, who sold KIVA-TV Yuma to AMECO Pres. Bruce Merrill.

TV network gross time billings totaled \$61,268,719 in February, up 12.3% over February 1961's \$54,579,878 TvB reports. CBS billings rose 15.6% from \$20,354,326 to \$23,539,702; NBC, 13.9%, \$19,286,372 to \$21,971,653; ABC, 5.5%, \$14,939,180 to \$15,757,364. Daytime billings in February were up 18.4%, nighttime 9.5%. For first 2 months, total billings were 11.5% ahead of year ago.

Midwest Microwave Inc.-TV Transmission Co., Peru-La Salle, Ill., CATV system serving over 1700 subscribers, has been purchased by Americantenna Corp., Denver for more than \$500,000. Calvin G. Heisler is chmn. of Americantenna. Blackburn & Co. was broker.

NCTA Convention in Washington June 17-22 will feature June 19 speech by House Interstate & Foreign Commerce Committee Chmn. Oren Harris (D-Ark.).

First issue of new publication by National Academy of TV Arts & Sciences, *Television Quarterly*, includes: "Government's Role in the American System of Broadcasting" by Walter B. Emery; "The Active Eyebrow—A Changing Style for Censorship" by W. Theodore Pierson; "A Form for Television" by Gordon Hyatt; "The Documentary Heritage" by Burton Benjamin; "Television's Purpose" by Hubbell Robinson; "The Dilemma of the TV Advertiser" by Robert L. Foreman; "On the Reliability of Ratings" by Lawrence Myers Jr.; "Television and the Teaching of English" by Neil Postman. *Journal* also features book reviews, comments. Subscriptions are free to members, \$5 per year for non-members, \$1.50 per copy, from Academy offices, 54 W. 40th St., N.Y. 18.

Joint NAB-JCEB committee has been appointed to promote cooperation between ETV and commercial broadcasting. Commercial broadcasters: Rolland V. Tooke, Westinghouse, co-chmn.; Robert Hyland, radio KMOX St. Louis; D. L. Provost, Hearst; Lee Ruwitch, WTVJ-TV Miami; Harold P. See, KRON-TV San Francisco. ETV group: James Robertson, NET, co-chmn.; Dr. Lawrence Derthick, NEA; Dr. J. W. Edgar, Tex. State Comr. of Education; Dr. Clifford M. Hardin, U. of Neb. chancellor; William Harley, NAEB pres.

Wrangle over British TV was stirred up in House of Lords by American's book. *Pressure Group*, by Prof. H. H. Wilson of Princeton U. politics dept., deals with tactics used by commercial TV proponents to break BBC monopoly. Wilson said he wrote it because he thought "nothing could ever change a British institution," and he thinks "commercial radio and TV are among the most disastrous things that can happen to a country." Some of the Lords agreed, introduced motion citing book.

CBS Films has revamped distribution operation, creating 2 new departments—sales service & film service. First is headed by Stanley Moldow, will handle domestic & foreign schedules, contracts, billing. Film service, under Ed Cooper, will be responsible for print orders, inventory, technical procedures, inspection, dubbing, shipping & receiving. Irene Mizwinski has been promoted to reports & projects mgr. Entire operation will move to 518 W. 57th St., N.Y., in June.

Eidophor projection TV will be used by all 3 networks in coverage of Carpenter space flight. CBS-TV is using 2—one in Grand Central Station for public display, another in studio behind news commentators. ABC-TV has installed one aboard *Constellation*, Carpenter's former Navy ship, for use as part of its coverage. NBC-TV will have 2 in studio for on-screen coverage. All Eidophor projectors are provided by Theatre Network TV Inc., U.S. distributor for the Swiss-made system.

ITA's "Documentor" disc system, introduced at NAB convention for monitoring radio programs (Vol. 2:15 p4), will be available for July 1 deliveries, according to ITA Electronics, Lansdowne, Pa. System records 26 hours on both sides of single 9-in. disc. Company has revised price schedule to \$1,895 for one record-playback system, \$1,495 for 2, continuing on sliding scale, depending on quantities. Discs cost 40-45¢, according to quantity.

Thailand & Arabian countries are target of 2 new USIA TV programs expected to reach more than 3 million viewers. *Risalat Washington* (Washington Newsletter), quarter-hour documentary, will be shown fortnightly in prime time over 8 Arab world stations. Monthly 15-min. telecast will be aired in Thailand.

## Personals

Robert E. Kintner, NBC pres., left May 15 for 10-day tour of network's European news bureaus, accompanied by NBC News vp Julian Goodman. . . . Eric Severeid, CBS, voted top broadcasting correspondent by Washington press corps in *Columbia Journalism Review* poll. . . . William K. McDaniel, NBC radio exec. vp, takes office as pres. of International Radio & TV Society, formerly Radio & TV Executives Society, N.Y.

Joseph M. Klein, ex-Remington Rand International, named NBC International Dir., succeeding Clifford Slaybaugh, who returns to RCA. . . . Alan T. Axtell promoted to Katz agency Chicago mgr., succeeding Roy Miller, who retires June 1. . . . C. Alexander Howard, ex-Fifth Third Union Trust Co. of Cincinnati, named R. C. Crisler & Co. vp.

David B. Wallerstein, Balaban & Katz pres., elected a dir. of parent AB-PT. . . . Howard Selger promoted to NBC Spot Sales promotion mgr.

Donald Foley, ex-NBC trade and o&o station advertising mgr., named ABC vp and advertising & promotion dir. . . . Paul R. Kaufman promoted to NET associate for program utilization. . . . Glen MacKay, ex-Canadian Advertising Agency exec. vp & managing dir., named chief of new CTV Montreal office, 1420 Sherbrooke St. W., Suite 200, Montreal 25.

Kenneth A. Cox, FCC Broadcast Bureau chief, and Charles A. Sweeney, FTC Food & Drug Advertising Deceptive Practices Bureau chief, will address Fla. Assn. of Bestrs. annual convention, Tampa, June 15.

Ray M. Stanfield named Peters, Griffin, Woodward radio promotion & research dir. . . . Henry S. White, former vp & gen. mgr. of WNTA-TV N.Y., named Paramount TV eastern sales consultant, N.Y.

James P. Storer is new gen. mgr. of radio WJW Cleveland, not WJW-TV as reported in Vol. 2:18 p5. Joseph C. Drilling is WJW-TV gen. mgr. *Television Digest* regrets the error.

Weston Jon Harris, ex-WRC-TV Washington program dir., named USIA-TV mgr., a new post . . . G. E. Hamilton promoted to KVOA-TV Tucson station mgr.

Richard J. Mileta, ex-Fuller, Smith & Ross agency, named WPIX N.Y. research & sales development mgr. . . . Bill Andrews, ex-KTVT Ft. Worth gen. sales mgr., named to similar post at KCOP Los Angeles.

Al Heimso promoted to KTVU San Francisco-Oakland news dir.

Michael H. Blake Jr. promoted to asst. editor, *Television Digest*, Washington.

FCC service & incentive awards will be presented May 23—including recognition of Comr. Craven's 35 years in govt., Cross's 30, Bartley's 25.

Chet Huntley Enterprises Inc., new TV film production firm, has been formed by the NBC newsman. It will begin operations immediately, move into new studios near Stockton, N.J. June 1.

Co-Co TV Productions Inc., TV film producer, subsidiary of Co-Co Enterprises Inc., has been formed with offices at 270 N. Canon Dr., Beverly Hills, Cal. Charles E. Cochard Jr. is pres.

Burgeoning TV industry abroad was analyzed at first annual NBC International sales meeting in N.Y. recently, NBC International Chmn. Alfred R. Stern reporting that division shipped 7,500 reels of prints, duplicates and sound tracks abroad in 1961. Group screened new programs to be sent abroad, discussed trends in foreign viewers' program preferences. Said outgoing International Dir. Clifford W. Slaybaugh: "Entertainment values are more or less universal. The top-20 nationally rated shows in the U.S. are very similar to the big audience builders overseas." He reported growing overseas interest in news & public affairs.

Revocation of radio WIZR Johnstown, N.Y., with a hearing in Saratoga Springs, N.Y., has been ordered by FCC. Commission plans to examine principal Martin R. Karig to determine whether he made misrepresentations in connection with WSPN Saratoga Springs and applications for Johnstown, Troy, Gouverneur & Hudson Falls. In addition, it will explore broadcasts of horse racing results on WSPN.

Allocations requested: (1) Change Ch. 15 from Lebanon to Lancaster-Lebanon, Pa., allowing WLYH-TV (Ch. 15) to identify itself with Lancaster, filed by WLYH-TV. (2) Reserve for ETV Ch. 10 Pierre, S.D. and Ch. 11 Rapid City, S.D., by State Supt. of Public Instruction. (3) Add Ch. 11 to Rapid City—or add Ch. 12 to Rapid City and Ch. 11 to Lead—by KELO-TV (Ch. 11) Sioux Falls.

TV toy advertising increased 111.3% to \$15,347,304 in 1961, from 1960's \$7,263,404, TvB reports. Spot billings rose from \$5,203,000 to \$10,805,000, network from \$2,060,404 to \$4,542,304. During 1961, 5 toy makers spent more than \$1 million each in TV advertising, compared with only one in 1960.

Sale of WEAU-TV Eau Claire, Wis. by Central Bestg. Co. to Post Bestg. Corp. for \$2.1 million has been approved by FCC. Post pres. is V. I. Minahan. Commission also granted CP for educational Ch. 28 Columbus, Ga. to Ga. State Board of Education.

New line of transistorized audio control consoles was announced by Gates—"President," dual channel monophonic system; "Ambassador," single channel unit; "Executive," dual-stereo control console. Company also announced order for 13 FM transmitters from South African Bestg. Corp.

Teleglobe pay-TV system was described by Pres. Sol Sagall to 2 groups meeting in Washington last week—Associated Telephone Answering Exchanges and Council on Medical TV. Teleglobe proposes a coded medical TV service to doctors, starting in N.Y.

Kennedy-Khrushchev TV exchange is out for present, and no immediate improvement in flow of news & ideas between U.S. & U.S.S.R. is in sight, White House News Secy. Pierre Salinger reported from Moscow.

According to 1960 count, Census Bureau reports, of 53 million households, 48½ million had radios, 46 million TVs, 42 million telephones. In 1950, 40.5 million homes had radio, 5 million TV, phones not counted.

Radio KEX Portland is sold by Westinghouse for \$900,000 to Gene Autry group. In Chicago, deal is near for sale of radio WAIT for more than \$1 million to Leslie Atlas Jr.

New CBS-TV primary affiliates: WSBA-TV (Ch. 43) York, Pa., WLYH-TV (Ch. 15) Lebanon, Pa., KAYS-TV Hays, Kan. becomes EMP affiliate Sept. 1.



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**BUSINESS GOOD; ECONOMIC CLUES HEALTHY:** Signs of new strength in U.S. economy this spring are being shared by TV-radio-phono industry, with sales running well ahead of last year for first 4 months of year in TV & radio, and indications are that phono sales are pulling out of doldrums.

From Washington came statistical news that industrial production, non-farm payrolls, personal income & factory working hours all rose in April—meaning greater disposable income for consumers.

Unofficial figures indicate that April distributor-to-dealer TV sales totaled about 367,000 sets, up 5% from 348,000 registered in April 1961. Radio's April sales were up a sharp 26% to 852,000 from 673,000. For first 4 months of year, both TV & radio are up about 15% over last year. TV sales for period were about 1,935,000 (1,681,000), radio 3,030,000 (vs. 2,638,000).

Phono sales, lagging in January & February, began showing signs of life in March, as reported in our roundup earlier this month (Vol. 2:19 p9). Official confirmation came last week from EIA, in terms of report showing total phono unit distributor sales in March were about 3% higher than March 1961—in sharp contrast to 23% drop in January, 11% drop in February. For first quarter, however, total distributor phono sales were about 10% below same 1960 period. (See tables, p. 11.)

Good auto sales are bolstering car-radio industry—auto radio production for first 18 weeks of year totaled 2,261,836, more than 45% above last year's figure. And 1963 TV & phono models, which will give more emphasis than ever to furniture styling, are being counted on to continue this year's momentum. When seasonally adjusted, this year's TV distributor sales so far add up to 6,450,000 annual rate—although very few in industry think year's total will approach this figure.

But everything isn't beer-&-skittles. Wherever 2 or more industry people get together, there's nervous talk about Washington. Is govt. really anti-business? Will Administration somehow disturb delicate balance, put crimp in fair weather business is currently enjoying? Then there's uhf all-channel legislation. It's not expected to affect business immediately. But what will it do to TV market eventually?

Industry is also casting nervous eye on inventories. Compared with last year, they're high. But last year's inventory levels were perhaps lowest in recent history. There seems to be about 6-7 weeks' supply at distributor level, about 5 weeks' at manufacturer level, in TV. There certainly appears to be no emergency, and there is no general industry-wide inclination to put brakes on production, judging from weekly output figures.

These are some of items which will be topics of corridor talk at EIA's Chicago convention this week at Pick-Congress Hotel. In balance, trends are to the good. No runaway prosperity . . . better than last year. It could wind up as good year in consumer electronics.

**TV IMPORTS ALREADY EXCEED 1961:** About 25,000 Japanese-made TV sets have been unloaded at American docks during first 4 months of this year, according to reliable information. This is probably more than total U.S. TV imports for all of 1961.

Although we have no comparable import figures for last year, Japanese govt. reported 23,179 TVs were exported to U.S. in 1961 (Vol. 2:10 p8). Of course, import & export figures never completely agree, because of differences in timing and other factors. (An item may be exported from Japan in 1961 and imported into U.S. in '62.)

With 25,000 sets already imported this year, it's reasonable to predict at least 60,000 sets—perhaps

75,000 or more—will be brought in during calendar 1962. This figure could be swelled still further if Olympic meets its goal of importing as many as 20,000 portable TVs made by Nippon Columbia (Vol. 2:18 p9).

Of sets imported so far this year, it's estimated that somewhat more than 18,000 went to Delmonico—which has line of portable TVs in 19- & 8-in. sizes and TV-radio-phono combinations. Sony, represented here with 8-in. transistorized battery TV, has imported perhaps 6,000 sets. Other importers—including Star-Lite and Transistors Unlimited (Los Angeles)—have imported much smaller quantities so far. There is no evidence yet that Matsushita or Toshiba TVs are arriving in any quantity.

Step-up in Japanese TV exports is only partly confirmed in latest figures by Japan's Ministry of Finance, which reports 5,290 sets & chassis exported to U.S. in first 2 months of 1962. Breakdown gives 4,125 of these sets as tube type, less than 21-in., and 1,163 as transistorized. In Feb. 1962, Ministry reported, 2,963 TVs were exported to U.S., up only slightly from 2,667 reported for Feb. 1961.

Radio exports, however, have taken large leap. In February alone, the 3-or-more-transistor category accounted for 448,000 sets shipped to U.S. vs. 251,700 in Feb. 1961. "Toy" radio category was up to 284,129 (vs. 196,665), tube radios to 117,028 (vs. 105,168). For first 2 months of year, transistor radio exports to U.S. totaled 1,288,513 sets, tube radios 5,290.

Tape-recorder exports from Japan to U.S. are becoming big business, too. First 2 months of this year saw 134,307 shipped to U.S.—of which majority (119,784) were transistorized. Among other export items growing in importance: amplifiers (9,025 in February), citizens band radio transceivers (5,149 in February).

**COMPONENTS MAKERS STAGE PROFIT COMEBACK:** First-quarter returns from representative components & tube manufacturers indicate clearly that they are rebounding strongly from dismal 1961 when they sold appreciably more product for considerably less profit than they did in 1960 (Vol. 2:14 p9). Like OEM users of their products (Vol. 2:20 p8), components makers are off & running in first quarter of 1962 amid signs that banner year is developing.

Combined first-quarter earnings of 20 representative components & tube makers jumped to \$14,166,072 from \$11,223,922 in 1961's opening months as sales rose to \$390,631,812 from \$331,654,778. Profit figures are after deducting losses—\$546,000 by one manufacturer in 1962 quarter, \$316,512 by 3 in 1961.

Although many of companies analyzed are heavy in military production of components & tubes, and also make other than tube & component products, they are representative of TV-radio components industry. They are: Sangamo Electric, Clevite, Erie Resistor, International Resistance, National Union Electric, Tung-Sol, Amphenol-Borg Electronics, Dynamics Corp. of America, General Bronze, International Rectifier, Oak Mfg., Sonotone, Standard Kollsman, Thompson Ramo Wooldridge, CTS Corp., Indiana General, P. R. Mallory, Muter, Globe-Union, Texas Instruments.

Overwhelming majority of components makers—16 out of 20—improved first-quarter sales over year ago. Even more impressive, 18 of the 20 manufacturers made more profit this quarter than they did in first-quarter 1961. Only one manufacturer ended quarter in red—Sangamo Electric, with \$546,000 deficit. Year ago, 3 manufacturers had first-quarter losses; and each bounced back to profit column: General Bronze, to \$9,457 from (\$212,877), Sonotone, \$38,676 from (\$89,741), Muter, \$72,701 from (\$13,894).

Record sales & profits were scored by International Resistance, International Rectifier and Indiana General. Oak Mfg. had record sales, as did Thompson Ramo Wooldridge and P. R. Mallory.

Marked profit gains were posted by virtually all 18 manufacturers who bettered year-ago performance. Some nearly, or more than, doubled first-quarter 1961 profit. Among them: National Union (to \$348,507 from \$151,028). Amphenol-Borg (\$412,384 from \$59,270), Oak Mfg. (\$276,013 from \$66,912), Erie Resistor (\$255,467 from \$128,629), Indiana General (\$717,763 from \$356,243).

Most impressive sales gains were scored by Clevite (to \$26 million from \$22.7 million), Tung-Sol (\$18.3 million from \$15.3 million), Amphenol-Borg (\$20 million from \$15.2 million), Dynamics Corp. of America (\$18.3 million from \$12.3 million), Oak Mfg. (\$7.4 million from \$5.2 million), Thompson Ramo Wooldridge (\$111.7 million from \$96.7 million), CTS Corp. (\$6.7 million from \$4.4 million), Indiana General (\$7.3 million from \$4.8 million), P. R. Mallory (\$24.5 million from \$19.7 million), Muter (\$4.1 million from \$2.7 million).

Outlook for total 1962 is bright, and many leaders predict continued upward trend for balance of year. Here's sampling of recent forecasts:

Oak Mfg.: Pres. E. A. Carter reports "orders placed so far this year hold promise of continuing high volume for the balance of the year. Increases have been noted in all product areas although sales of TV tuners and the company's broad line of switches have shown a marked upturn."

Eitel-McCullough: Pres. W. W. Eitel expects "a modest upswing in sales and a further substantial improvement in profit" in 1962 vs. 1961, when company earned 26 cents a share on \$27,109,945 sales.

National Union Electric: Chmn.-Pres. C. Russell Feldmann forecasts earnings of 25 to 30 cents a share —up from 1961's 17 cents.

P. R. Mallory: Pres. G. Barron Mallory expects 1962 sales to increase by 6-8%, earnings to show improvement also.

Dynamics Corp. of America: Chmn.-Pres. R. F. Kelley forecasts "50% to 60% higher" sales in 2nd quarter, record sales for total year. He also sees "very substantial" increase in 1962 earnings.

Thompson Ramo Wooldridge: Chmn. J. D. Wright predicts a return in 1962 to 1959-60's upward trend in sales & earnings. TRW is expecting a 13% gain in semiconductor business, an even higher gain in profit.

Here's 1962-vs.-1961 first-quarter performance of 20 representative components & tube manufacturers:

	Sales		Earnings	
	1962	1961	1962	1961
Amphenol Borg .....	\$ 20,021,427	\$ 15,227,558	\$ 412,384	\$ 59,270
CTS Corp. ....	6,572,486	4,439,860	550,014	351,243
Clevite .....	25,972,229	22,697,974	1,852,350	1,169,550
Dynamics Corp. of America .....	18,254,593	12,285,942	853,626	528,792
Erie Resistor .....	6,991,486	5,814,994	255,467	128,629
General Bronze .....	3,518,297	4,836,471	9,457	(212,877)
Globe-Union .....	16,488,298	12,864,000	623,362	356,870
Indiana General .....	7,283,028	4,813,462	717,763	356,243
International Rectifier .....	5,101,371	3,821,446	358,133	325,997
International Resistance .....	8,391,400	6,495,550	680,896	566,906
P. R. Mallory .....	24,506,709	19,745,337	1,074,321	781,797
Muter .....	4,132,740	2,656,735	72,701	(13,894)
National Union Electric .....	9,277,165	8,435,293	348,507	151,028
Oak Mfg. ....	7,415,802	5,182,930	276,013	66,912
Sangamo Electric .....	10,615,000	11,948,000	(546,000)	390,000
Sonotone .....	5,088,321	4,723,472	38,676	(89,741)
Standard Kollsman .....	23,436,676	24,670,723	850,381	770,149
Texas Instruments .....	57,483,000	58,977,000	2,411,000	3,773,000
Thompson Ramo Wooldridge .....	111,670,230	96,735,704	2,878,166	1,490,037
Tung Sol .....	18,311,554	15,282,327	448,855	274,011
<b>TOTALS</b> .....	<b>\$390,631,812</b>	<b>\$331,654,778</b>	<b>\$14,166,072</b>	<b>\$11,223,922</b>

**TV-RADIO PRODUCTION:** EIA statistics for week ended May 11 (19th week of 1962):

	May 5-11	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	126,412	127,169	113,937	2,455,312	1,942,201
Total radio .....	378,179	341,596	291,062	6,778,385	5,289,367
auto radio .....	132,301	118,026	96,811	2,394,137	1,657,502

## TOPICS & TRENDS

Lower prices & novel styling mark RCA's stereo & radio lines, introduced last week. In stereo, all 13 consoles which are factory-equipped with FM-AM tuners have built-in FM stereo, compared with 6 last year. Stereo line features newly designed FM-AM tuner, new record changer, new speakers—including "Acoustic Lens" side-firing speakers which direct sound toward front. In cabinetry, most novel design is "spinet" model, with tweeters mounted at ear level on top of cabinet.

Stereo console prices are lower—lowest-priced set with AM-FM is \$199.95, down \$30 from last year's corresponding model. Cheapest factory-equipped FM-stereo phono is \$239.95 vs. \$399.95 last year. High-end portable phonos adopt drop-down design for record changer, with hinged swing-out speakers. Top-end portable at \$149.95 includes "sing-along" microphone. Lowest-priced mono phono is now \$19.95, \$10 below last year's leader.

RCA's "serious entry into the FM field"—as RCA Sales Corp. marketing vp Raymond Saxon put it—is marked by 7 new FM & FM-AM table sets starting at new low of \$29.95 (FM only). No FM-stereo table models are in line. At press showing, Saxon said response to RCA's new low prices on transistor radios has been "overwhelming," with April sales triple those of last year. Discussing new color-TV line introduced last week (Vol. 2:20 p10), he said newly designed high-end horizontal chassis has made possible cabinets 3½-in. shallower than last year. Familiar knob configuration on color sets has been changed to more closely resemble b&w sets, with color & tint controls moved to bottom.

Vast new market in teaching machines will expand to \$100-million business by 1968 and \$200 million by 1975, May 14 *Electronic News* reports in survey of field. Who makes teaching machines? Report identifies these companies as in field: Thompson Ramo Wooldridge; Minneapolis-Honeywell; Scientific Development Corp., Watertown, Mass.; Teaching Machines Inc., Albuquerque; Berlant Automonitor Corp., Culver City, Cal.; Robert E. Corrigan & Associates, Garden Grove, Cal.; Bell & Howell; Perceptual Development Labs, St. Louis; System Development Corp., Santa Monica, Cal.; Computer Control Co., Los Angeles; American Seating Co., Grand Rapids; Link Div., GPI; U. of Illinois; Science Electronics, Cambridge, Mass.; Electro-Solid Controls, Minneapolis; Electronic Futures Inc., New Haven; DuKane Corp., St. Charles, Ill.; Hamilton Research Associates, New Hartford, N.Y.; Hughes Aircraft; Western Design & Mfg. Corp., Goleta, Cal.; Rheem Califone Corp., Hollywood; Westrex (Litton Industries); Varian Associates.

Westinghouse is building hi-fi components for unique packaged-components stereo system to be shown this week at Parts Show by TelePrompTer Corp., now in hi-fi field through its acquisition of Weathers Industries. Component package, in console cabinet, will feature AM-FM tuner with FM stereo and transistorized stereo amplifier built by Westinghouse, with Weathers turntable & speaker system.

RCA is back in hi-fi component business, too. At Parts Show, it's unveiling AM-FM-stereo-multiplex tuner-amplifier. RCA will also show citizens band transceivers and 6 intercom systems.

Motorola has denied FTC charges of "false, misleading & deceptive" claims for its TVs & radios (Vol. 2:14 p9). In statement filed with FTC, company said govt. took some claims out of context in its challenge. As to charge that it inadequately labeled radios with Japanese parts, Motorola made complete denial and stressed that all its products contain only Motorola-built parts or parts which meet Motorola's "specifications & high standards."

EIA's annual convention this week (May 23-25) at Chicago's Pick-Congress Hotel will elect new president to succeed L. Berkley Davis of GE Electronic Components Div. Consumer Products Div. executive committee and its radio & phono sections will meet, discussing all-channel TV legislation, FM stereo progress and upcoming "EIA Day" program at NAMM Music Industry Trade Show in N.Y.

Japanese transistor radio prices are coming down. At least Channel-Master Corp., which claims to be biggest radio importer, has cut prices \$10 on 6-transistor set in gift pack (now \$29.95) & 8-transistor set in gift pack (now \$39.95) and \$5 on 7-transistor unit with gift pack (now \$24.95).

Consoles represent 60% of Admiral's dollar volume, distributors were told at week's end as they met in Chicago for convention & new-line showing. They were also given these percentage gain figures in Admiral distributor-to-dealer sales through April 11, compared with same period last year (in unit sales): TV, up 33%; color TV, up 45%; all stereo phonos, up 46.3%; radio-phono combinations, up 116%.

GE is entering battery business, will build production plant near Gainesville, Fla. to manufacture small nickel-cadmium batteries for appliances and cordless power tools, other types for space applications and sonobuoys. Lucas P. Hart, Jr. has been named gen. mgr. of new operation, which will function as part of GE's capacitor dept. Gainesville plant is expected to start in mid-1963 with about 125 employees.

Sonora consumer electronics line, recently purchased from Trav-Ler by Park Radio Service (now Sonora Corp. of America) will be shown this week at Parts Show in Chicago's Conrad Hilton Hotel. Topped by 19-in. TV at \$199.95, it includes bookshelf speaker system at \$29.95 and wired & wireless transistorized intercom system.

## Trade Personals

Arthur L. Malcarney promoted to RCA group exec. vp to supervise electronic data processing, defense electronic products and manufacturing services staff; Theodore A. Smith advanced to corporate planning exec. vp, reporting to Pres. Elmer W. Engstrom; Walter G. Bain named defense electronic products vp.

Charles W. Swanson named mgr. of Motorola's new consumer products display salon, Chicago . . . Paul R. Ryan, ex-Friendly Frost, appointed mgr. of Zenith's N.Y. display salon, succeeding Robert Judd who joins Zenith's N.Y. sales dept.

Walter S. Bopp named Philco International Div. gen. mgr., succeeding Harvey Williams, appointed staff assistant on international operations to Pres. Charles E. Beck.

William L. Strong appointed Packard Bell Electronics financial vp. . . Fred J. Mayo, pres. of Litton Industries' Ingalls Div., elected a Litton vp.

Howard E. Rieder named ad, sales promotion & PR dir., Pacific Mercury Electronics and subsidiary Thomas Organ Co. . . George Petetin named Reeves Soundcraft national distributor sales mgr.

F. D. Edes, of Raytheon's legal staff, appointed mgr. of international licensing. . . Michael Di Buono, from Boston div., named gen. mgr. of Admiral Sales Corp. Albany div., succeeding Robert Kadets, now directing operations of Philadelphia div.

John H. Feder, Jr. appointed Cornell-Dubilier Electronics gen. sales mgr., succeeding R. T. Leary, resigned.

Don Cinalia, ex-Filtron, named Jerrold Industrial Products Div. asst. sales mgr.

Thomas C. Pridmore named semiconductor & capacitor mktg. mgr., ITT Components Div., Clifton, N.J. Other appointments in expanded marketing operation for semiconductor & capacitor products: Albert M. Christian Jr., ex-Westinghouse, named sales mgr., a new post; Thomas H. Smith Jr., ex-Westinghouse, appointed silicon products product-line mktg. mgr.; Raymond G. Freuler, ex-Westinghouse, named semiconductor & tantalum products sales engineer; Murray Roth advanced from eastern regional sales mgr. to new post of military & ITT System sales mgr.; Chester J. Phetteplace, ex-Westinghouse & Raytheon, named New England district sales mgr., Boston hq.

## Obituary

Dr. Siegmund Loewe, 76, TV-radio engineer & inventor, died May 2 of a heart attack at his home in Sarasota, Fla. In 1921, he was said to have made the first radio broadcast in Germany, to the home of Friedrich Ebert, first German President. He is credited with developing the multiple radio tube. He came to U.S. in 1938. He was board chairman of Loewe Opta Co., Berlin TV-radio manufacturer, and president of Loewe Radio Co. of N.Y., Andromeda Co. of Switzerland and Loewe Radio Ltd. of London. He is survived by his wife, sister, brother.

**MARCH PHONO SALES UP 3%:** The anticipated rise in phono sales finally happened in March. With distributor-to-dealer sales of 299,257 units, it was not only best month this year, but bettered March 1961 by about 3%. This reversed year-to-date trend which saw 1962 sales trailing 1961 in both January & February (see p. 8).

Stereo-to-mono mix held close to 80% in March 1962—about same as March 1961—indicating no undue concentration of sales in low-end merchandise. Here are EIA's phono factory & distributor sales for 1962's first quarter, compared with revised month-by-month tabulation for same 1961 period:

### PHONO FACTORY SALES

Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	68,545	191,014	259,559	80,366	211,383	291,749
February	52,566	202,846	255,412	50,710	204,638	255,348
March	60,991	237,492	298,483	62,396	227,469	289,865
TOTAL	182,102	631,352	813,454	193,472	643,490	836,962

### PHONO DISTRIBUTOR SALES

Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	48,423	171,305	219,728	74,881	211,268	286,149
February	50,563	188,857	239,420	54,097	210,365	264,462
March	60,206	236,051	296,257	59,290	231,021	290,311
TOTAL	162,192	596,213	758,405	188,268	652,654	840,922

Unfair-competition suit against Waltham Precision Instrument Co., charging employe-stealing to get trade secrets on TV projector "Amphicon 200," has been filed by Dalto Electronics Corp., Norwood, N.J.—in U. S. District Court, Southern District of N.Y.

## 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
American Electronics	1962—qtr. to Mar. 31 <sup>1</sup>	\$ 2,100,000	—	\$ (358,221) <sup>1</sup>	—	1,177,842
	1961—qtr. to Mar. 31	5,400,000	—	30,622	\$0.03	1,177,708
Ampex	1962—year to Apr. 30 <sup>1</sup>	84,000,000	—	2,600,000	.33	7,785,707
	1961—year to Apr. 30	70,105,000	—	(3,930,000)	—	7,718,257
Avnet Electronics	1962—9 mo. to Mar. 31	15,976,765	\$ 2,646,234	1,331,978	.62	2,157,899 <sup>2</sup>
	1961—9 mo. to Mar. 31	14,091,455	2,208,119	1,117,582	.52	2,157,899 <sup>2</sup>
	1962—qtr. to Mar. 31	6,022,242	1,014,103	490,747	.23	2,157,899 <sup>2</sup>
	1961—qtr. to Mar. 31	5,215,048	868,846	421,446	.20	2,157,899 <sup>2</sup>
Bendix	1962—6 mo. to Mar. 31	386,819,445	22,468,955	10,327,113	1.90	5,422,655
	1961—6 mo. to Mar. 31	372,692,489	24,010,091	12,490,619 <sup>4</sup>	2.32 <sup>4</sup>	5,379,529
	1962—qtr. to Mar. 31	199,078,236	—	5,285,330	.97	5,422,655
	1961—qtr. to Mar. 31	191,031,149	—	4,867,081	.90	5,379,529
Federal Pacific Electric	1962—9 mo. to Mar. 31	71,913,054	2,748,562	1,601,206 <sup>5</sup>	.39 <sup>7</sup>	2,371,127
	1961—9 mo. to Mar. 31	65,335,395	(2,911,947)	(1,627,647) <sup>5</sup>	—	1,986,528
Paramount Pictures	1962—qtr. to Mar. 31 <sup>1</sup>	—	—	1,129,000	.67	1,690,231
	1961—qtr. to Mar. 31	—	—	2,450,000 <sup>9</sup>	1.46 <sup>9</sup>	1,673,231
Silicon Transistor	1961—year to Dec. 31	1,682,382	—	36,008	.07	516,250
	1960—year to Dec. 31	1,142,313	—	150,924	.30	500,000
Thompson-Starrett (Delmonico-International)	1962—qtr. to Mar. 31	6,365,939	—	198,529	—	2,817,646
	1961—qtr. to Mar. 31	4,897,431	—	45,093	—	2,666,363
20th Century-Fox	1962—13 wks. to Mar. 31	33,215,994	—	(513,587) <sup>5</sup>	—	2,545,845
	1961—13 wks. to Mar. 31	34,894,728	—	1,669,244	.68	2,446,986

Notes: <sup>1</sup> Preliminary. <sup>2</sup> After non-recurring costs of \$375,809. <sup>3</sup> Outstanding Mar. 31, 1962. <sup>4</sup> Includes non-recurring income of \$3,215,287 (60¢ a share) from sale of Elliott-Automation Ltd. <sup>5</sup> After special amortization charge of \$2,090,000—reflecting new policy of writing off

prospective losses on all films released during given quarter. <sup>6</sup> Includes non-recurring net gain of \$563,122. <sup>7</sup> After preferred dividends. <sup>8</sup> After \$1,284,300 tax credit. <sup>9</sup> Before investment profit of approximately \$400,000 (24¢).

**TV Tube Sales Lag:** First-quarter factory sales of TV picture tubes lagged behind year-ago volume both in units & dollars. EIA report last week showed Jan.-March unit sales at 2,353,561, down slightly from Jan.-March 1961's 2,372,920. Dollar lag was even greater—\$45,149,766 for 1962's opening quarter vs. \$47,551,594. First-quarter factory sales of receiving tubes, conversely, were markedly ahead in both units & dollars. In 1962's initial 3 months, sales totaled 92,453,000 tubes valued at \$78,373,000—compared with first-quarter 1961's 88,781,000 units at \$74,811,000.

March factory sales of both TV & receiving tubes trailed year-earlier performance in both units & dollars. March TV picture tube sales totaled 817,830 units valued at \$15,580,149—down from March-1961's 936,098 units at \$18,725,011. Receiving tube sales in March totaled 34,884,000 units at \$29,743,000—down from 36,635,000 units at \$30,719,000 in March 1961. Here are EIA's official first-quarter & by-month figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January .....	802,061	15,625,304	29,592,000	24,789,000
February .....	733,670	13,944,313	27,977,000	23,841,000
March .....	817,830	15,580,149	34,884,000	29,743,000
Jan.-Mar. 1962 .....	2,353,561	45,149,766	92,453,000	78,373,000
Jan.-Mar. 1961 .....	2,372,920	47,551,594	88,781,000	74,811,000

Italian subsidiary has been established by Collins Radio—Collins Italiana SpA, Milan—joint venture with Telettra Di Telefonica Electronica e Radio.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AT&T	Q	\$0.90	July 2	June 1
Famous Players				
Can.	Q	.25	June 8	May 23
Hazeltine	Q	.20	June 15	June 1
Litton Industries	Stk.	100%	Aug. 15	July 31

AB-PT's 2nd-quarter earnings will be "at least equal to and probably ahead of" the same 1961 quarter, when AB-PT earned from operations \$2,269,000 (53¢ a share). With capital gains, earnings in 1961 quarter totaled \$4,504,000 (\$1.06 a share). Pres. Leonard H. Goldenson predicted "a record 2nd quarter in profits" for ABC Broadcasting Div. He told annual stockholders' meeting company is stepping up international operations to be in "key position as foreign and international TV takes hold." By end of 1961, Goldenson reported, ABC had participated in 20 stations in 14 countries with about 15 million sets-in-use.

RCA has postponed its proposed public offering of one million shares of Whirlpool common stock (Vol. 2:14 p13). Pres. Elmer Engstrom cited "general market conditions." When RCA proposed early last month to sell all but 158,563 of its Whirlpool shares, latter's closing price was \$33 a share, and sale would have netted \$33 million. When RCA announced postponement last week, Whirlpool was listed at \$29.

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# WEEKLY Television Digest

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

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**UHF—THE TELECASTING-MANUFACTURING SURGE** in prospect—set-makers to make virtue of necessity, lift from federal ETV funds, hopes of prospective commercial applicants (p. 1).

**NETWORK-CODE LIAISON SET—NO PRE-SCREENING** included. Seven-point consultation procedure endorsed by networks. CBS against pre-screening, NBC in favor, ABC between (p. 2).

**CLARIFYING ETV-FUND DISTRIBUTION**, HEW & NAEB suggest answers to some of questions left cloudy by Congress (p. 3).

**ADMEN, LAWYERS BLAST FTC CEASE-&DESIST PROPOSAL** at House Commerce Committee hearings, calling it "dangerous", "unprecedented". Dixon testifies measure is necessary (p. 4).

### Consumer Electronics

**16-IN. PORTABLES** won't be price leaders, but feature-laden lightweight specialties. First introduction due soon, another in fall. Other manufacturers may follow (p. 8).

**EIA REACTS** sharply to all-channel legislation, proposes ad hoc committee to "cope with problems." Manufacturers note spurt in uhf interest. Industry-wide product promotion drive planned for fall. Charles Horne, General Dynamics, elected EIA pres.; Olympic's Sobin heads Consumer Products Div. (p. 8).

**LARGE SCALE IMPORTS** of 14-in. Matsushita bookshelf TVs begin as first shipment of 1,000 sets arrives; list price is \$139.95 (p. 10).

**UHF—THE TELECASTING-MANUFACTURING SURGE:** Pulse of uhf is quickening—despite fact that main cause of it, all-channel-set legislation, isn't expected to achieve its purpose for many years. Reasons are these:

(1) Since manufacturers will be forced to make such sets, they'll make most of it, try to convert necessity into virtue—probably will sell a real passel of receivers. (We strongly urge all subscribers to scan carefully the index at top of page one each week, because both branches of industry we cover—telecasting & manufacturing—again have vital common interests in set circulation, uhf this time, as they did when we began reporting these trends nearly 18 years ago. For example, see report on EIA convention on p. 8.)

(2) Set makers are already meeting hiked uhf-set demand in addition to anticipating new legislation. In percentage increase, though not yet in absolute volume, uhf set production is up markedly.

(3) \$32 million federal shot-in-arm to ETV telecasting will go in large part to uhf. In first place, there are few vhf ETV channels left. Secondly, ETV has much less immediate concern with mass circulation—because many ETV programs are designed for classrooms, where uhf is no problem—though aim is to reach adult home population, too.

(4) Commercial interests, justified or not, are beginning to worry lest competitors nail down big-market channels. Engineers & attorneys tell us backlog of applications in preparation is showing sharp increase—and they predict comparative hearings for uhf channels in big cities before long. Maybe it's publicity about all-channel-law, maybe it's vague hope for pay-TV—whatever it is, it's going to produce bona fide applications.

This could all produce a mighty flurry for year or 2—then hibernate, as FM did, as uhf itself did.

But maybe not.

Meanwhile, back at FCC and Congress. Commission postponed from June 22 to July 23 deadline for filing deintermixture and vhf drop-in reply comments—saying it's because of "pendency of all-channel receiver" legislation. But Commission retained June 22 deadline for replies in overall proceeding to foster expansion of uhf and for replies on added ETV reservations in Fla., Ky. & Ga. Reason, FCC said: With new federal funds for ETV on tap, we want to get through this quickly.

At Senate Commerce Committee, report was issued telling why it favors all-channel bill, voted previous week (Vol. 2:21 p2). It's only way to break "vicious cycle" and get uhf off ground, report said. Here are comments on key points:

(1) "It has been argued that it would be a dangerous precedent which might lead to congressional control of all types of manufactured products. It must be remembered that this involves a unique situation which would not in any way constitute a general precedent for such congressional regulation of manufactured products."

(2) Since FCC said it wouldn't deintermix without giving Congress time to consider proposals, "Your committee considers these representations . . . to be of paramount importance and has taken action on this legislation in specific reliance on them."

(3) We don't know how long it will take for law to produce results or how long deintermixture moratorium will last—but it "may possibly last from 5 to 6 or 7 years."

(4) In allowing FCC to make sure that all sets be "capable of adequately receiving" all signals (inserting "adequately," which House bill left out), law becomes effective. "To do less would be to permit the whole thrust of this legislation to be thwarted. The FCC has assured us that the practical need for procuring authority which would permit effective enforcement of this legislation would not involve the Commission broadly in the dealings of TV set manufacturers. On the contrary, the Commission's authority . . . would be most limited and narrow."

Dissenters Sens. Butler (R-Md.) & Cotton (R-N.H.) said: "We cannot support legislation which asserts the Federal regulatory power for purely social ends, however desirable. The precedent will plague us from now on."

Looks as if it will take couple weeks for Senate passage, House concurrence—what with recess for holiday this week.

**NETWORK-CODE LIAISON SET—NO PRE-SCREENING:** NAB & networks came up with 7-point system of liaison to minimize violation of programming Code. There's unanimous agreement on it, all way round. Controversial factor not included: pre-screening of programs. CBS is still set against it, NBC all for it, ABC on fence. Sen. Pastore (D-R.I.), who called network chiefs into confab on Code (Vol. 2:20 p2), doesn't see how real self-regulation can work without it.

But there it stands right now—all parties quite happy to get as far as they have. NAB Pres. Collins and Code Authority Dir. Swezey still believe pre-screening is desirable—but don't claim they're "demanding" any such privilege. Sen. Pastore's reaction is much awaited. In his seance with network leaders, he said in effect: "If I can go before the Senate and tell it you have effective self-regulation, I'll fight any bill to regulate networks. If I can't, I'll do just the opposite. And pre-screening is needed." Last week, he reserved comment pending study of NAB-network action. NBC is already complying with 7 points, CBS & ABC due to begin shortly. Here they are:

(1) Networks will give Code staff advance information of programs, similar to that given affiliates.

(2) Networks & Code staff will consult on problems as they arise—N.Y. Code office to be expanded substantially for purpose.

(3) If problems arise after a telecast, network will "post-screen" show for Code Dir.—and they'll talk about it.

(4) Network & Code people will meet periodically to discuss NAB's program monitoring.



(5) Foregoing procedures don't apply to news, information or education programs. Problems concerning these will be discussed separately.

(6) Network has final say on whether to change or to telecast a program. Code Authority has final say on whether program violates code—and its sanction for violations is limited to revocation or suspension of Code membership.

(7) Networks & Code Authority will meet from time to time to discuss how foregoing is working and whether it should be changed.

Obviously, proof of such a guardedly stirred pudding lies in its eating. There's no telling how spicy it is from the surface.

NBC is all gung-ho for pre-screening. It hasn't slightest fear of censorship or veto by NAB. Its position is that pre-screening would be rare, that it's advisory, that station retains final responsibility, that it's a "service" to telecasters.

CBS leadership made clear its concern that NAB pre-screening would be "timid & negative" at best—in speeches to affiliates recently (Vol. 2:20 p2). Collins responded in letter to CBS Pres. Stanton, who has distributed it to affiliates. Collins' points:

We didn't insist on a "right" to pre-screening. We believe affiliates want it. Code is voluntary, an industry creature, not a "foreign" imposition—only what subscribers want it to be. Prior consultation is neither censorship nor veto, should be welcomed. Law permits nothing else, because licensee can't delegate responsibility for program selection. Does Code play it safe? History shows it doesn't. We believe we helped telecasters by evaluating abortion-theme Benefactors. And take "The Iceman Cometh." We upheld stations' right to carry it. We're no bluenoses.

Announcing new 7-point program, Collins made following statement:

"All networks have indicated a fine spirit and willingness to cooperate fully under our new 7-point program. As this program unfolds, I am confident it will prove to be the most significant and helpful development yet achieved in our industry's self-regulatory efforts.

"Too much has been said and written about the Code Authority 'pre-screening' network programs. It never has been suggested or intended that the Code Authority set up any procedure by which it would pre-screen the routine, final product of network programming. There was at issue only whether, in rare instances when Code subscribers or the Authority felt a serious need for such, the Code Authority could require a right of final pre-screening. There was a sharp division of feeling among the networks on this.

"Under the agreement we have now reached, no fixed right to pre-screen a final broadcast product is provided.

"We at NAB feel that under any circumstance where any such pre-screening would have been requested under an express right to obtain such, it still can be requested—leaving to the individual network the decision of whether or not it will honor such."

Collins also appointed for first time 3 network representatives to Code Review Board: Alfred R. Schneider, ABC; Joseph H. Ream, CBS; Ernest Lee Jahncke Jr., NBC. In addition, William D. Pabst, KTVU Oakland, was named chmn. for 2 years; Robert W. Ferguson, WTRF-TV Wheeling, reappointed for 2 years; continuing for remaining year of terms were Mrs. A. Scott Bullitt, KING-TV Seattle, and Lawrence H. Rogers II, Taft Bcstg. New 2-year members: George B. Storer Sr., Storer Bcstg.; Roger W. Clipp, Triangle Stations.

New edition of Code text, up to date, easier to read, in more convenient physical format, was distributed last week.

**CLARIFYING ETV-FUND DISTRIBUTION:** Congress left many vague areas in law granting \$32 million ETV funds, and it's largely up to Health, Education & Welfare Dept. to clarify them—which it's beginning to do.

First grants may be made by Sept. 1, we're told by Dr. John Bystrom, who has been designated by Undersecy. Ivan Nestingen to head program. Though \$32 million has been authorized and a state may

receive up to \$1 million, there are 52 possible recipients—states, D.C., Puerto Rico. So how can that be divided? Bystrom said a minimum sum (to be determined) will be reserved, probably up to 2 years, giving all state legislatures time to meet and appropriate matching funds. Thus, there'll be a kind of "reservation" similar to FCC's ETV "channel bank."

Good service has been rendered by National Assn. of Educational Broadcasters in a question-answer report giving best judgment on uncertainties. Examples:

(1) If applicant already has built ETV facilities, it can get credit for up to 25% of "reasonable cost" of these, plus 50% from federal govt., for total of 75% of new facilities.

(2) Funds covers most equipment other than buildings—including transmitters, towers, microwaves, boosters, translators, repeaters, mobile units, video recorders. No more than 15% of grant may be spent for microwave.

(3) Closed-circuit equipment is covered if it's used "incidentally" for closed circuit. Coverage of camera purchases is "questionable."

(4) Two or more states may join in an application, provided funds are split so that no state gets more than \$1 million.

(5) If several applicants from a state ask for total of more than \$1 million, HEW will decide who gets what—with those included in a state-wide plan, if any, favored.

(6) Payments may be paid as construction progresses. Applicant doesn't need to have an FCC CP in advance—but HEW will work closely with Commission.

Copies of the 6-page analysis are available from NAEB, Dupont Circle Bldg., Washington.

**ADMEN, LAWYERS BLAST FTC CEASE-&DESIST PROPOSAL:** Powerful attack from ad agencies, legal groups and business associations met FTC Chmn. Dixon's pleas to House Interstate & Foreign Commerce Committee for power to issue temporary cease-&desist orders (Vol. 2:7 p2).

Dixon testified that proposed legislation is "one of the most important pieces of legislation pending before Congress." Bills would give Commission authority to issue temporary cease-&desist order against alleged business offender pending full investigation. Idea is to protect competitors from injury while long probe drags on.

Proposal could be disastrous to advertising, warned Mahlon F. Perkins Jr., American Assn. of Advertising Agencies. He said AAAA wasn't opposed in principle to idea of temporary injunctions against advertising if issued by federal district courts, but he warned against giving FTC similar power.

Ban of an advertisement, even though temporary, would in most cases destroy its value completely, Mahlon stated. "The essence of advertising, like news, is timeliness," he said. "Vindication months or years later would not restore or compensate those destroyed values."

Harsh criticism also came from American Bar Assn., which called proposal "unprecedented" and "incompatible with American jurisprudence." NAM testified it would be "oppressive and contrary to the spirit of the law." Others against measure included N.Y. State Bar Assn., Commerce & Industry Assn. of N.Y., witness representing 35 state manufacturers' associations.

Dixon asserted Commission is "more competent" than most federal judges to decide when temporary order is needed, also claimed FTC needs added authority to attack backlog of cases. He drew support primarily from small businessmen, including National Congress of Petroleum Retailers and Midland Cooperative Dairy Assn.

At initial session, acting Chmn. Mack (D-Ill.) said that "some very good arguments" for measure have been made, that special House Small Business Subcommittee almost unanimously recommended it. But Reps. Younger (R-Cal.) and Devine (R-Ohio) spoke out strongly against it, Devine calling it "atrocious violation of our judiciary system."

Committee Chmn. Harris (D-Ark.) announced one final session will be held sometime in future.

## CURRENT CAPSULES

Creation of communications satellite corporation was approved by Senate Commerce Committee 15-2, Sens. Barrett (D-Alaska) and Yarborough (D-Tex.) opposing. Measure is similar to bill passed by House (Vol. 2:19 p4), though with amendments. House version directed FCC to favor communications common carriers in determining ownership of ground stations, but Senate group amended this to give Commission complete discretion in making choice. Other amendments direct FCC to report to Congress annually on actions it may take on anti-competitive practices within corporation, and to recommend any additional legislation it considers necessary.

Commission also is obligated to assure small businesses opportunity to share in procurement for system and is responsible for authorization of any subsequent issues of stock. Senate bill provides for same ownership as House measure—50% by communications firms, 50% by public, with board consisting of 6 directors representing public, 6 from companies, 3 appointed by President. Measure now goes to Senate.

Superb Carpenter-orbit TV coverage reaped national expressions of gratitude—as for previous manned space shots—though there's natural tendency of public to begin to take such massive & costly coverage for granted. Singled out for particular approbation was dignity & discretion with which commentators handled fearful pause between astronaut's landing and pickup of his radio beacon after he overshot landing. Coverage also featured spectacular technical innovation—Air Force's telescope-TV camera combination which permitted viewers to follow rocket for 50-some miles after blastoff. Instrument is capable of distinguishing 2-ft. object at 200 miles. CBS sprung a transistorized man-carried portable camera & transmitter using standard image orthicon tube, as opposed to vidicons in earlier portable units. Camera weighs 20 lb., battery & transmitter 40 lb. It's made by Japan's Ikegami Electric Co., was originally developed by Chubu Bcstg. Co.

"Emmy" Awards telecast drew widest spread of reactions to date. For example, critics & industry experts wondered how "Victoria Regina" could be "program of the year" yet not tops in its own field, drama. They also saw no excuse for technical problems—in video & audio quality, switching, etc. *N.Y. Times* Jack Gould considered it most "inappropriate" to have appearances by Supreme Court Justice Douglas, FCC Chmn. Minow, Sen. Magnuson, Mrs. Lyndon B. Johnson. But, in Washington, we found no similar qualms or afterthoughts. Originally, Minow had been asked to present award in public-affairs category, did consider that inappropriate—but he and colleagues found nothing wrong with final role. Public as a whole probably considered show quite entertaining.

CATV-microwave decision by FCC—denying additional facilities to Carter Mt. Transmission Corp.—was affirmed by Commission as it denied petitions for reconsideration of original decision, including supporting brief of NCTA. Said FCC: "The economic injury to the licensee [KWRB-TV Riverton] standing alone was not the motivating factor which warranted the action taken by the Commission in this proceeding. However, when the economic impact is of such a nature as to result in an adverse effect on the public interest, then it is incumbent upon the Commission to make a determination as to where the best overall public interest lies. The Commission made such determination after a careful evaluation of all of the factors." Carter Mt. serves CATVs in Thermopolis, Riverton & Lander, Wyo., wanted to provide additional signals.

Program & logging forms are due for FCC consideration this week, could be finalized. It's understood staff recommendations still contain substantial concessions sought by industry—notably to remove big logging manpower requirements of Commission's original proposal. Current plan envisions, among other things: (1) Survey-of-community-needs filing by all stations. (2) Combined TV-radio program form, some parts applicable to both, some to each. (3) Simplified spot logging. (4) Acceptance of automated logging. (5) Abandonment of applicant-selected composite week. (6) FCC-suggested logging form.

NCTA-FCC confabs last week permitted both sides to elaborate on previously-expressed views in cordial informal fashion. FCC Chmn. Minow, Comr. Hyde, staff members, had several sessions with NCTA board and hq staff. Both groups considered talks useful, though no substantial position changes were apparent.

Seven out of 10 TV commercials this fall will have been made in New York City, which reigns as the chief production center for commercial filming. So stated Harold Klein, exec. dir. of the Film Producers Assn. (trade group of N.Y. commercial producers) to us last week. Results of a recent FPA study show this pattern, Klein said: (1) Total volume of all U.S. filmed TV commercials is about \$70 million. (2) 70% of this goes to N.Y. producers, mostly FPA members. (3) Hollywood accounts for about 18%, Chicago 6%, remainder scattered. (4) Number of TV film commercials to be filmed during 1962 is approximately 40,000—about same as last year, but average commercial today costs about 10% more.

Review Board selections by FCC (Vol. 2:21 p3) were generally well received by Washington attorneys & engineers who'll appear before them: Donald J. Berkemeyer, chief of Office of Opinions & Review, to be chmn.; Dee W. Pincock, Asst. General Counsel; Joseph N. Nelson, chief of Renewal & Transfer Div.; Horace E. Slone, engineering asst. to Comr. Bartley. Selection of 4 was termed by insiders "a typical Commission compromise"—between the 3 & 5 suggested. Three will sit at any one time, with positions to be rotated. Surprise was selection of engineer, not expected earlier. Selectees will examine proposed rules establishing Board, give FCC recommendations. Appointments open plum jobs, precipitate customary maneuvering.

TV stations expect revenue increase of 6.7% in 1962, NAB reports. Survey by NAB's Broadcast Personnel and Economics Dept. found 82% of TV stations expecting rise, 3% decrease, 15% no change. Stations in smaller markets anticipate increases of more than 7%, those in largest markets 5%. Radio stations look for 3.5% climb in revenues.

## Personals

William G. Seiler promoted to ABC Films Southern div. mgr. . . . Herbert R. More promoted to Kliegl Bros. vp. . . . Charles W. Whitley appointed WSOC-TV & WSOC Charlotte, N.C. chief engineer; Odell Hartis named WSOC-TV studio engineering supervisor. . . . John T. Caldwell Jr., ex-educational WMSB (Ch. 10) E. Lansing, Mich. production & facilities mgr., named NET distribution & operations dir., Ann Arbor.

David Bellin promoted to NBC trade and o&o stations advertising mgr. . . . Robert Rohde named Katz agency Western TV stations sales mgr.; Joseph Hogan Eastern TV stations sales mgr.; William Lee, radio stations sales mgr.—all Chicago.

Vic Sterling named WPTA & WPTH(FM) Ft. Wayne program dir. . . . Robert M. Peebles, radio WROW Albany, N.Y. gen. mgr., named vp of parent Capital Cities Bcstg.

Spencer Denison, ex-radio WVIP Mt. Kisco, N.Y. station & sales mgr., named an NAB field rep . . . Hy Hollinger promoted to Paramount publicity mgr.

Allan L. Wester named KSTP-TV & KSTP St. Paul sports dir. . . . Robert Williams, radio WHLM Bloomsburg, elected Pa. Assn. of Bcstrs. pres.

Kurt Blumberg, ex-Robert Lawrence Productions, named sales director, Dolphin Productions, 37 W. 57th St., N.Y. . . . Bob Walker & Walter Evans promoted to news directors of Dallas' WFAA-TV & WFAA, respectively.

Richard Walsh, IATSE pres., elected pres. of Inter-American Federation of Entertainment Workers at its second congress in Lima, Peru; Stanley Ballard, AFM, named treas.; Juan Jose Osorio, National Musicians Union of Mexico, named gen. secy. of the Mexico City-based group.

Radio "overpopulation" committee, to assist with FCC-industry studies of problem, appointed by NAB Pres. Collins: George C. Hatch, Intermountain Network, Salt Lake City, chmn.; John F. Box Jr., Balaban Stations, St. Louis; Melvin Goldberg, Westinghouse, N.Y.; H. Randolph Holder, WGAU Athens, Ga.; Ray Johnson, KMED Medford, Ore.; Carl E. Lee, Fetzler Bcstg., Kalamazoo; John F. Patt, WJR Detroit; Loyd Sigmon, Golden West Bcstrs., Los Angeles; Cecil Woodland, WEJL Scranton. NAB radio vp John F. Meagher will head staff work.

Cute article in May 28 *Newsweek* lists top jobs open or opening in Administration, using help-wanted style, includes: "FCC COMM.—Exp. yng. lwyr. to help N. Minow in wstlnd. Job avail. in June. Sal: \$20,000. No ntwrk employes, pls." Presumably, reference is to expiration of Comr. Cross' term end of June. But there's no reliable word—despite speculation—on whether Cross will be reappointed, whether Broadcast Bureau Chief Kenneth Cox will get job instead—or what.

Application for Ch. 10 Miami has been filed by National Airlines (Public Service TV), which lost WPST-TV in first of the celebrated FCC-influence cases involving ex-Comr. Mack. Applicant intends to compete for channel along with all others seeking it. FCC gave channel to L. B. Wilson, but granted it only a 4-months license—leaving field open for new applications by Wilson and others.

Political broadcasting report by Senate Commerce "Freedom of Communications" subcommittee, headed by Sen. Yarborough (D-Tex.) (Vol. 2:17 p3), is getting FCC consideration. Commission is thinking about issuing report as an "inquiry," simply inviting everyone's comments on it. Report has many recommendations for new FCC procedures to insure "fairness."

FCC vacations in August per custom, scheduling no hearings or oral arguments, holds sole law-required-minimum meeting Aug. 1.

Decline in written memos at networks, rather than cutback in action & adventure, will be major result of year's crop of Congressional & FCC TV hearings, May 23 *Variety* predicts. It quotes network official: "You can bet that there's gonna be a heavy cutback in paper work from now on and a lot more verbal instructions wherever possible." He added that program content will not be materially affected by recent hearings, noting: "Unless the Senate or the FCC try to dictate that we should no longer program action-adventure series, we will continue to make our shows as exciting as possible."

NYU will offer TV-radio course June 25-Aug. 3, for students specializing in TV-radio and for people now in TV. Six-day-a-week schedule includes TV & radio studio and classroom work, study of cameras, booms, lights, controls, film & slide projectors. It covers TV production, direction, management, writing, programming. Lectures will include experts from communications industry. For information: Wallace A. House, Director, Summer Workshop in TV & Radio, NYU Div. of General Education, 1 Washington Square N., N.Y.

N.Y. Mayor Wagner attacked TV and other media for imparting harmful moral attitudes to youth, telling meeting on "Mass Media and the Moral Climate," that TV has failed to use its power to educate young people. "I think, myself," Wagner stated, "that Mr. Minow is being, if anything, a little soft on the TV industry" but said other media also are to blame.

Strong stand against false advertising must be taken by TV and other media, NAB N.Y. code authority mgr. Stockton Helffrich told 48th annual conference of Assn. of Better Business Bureaus. He said one of "weakest links" in self-regulatory process "is a continuing reluctance to stand up . . . to those advertisers who would risk television's reputation and that of other media"

Experimental 2,000-mc closed-circuit ETV system (Vol. 2:21 p4) will be demonstrated by Adler Electronics at Northedge School, Bethpage, N.Y. June 14. System is being operated as FCC experimental project, interconnects 8 schools in Nassau County.

Daytime viewing in summer is increasing more rapidly than year-round daytime viewing, TvB reports. New publication, *TvBasics*, reports number of homes tuned in during daytime in summer increased 16.4% from 1959 to 1961, while all-year daytime viewing rose only 13.5%. Pamphlet also reports public investment in sets to date is \$19.5 billion, advertiser investments \$12.1 billion.

FCC relented, took heat off small radio WITT Lewisburg, Pa., gave it one-year renewal, excusing its admitted unauthorized transfer, accepting plea of unfamiliarity with FCC processes. It's one of few instances of Commission clemency in such cases in last couple years.

Shift from Ch. 13 to Ch. 9 by WWTW Cadillac-Traverse City, Mich. was made in one night with virtually no interruption in service, station reported. FCC made change to free Ch. 13 for assignment in Grand Rapids. Owner Fetzer TV also announced new satellite WWUP-TV Sault Ste. Marie is due on air July 1.

Allocations petition by U. of Vt., proposing statewide ETV system, seeks reservation of Ch. 49 in Rutland, 30 in St. Johnsbury, 26 in Windsor, shift of reservation from 16 to 22 in Burlington, deletion of Ch. 26 from Hanover, N. H. & New London, Conn.

Sales approved by FCC: (1) KODE-TV & KODE Joplin, Mo. for \$1.85 million, to Gilmore Bestg. Corp., by WSTV Inc. (2) KFBB-TV & KFBB Great Falls, Mont., for \$610,000, to Harriscope Bestg. Corp., by KFBB Bestg.

Radio promoting TV in N.Y.: Norfolk-Newport News stations WAVY-TV, WTAR-TV & WVEC-TV are sponsoring 3 weeks of spots on radio WPAT Paterson sell N.Y. ad agencies, other marketing executives.

Revised & updated 2nd edition of *Techniques of Television Production* by UCLA ETV chief Rudy Bretz released by McGraw-Hill, 330 W. 42nd St., N.Y. 36, \$10.75.

Canadian distribution of CBS films will be handled by new firm, Page One Ltd.; headed by Kenneth Page, ex-pres. of S. W. Caldwell Ltd., former CBS Films distributor.

New Australian coaxial cable, covering 600 miles between Melbourne & Sidney, has gone into operation, will be able to carry TV in about 2 years.

## 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 Income	Per Common Share	Common Shares
Disney Productions	1962—6 mo. to Mar. 31	\$ 32,643,281 <sup>1</sup>	\$5,211,065	\$ 2,425,065	.. \$1.45	1,674,804
	1961—6 mo. to Mar. 31	23,065,743 <sup>2</sup>	1,389,982	669,982	.41	1,626,023
Muntz TV	1962—8 mo. to Apr. 30	8,977,578	—	750,630	.52	1,409,982
	1961—8 mo. to Apr. 30	6,443,000	—	462,750	.38	1,175,876
Perkin-Elmer	1962—9 mo. to Apr. 30	20,924,412	—	747,146	.59	1,276,759
	1961—9 mo. to Apr. 30	18,335,154	—	730,868	.58	1,252,460
Philips Lamp	1962—qtr. to Mar. 31	333,000,000	—	21,900,000	—	—
	1961—qtr. to Mar. 31	297,000,000	—	21,400,000	—	—
Transitron Electronics	1962—40 wks. to Mar. 31	22,850,503	—	530,345 <sup>3</sup>	.07	7,503,369
	1961—39 wks. to Mar. 25	31,038,990	—	2,970,840	.40	7,502,500
	1962—13 wks. to Mar. 31	6,625,529	—	113,744 <sup>3</sup>	.02	7,503,369
	1961—13 wks. to Mar. 25	7,512,689	—	(696,804)	—	7,502,500

Notes: <sup>1</sup>Includes \$3,480,314 from TV. <sup>2</sup>Includes \$2,810,133 from TV.

<sup>3</sup>Includes non-recurring income of \$165,000 from sale of salvage.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**16-IN. PORTABLES NO PRICE LEADERS:** Some people have gotten wrong idea about upcoming 16-in. portables (Vol. 2:19 p7), and a couple of manufacturers are pretty upset about it. Fact of matter is, 16-in. is being groomed as special-purpose set, with special features, and there's no present intention to sell it as low as today's 19-in. leaders.

Most promotable feature of 16-in. set is portability. Best guess is that 16-in. sets will weigh about 20 lb., be promoted as "lightweight" portables. To best of our knowledge, only 2 manufacturers now are committed to producing 16-in. sets. One introduction should come soon, other in fall.

New 16-in. square-corner tube costs nearly as much as 19-in., doesn't make possible ultra-bargain set. When erroneous report recently got out that \$129.95 price would be put on set, both manufacturers were anything but delighted. Admittedly, neither set maker knows whether public will take to new lightweight smaller-screen portable, and neither is committed to heavy production run—there are just about enough orders to make it possible for Corning to go into 16-in. bulb production.

Some other manufacturers are squatting on sidelines, trying to decide whether to sit this one out—or wondering when to jump. Among top set makers, one is looking very seriously at 16-in. right now, could move soon, probably will. Another is squarely on middle of fence, probably won't decide until after first 16-in. is on market. Several others have decided to pass this one up—at least this year.

Set makers can't exactly turn on a dime in 16-in. field. These new-type sets require elaborate tooling, imaginative design, if they are to be sold at closer to \$200 than \$130—and nobody wants to schlock it up.

So, when 16s come out, you can expect them to be promoted as specialized sets for special market, with sharp, clear pictures, attractive design, easily movable from room to room, easily transportable for vacations. It's not almost-as-good substitute for 19-in. portable, but a horse of a completely different color—pardon, black-&-white.

**EIA SEEKS VOICE IN UHF SET STANDARDS:** Confronted with imminent passage of all-channel receiver legislation, EIA prepared last week to call for organization of ad hoc committee of TV set manufacturers "to cope with the problems to be presented" when bill becomes law.

Composition and duties of committee weren't spelled out—but obviously its first job will be to approach FCC and request voice in setting up any definition of "adequate" uhf set performance or in establishing standards for receiver reception and sensitivity.

One of other "problems" cited in meeting of Consumer Products Div. exec. committee last week at EIA's 38th annual convention in Chicago—and with which ad hoc committee will be asked to cope—is how to explain to public that inevitable rise in price of sets is fault of govt., not manufacturers.

There was bitterness among set-makers who opposed bill. "If the govt. can tell us what to make, let them tell us how to sell it," said one. Among ad hoc committee's later duties presumably will be campaign to inform public that the anticipated 14% increase in cost of sets has been dictated by govt. and is not attempt by industry to mulct consumers. Another part of campaign will be attempt to make sure consumers don't blame manufacturers for uhf's tuning difficulties and other limitations.

Ad hoc committee was recommended by outgoing Consumer Products Div. Chmn. Edward R. Taylor of Motorola. It will be organized by Taylor's successor, Olympic Pres. Morris Sobin, and EIA consumer products staff director L. M. Sandwick.

Majority of setmakers at EIA convention reflected organization's view that FCC & Congress are "robbing the consumer of his freedom of choice." Nevertheless there was strong feeling—stressed in Consumer Products Division's annual report—that, regardless of legislation, uhf is on the way up.

To be sure, there was something almost resembling jubilation among tuner & some parts & transmitter manufacturers, who feel they stand to reap extra business if bill passes—and some told us that while they oppose principles of legislation, they expect it to increase their sales.

"The future course for uhf is up," Taylor said in his farewell report as division chairman, "and the rise over the next 10 years could be very significant for the receiver industry." He pointed out that EIA figures already show "rise of more than 100% in uhf receiver production" in 1962's first quarter over last year's corresponding period (Vol. 2:20 p11). He cited recently enacted legislation authorizing federal grants for ETV construction as significant factor in uhf's future.

FM & ETV receivers were described as other important consumer product growth areas, Taylor predicting "orderly boom" for former and "substantial potential" for latter.

Guiding destinies of EIA for year will be Charles F. Horne, senior vp of General Dynamics and president of its General Dynamics/Electronics & General Dynamics/Pomona subsidiaries. A retired rear admiral in the Navy & former CAA administrator, he succeeds GE's L. Berkeley Davis as president of the manufacturers' association. (Other EIA election reports on p. 10.) Among other EIA highlights:

Consumer electronics promotion campaign: Industry may finally be getting together on full-scale drive to promote TVs, radios & phonos. Unanimous vote by Consumer Products Div. executive committee—including those who have opposed such campaigns in past—authorized staff dir. L. M. Sandwick to prepare outline of PR campaign for submission to members at September meeting. As Sandwick described it to us, drive will stress "quality at reasonable price" in today's consumer electronic equipment.

All-day EIA program geared to "What's Ahead for Consumer Electronics" is scheduled for June 26 at Music Show in N.Y., with top speakers from govt. & industry featured in panel discussions on ETV, color, radio & phonos. (For list of speakers, see p. 10.)

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Electronics a \$13.85-billion industry: New statistical research has revealed electronics is bigger industry than was previously believed, Davis announced in his report concluding 2 years as president. Some defense expenditures for operations, maintenance & testing have been overlooked in past—and as a result he upped his estimate of 1962 factory sales to \$13.85 billion from his previous forecast of \$10.8 billion. (Using old statistical method, EIA had set 1961 sales at \$10.15 billion.) Almost 60% of industry's sales this year will be to govt. Although he predicted continuing growth, he warned that electronics manufacturers who do not keep abreast of technical progress and adapt to changing markets "may well disappear."

Electronics failures increase: As if to underscore Davis' report, EIA's Credit Committee reported electronics industry set all-time high in "financial embarrassments" in the 12 months ended last April 30. However, trend followed pattern for other industries, report pointed out. In manufacturer failures, component makers held lead, followed by instruments & test equipment, but report cited "noticeable increase in the failure of the producers of stereo-high-fidelity equipment."

Foreign trade patterns: Parts Div. reported substantial components industry growth in last year despite increasing imports—and that American component exports have done surprisingly well in the highly competitive world market." Tube & Semiconductor Div., however, warned that "receiving tube industry appears to be facing the greatest threat from abroad and, specifically, from the Japanese." Chmn. George W. Keown, Tung-Sol, stated that Japanese manufacturers are concentrating on certain parts of U.S. tube market "in an effort to seize this segment of the market."

Engstrom urges industry study: RCA Pres. Elmer W. Engstrom, receiving EIA's Medal of Honor, proposed "a general stocktaking of [the electronic industry's] present status and our future prospects," similar to study recently undertaken by Brookings Institution on prospects of civilian space program and its possible impact on the economy.

**QUANTITY IMPORTS OF 14-IN. TV BEGIN:** Another Japanese TV brand has begun to show up in quantity on U.S. docks. It's Matsushita's long-touted Panasonic bookshelf TV, which carries list price of \$139.95.

First shipment of 1,000 sets has arrived—all pre-sold to retailers, and unspecified amount of these pre-sold to consumers. Macy's, one of Matsushita's biggest customers, advertised Panasonic TV last winter, invited shoppers to look at samples, place orders for May or June delivery, to become "first in the neighborhood to own one." Macy's won't reveal how many it sold this way.

Matsushita of America, U.S. branch of big Japanese firm, says sets will come in now in accelerating quantities, begin appearing in stores in week or so. Matsushita officials won't state how many they plan to import this year, but it's believed that shipment of 1,000 sets makes Matsushita 3rd biggest Japanese brand in U.S.—behind Delmonico (about 18,000 this year) and Sony (about 6,000).

Matsushita is known for strict maintenance of retail prices—which raises interesting question: How many of these sets can be sold at \$139.95—higher than actual retail price of many low-end 19-in. portables? Does 14-in. bookshelf set have same type of appeal as domestic manufacturers hope 16-in. lightweight portable will have (see p. 8)?

Star-Lite's little 8-in. set, which lists at \$129.95, has been spotted in stores tagged as low as \$89.95. Delmonico's 8-in. lists at \$119.95, also sells lower. Toshiba's 10-in. set (\$129.95 list), slated to begin arriving this year, isn't anywhere in sight.

**TV-RADIO PRODUCTION:** EIA statistics for week ended May 18 (20th week of 1962):

	May 12-18	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	117,930	126,412	120,541	2,573,242	2,063,700
Total radio .....	360,823	378,179	203,706	7,139,208	5,595,098
auto radio .....	129,091	132,301	100,841	2,523,228	1,760,812

**EIA elections:** In addition to Pres. Horne & Consumer Products Div. Chmn. Sobin (see p. 8), these industry members were elected to EIA posts: To EIA board: Joe Friedman, Trav-Ler; Robert W. Galvin, Motorola; J. L. Hanigan, Corning; M. H. Benedek, General Instrument; R. J. Grigsby, The Grigsby Co.; Dr. Robert C. Coon, Univac (Sperry Rand); J. J. Graham, ITT; W. E. Andrus Jr., IBM; M. W. Kremer, Sylvania. To division posts: Military Products, Dr. Ashley A. Farrar, Raytheon, chairman; W. Preston Corderman, Litton, and Richard B. Leng, Quantatron, vice chairman; Industrial Electronics, Grafton P. Tanquary, Litton, chairman; Ralph E. Van Hoorne, ITT, vice chairman; Parts, Allen K. Shenk, Erie Resistor, chairman; J. A. Milling, Howard W. Sams & Co., and G. B. Mallory, P. R. Mallory & Co., vice chairmen; Tube & Semiconductor, George W. Keown, Tung-Sol, chairman (reelected). New EIA vps: W. Myron Owen, Aerovox; L. L. Waite, North American Aviation. Leslie F. Muter, The Muter Co., was re-elected to 27th term as treasurer.

Color TV will be available in kit form beginning in August, Transvision Pres. Herbert Suesholtz told distributors at Parts Show in Chicago last week. Using RCA-designed circuitry, complete kit is priced at \$379 without audio system, or is available in 10 pay-as-you-build sections. With audio system, package costs \$399. Remote-control version will be available for \$60 extra.

Pocket tape recorder, about size of king-size cigarette pack, will be produced by Sony next year and is slated for import to U.S. by Superscope. Designed for speech, and not music, reproduction, it will probably be priced over \$100.

**Speakers & panel members** scheduled to appear at EIA's all-day program at Music Show in N.Y. June 26 (see p. 9): ETV session—HEW Undersecy. Ivan Nestingen; James Robertson, National ETV & Radio Center; Edward R. Taylor, Motorola; O. H. Yoxsimer, Westinghouse; Harris O. Wood, Philco; George C. Connor, Sylvania. Color TV—Morris Sobin, Olympic; NBC-TV sales vp Don Durgin; ABC-TV admin. vp Alfred Schneider; Thomas L. Flynn, Packard Bell; Richard M. Sanford, Sherman Clay & Co.; NARDA Chmn. Mort Farr. Radio—Orphie R. Bridges, Arvin; FCC Comr. Robert T. Bartley; William Clemmons, GE; Sidney Harman, Jerrold; Gary Gielow, KPEN San Francisco; David H. Polinger, WTFM Fresh Meadows, N.Y.; Donald E. Bowman, Lyon & Healy. Phono—Armin E. Allen, Philco; RIAA Pres. Glenn E. Wallich, Capitol Records; Joe Friedman, Trav-Ler; William Schroeder, Waters-Conley; Leon J. Knize, Ravenswood; James A. Stark, GE; Tanner Crisley, Aeolian Co.

**Numbers game (continued):** Admiral reports distributor orders for its new consumer electronics line hit all-time record at its 2 recent distributor meetings, 23% higher than at last year's meeting • Du Mont home entertainment instrument sales for 6 months ended April 30 were 36% higher than same 1961 period, with April sales 26% over 1961, according to sales vp George M. Hakim • Symphonic reports April phono shipments 42% higher than last year.

Emerson will hold convention for domestic & foreign distributors & licensees of all of its lines—Emerson, Du Mont, Granco, Telectro & Quiet Kool—June 14-16 at Hotel Americana, Miami Beach.



## Trade Personals

Peter J. Grant, former Sylvania Home Electronics Corp. pres. (Vol. 2:11 p9), appointed mgr. of Magnavox's Zone 3, embracing Ohio, western Pa., W. Va., Ky., parts of Ind., headquartering in Cleveland; Joseph Conroy, ex-Whirlpool & McGraw-Hill, named Zone 10 mgr., a new post embracing New England, with Boston hq.

Jack E. Lau resigns as Sylvania stereo-hi fi sales mgr. . . . Samson M. Mittelman, ex-Sylvania, appointed Sony N.Y. & N.J. district mgr.

Ralph B. Soper, Sylvania Semiconductor Div. project engineer, awarded patent for method & apparatus "for precisely & accurately reducing small semiconductor dice or bodies to the proper thickness, in a controlled manner, by etching". . . . Dr. John L. Sprague promoted to Sprague Electric senior vp & engineering laboratory co-dir.

Morris Reaboy, ex-Slate Electronics and Capehart Corp., appointed Symphonic national credit & operations mgr.

G. W. Sandell named gen. mgr., Minnesota Mining & Mfg. subsidiary Revere Camera, maker of photographic & tape recording equipment, succeeding G. J. Wachholz, named to new post of division vp of 3M's photographic products group, including Revere.

Richard Helhoski appointed Blonder-Tongue Labs mktg. dir. . . . Leo Henry named RCA Victor Co. Ltd. (Montreal) project styling dir., succeeding F. A. Richards who retires May 31 after 35 years with firm.

K. C. Moritz appointed vp in charge of General Instrument's new International Div.

V. N. Zachariah (pres., Zach Electronics, San Francisco), elected pres., National Electronic Distributors Assn., succeeding Mauro E. Schifino; Byron Deadman, (pres., Northern Radio & TV Supply, Green Bay, Wis.) succeeds Zachariah as NEDA chmn. Other NEDA officers: Alex Brodsky (Allied Radio), vp; Mike Ebinger (Ebinger Electronics, St. Louis), vp, service-dealer div.; William Harrison (Harrison Radio Corp., N.Y.), vp, industrial div.; John H. Brown (J. B. Distributing Co., Omaha), secy.-treas.

Joseph West appointed Automatic Radio Mfg. asst. vp & controller. . . . Jack L. Conway named Sylvania tube div. safety engineer, succeeding James J. Lawler, transferred to GT&E's N.Y. office.

Leon A. Wortman resigns as Fisher Radio mktg. services dir.

Richard S. Leghorn, Itek co-founder, resigns as pres. & chief executive officer because of "irreconcilable differences of long standing over management policies." Franklin A. Lindsay elected pres., succeeding Leghorn who will retain a part-time relationship with Itek.

John B. Lawson named gen. mgr., Ford's Aeronutronic Div., Newport Beach, Cal., succeeding Gerald J. Lynch, resigned.

Robert J. Morgan named exec. dir., Electronic Representatives Assn., Chicago, succeeding William C. Weber Jr., resigned to enter private business. . . . Leon Cantor, one-time Westinghouse TV-Radio Div. technical writer, appointed Blonder-Tongue Labs PR dir.

## Obituary

Robert G. Tabors, 47, Textron Electronics pres., died in May 22 crash of Continental Airlines jet near Unionville, Mo.

**Distributor Notes:** Philco Corp. has appointed Graybar Electric its distributor for Los Angeles region, Standard Electric Supply, Milwaukee, for eastern & central Wisconsin & northern Illinois. The 2 independent distributors replace Philco factory branches in those market areas.

"TV Set Buyer's Guide '63" will be issued as special pull-out supplement to *TV Guide's* issue of Sept. 8, editor Merrill Panitt announced at week's end. The 32-page supplement, designed as "service to readers," will treat all major nationally distributed TV brands and will go to a circulation of more than 8 million families—about one out of every 6 TV homes in U.S. First venture of its kind by mass-circulation magazine, "Buyer's Guide" will contain articles about trends in TV set design, new features in 1963 sets, how to buy TV set, installation & maintenance, in addition to color photos of new sets and summaries of each manufacturer's lines. Scheduled to become an annual supplement, content of "Buyer's Guide" will be about 50% editorial copy & 50% advertising. Editorial matter for supplement is being prepared by David Lachenbruch, *Television Digest* managing editor.

Highly controversial anti-trust case, involving operations of Candian subsidiaries of U.S. TV-radio manufacturers, popped into news again last week when Netherlands-based Philips of Eindhoven agreed to stop taking part in any scheme to block exports of U.S. made TVs & radios to Canada. Agreement filed in N.Y. Federal District Court becomes effective in 30 days, and U.S. Justice Dept. said it would drop Philips from case. Other 2 defendants in suit, GE & Westinghouse, are scheduled for trial next October. Twelve other companies, including RCA & Hazeltine, were named as co-conspirators, but not defendants when case was filed in 1958 (Vol. 14:48 p13). Gist of charge was that Canadian subsidiaries of GE & Westinghouse were instrumental in setting up Canadian Radio Patents Ltd., which blocked import of U.S. made sets into Canada. At time of filing, suit was widely criticized as U.S. attempt to meddle in Canadian internal affairs.

Raytheon sees "no reason to modify our belief that 1962 sales will amount to at least \$600 million and that the return on sales should average out to approximately 2%," Pres. Charles F. Adams told annual meeting. In 1961, Raytheon earned \$6.8 million on record sales of \$562.9 million. Second-quarter sales will top \$150 million and earnings "should be higher than the \$2.5 million reported in the March quarter," he said. For first half, Raytheon sees record sales of more than \$300 million (vs. \$280.1 million a year ago), earnings of more than \$5 million (vs. \$3 million).

Thermoelectric air conditioner & 2-cubic-foot refrigerator were introduced by Borg-Warner. Refrigerator will become available around Sept. 1. Retail price has not been set, but Norge Div. Chmn. Judson Sayre said company is "shooting for between \$500 & \$600." York Div. Pres. Joseph B. Elliott estimated air conditioner would cost "3 to 5 times" as much as conventional model, rated it at about 3,000 BTUs. It can also produce heat by reversing current flow.

More signs of life in uhf (see p. 1); Standard Kollsman showed prototype uhf converter to distributors at Chicago Parts Show last week.

**New EIA member:** Symphonic Radio & Electronic Corp.

## Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Amphenol-Borg				
Elec. ....	Q	\$0.20	June 29	June 15
Walt Disney .....	Q	.10	July 1	June 15
Globe-Union .....	Q	.30	June 9	June 1
Meredith Publishing	Q	.35	June 14	June 1
MGM .....	Q	.50	July 16	June 15
Pathe Equipment-A	—	.05	June 1	May 15
Rollins Bestg. ....	Q	.08	July 25	June 25
Sprague Electric .....	Q	.30	June 14	May 28
Standard Radio Ltd.	Q	.20	July 10	June 20
Time Inc. ....	—	.75	June 8	May 24
Trans-Lux .....	Q	.15	June 29	June 15

Hertz Rent-All stores in N.Y. & Chicago (Vol. 2:17 p8) are operating in red, but "we expect the stores in Chicago to be in the black by the middle of the year," Hertz Chmn. Leon C. Greenebaum told stockholders. The N.Y. & Chicago stores are company operated, outlets in 8 other cities are franchised. "It may turn out that Rent-All will have to go into department and other stores," Greenebaum said. "In fact, it may be that some day a customer will have the choice of either buying or renting just about anything in a store." A Rent-All outlet already is in operation in Cincinnati's big Shillito Dept. Store. TVs, radios and host of other Rent-All products offered by Hertz licensee Rent-All Servicer can be rented by Shillito shoppers for cash or on their Shillito charge accounts.

Muntz TV will consider paying dividends on both common & preferred shares "early next year," Pres. Walter A. Keil reported. He said earnings in 8 months to April 30 rose 52¢ a share from 38¢ in comparable 1961 period (see financial table). Keil said Muntz will have repaid by next February the \$400,000 in promissory notes remaining from its reorganization in 1957 after bankruptcy. Dividends cannot be paid until notes are paid. For its 1962 fiscal year ending August 31, Muntz TV is forecasting earnings of 76¢ a share on \$12 million sales—up from 59¢ on \$9 million sales in fiscal 1961.

Philips Lamp, Netherlands-based worldwide electronics firm, has set a price equal to \$33 a share on its proposed stockholder offering of 6,153,140 shares (Vol. 2:15 p14). Philips will accept the subscription price in U.S. dollars at a fixed conversion rate. Announcement of offering in U.S. is awaiting SEC's approval of Philips' registration statement.

Lear-Siegler Inc. will be listed on New York Stock Exchange under symbol LSI if stockholders approve proposed merger (Vol. 2:18 p12). NYSE has approved symbol, and it's anticipated there will be some 3.8 million Lear-Siegler shares outstanding. Siegler shareholders vote on merger May 31.

Philco "is in the red now, that's for sure, and will be for a short time," Ford Chmn. Henry Ford II told stockholders. Ford executives, although good, he said, aren't good enough "to turn it around in one year." Ford officials said newly acquired Philco subsidiary may continue to operate in red for 2 years.

Crosby Electronics & subsidiary Crosby-Teletronics have been ordered by Federal Judge Joseph C. Zavatt in Brooklyn to file a Chapter X reorganization plan (Vol. 1:10 p11) by June 8 or report why it can't.

Reeves Bestg. & Development Corp.'s present investments are "allocated as 42% broadcasting, 21% studio and 37% real estate," Pres. Hazard E. Reeves notified stockholders in pamphlet report. For year ended Dec. 31, 1961, sales jumped 78% to \$4.3 million from \$2.4 million, but earnings tumbled to \$157,877 from \$328,284 (Vol. 2:17 p6). Reeves termed 1961 as year of "considerable consolidation & growth," noted growth produced "number of non-recurring costs which virtually eliminated operating profits." He said "we recognize that our efforts to finance our expansion with a minimum of equity dilution and our policy of rapid write-off of new acquisitions often mitigate against immediate profits" but "this policy will result in greatly increased stockholder benefit over the longer term." Reeves Bestg. & Development closed 1961 with total current assets of \$1,571,125 (including \$333,996 cash) vs. \$913,157 (\$322,084) at 1960's end. Total current liabilities were \$1,279,176 vs. \$832,274 a year earlier.

Taft Bestg. expects fiscal-1963's first quarter, ending June 30, to be "well over" year-earlier period when Taft earned \$460,683 (30¢ a share). April's net alone was up 33% over April 1961—to \$212,944 (13½¢) from \$160,164 (10¢). Pres. Hulbert Taft, Jr. said he would "hazard a guess" that Taft would buy a TV station in one of nation's top 30 markets in next year. He said Taft can pay up to \$25 million for it, announced recent purchase for \$799,000 of assets of a 38-lane bowling center in suburban Cincinnati. Taft made this observation about FCC Chmn. Minow: "I'm beginning to think he's going to make a darn good chairman, despite some irresponsible statements he made a year ago. He's intelligent, and he's learned a lot in the last year."

Stockholders of Outlet Co. (WJAR-TV & WJAR Providence) have authorized issuance of additional 1,002,900 shares of common & 30,000 shares of preferred. Pres. Joseph S. Sinclair said new stock will be used exclusively for expansion in broadcasting or retailing fields, and company is now considering possibilities in both areas. Outlet Co. presently has outstanding 497,000 common shares and no preferred. Final figures are not yet available, but first-quarter operations ran ahead of 1961's opening quarter, Sinclair said.

Technicolor has adjusted its first-quarter earnings downward to \$513,000 (20¢ a share) from \$567,326 (22¢) previously reported (Vol. 2:18 p6). Company earned \$451,479 (18¢) in 1961's opening quarter. Queried about Technicolor's failure to pay dividends in past 5 years, Chmn. Patrick J. Frawley Jr. told annual meeting company could issue cash dividend but wants to conserve funds for future development. He said directors are "considering" a dividend, which he opposes. Frawley is Technicolor's largest stockholder; James A. ... is Technicolor's largest stockholder.

MCA has offered holders of Decca records distribution shares a stock exchange deal valued at approximately \$100 million. Offer for proposed acquisition of Decca (Vol. 2:12 p12) expires June 18 and is conditional on acceptance of at least 80% of Decca shares. Lehman Brothers is managing the solicitation, which provides for exchange of each Decca share for one share of new convertible MCA preferred plus 1/3 of a share of MCA common.

Terminal-Hudson Electronics scored record first-quarter sales of \$3.5 million, up from \$3.3 million in 1961's initial 3 months. Profit figures were not released. Chmn. William Filler forecast total 1962 sales of \$14.5 million, up from 1961's \$11.5 million.

WEEKLY **Television Digest**

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**The authoritative service for executives in all branches of the television arts & industries****SUMMARY-INDEX OF WEEK'S NEWS****Broadcast**

"SPECIALIZED TV" services now in operation in N.Y. provide clues for similar operations elsewhere. Closed-circuit hotel system gets first 6 sponsors; scrambled police lineups on WUHF win police enthusiasm (p. 1).

FCC THUMBS DOWN ON CBS 'INCENTIVE' PLAN, 6-1 vote, may strengthen chances of reversal on option time. Dissenter Ford believes FCC should wait for court decision (p. 2).

FCC STAFF COMMENTS ON MANAGEMENT REPORT, likes idea of more funds & people, objects to strong executive director and new Office of Special Services (p. 2).

CURRENT CAPSULES: Kennedy urges 1964 equal-time suspension. CBS's Stanton lashes proposed magazine postal rate increase. Hartford pay-TV project debuts June 29 (p. 3).

**Consumer Electronics**

TRENDS IN '63 LINES: Upgrading of furniture values, more bonded tubes, heavier FM & FM-stereo emphasis, new portable phono configuration; prices firm to slightly lower. Sets unveiled by Admiral, GE, Motorola (p. 6).

NO UHF BREAKTHROUGH in sight—in fields of cost, performance or life. But tuner makers see gradual improvement, costs coming down about 10% with mass production. Set makers seen "jumping gun" on FCC, beating deadline for all-channel sets (p. 7).

GOVT. SAYS NO TRANSISTOR IMPORT CURB NECESSARY, ending 2½-yr. probe into possible adverse effects of rising Japanese imports on U.S. security. EIA calls decision "disappointing" but accepts promise of continued OEP surveillance (p. 8).

2 NEW PICTURE TUBES still face uncertain fate. Progress reported on Motorola 23-in. color tube; Kimcode black-&-white awaits report on UL tests (p. 9).

TOPICS & TRENDS: Marketing Science Institute formed by 20 firms. Philco & Firestone sign merchandising pact. New thinner, longer-playing audio tape on way. Mobilisound announces TV audio monitor for autos. Arvin's \$13.95 6-transistor radio looks like winner in low-price race (pp. 9-10).

EMERSON SLIPS IN 2ND QUARTER, but Pres. Benjamin Abrams forecasts increases in both sales & earnings for total fiscal year ending Oct. 31. He reports TV sales 10-15% ahead of year ago (p. 11).

'SPECIALIZED TV'—COPS & LODGERS: Two very specialized uses of TV are now in regular operation in N.Y.—one using closed-circuit to reach large number of people, the other using open-circuit to reach small number. Both systems could point way to new opportunities in TV field.

TeleGuide closed-circuit hotel hook-up (Vol. 2:6 p2), now in limited operation in N.Y. hotels, has enclosed of long... System now reaches an estimated 10,000 hotel rooms and within next week or 2 is expected to reach 28 hotels. TeleGuide's owners, Sterling Movies U.S.A., are shooting for 30,000 rooms in new months. System eventually will have 3 channels—one in English, another in foreign language, and a 3rd for special events, conventions, etc.

First commercial use of TeleGuide will be made this week & next when DuPont sponsors 20 fashion reports on ladies' undergarment styling, designed to reach 22,000 apparel buyers who will be in N.Y. this month for intimate apparel market. Specially taped shows will be on hotel TV at 7:30 a.m. & 6:30 p.m.—hours when visiting buyers are likely to be in their rooms.

Five advertisers buying regular participations in TeleGuide programming run gamut of type of sponsors wishing to appeal to visitors to N.Y. Interestingly, one is liquor importer Schiefflin Inc. (Teacher's Scotch, Coates Plymouth Gin, Hennessy Cognac, Don Q Rum). Others are British Motor Car Co., Freedomland amusement park, French Lines, E. J. Korvette discount dept. store. TeleGuide will broadcast 18 hours daily.

N.Y.'s other specialized new use of TV is its televised police lineup—now being transmitted to police precincts in all 5 boroughs daily (Vol. 2:20 p5). System uses FCC's experimental WUHF (Ch. 31), but police transmissions are scrambled to protect civil rights of suspects. Scrambling & decoding systems were developed by Teleglobe Pay-TV System Inc.

We observed operation of experimental system last week—and police officials expressed enthusiasm for it. WUHF currently is using telephone lines to carry audio (on-air signal carries message telling regular viewers that broadcast is scrambled and there's nothing wrong their sets). However, N.Y. Municipal Bcstg. Dir. Seymour Segal told us that within 90 days he hopes to transmit sound for the police telecasts via SCA multiplexing on city's WNYC-FM. Same multiplex equipment will permit WNYC-FM to broadcast regular programs in stereo.

Although police lineup telecasts are experimental and FCC hasn't approved regular use of concept of scrambled TV, technique has already aroused interest of police departments in other municipalities. N.Y. system raises interesting question: Do off-hour scrambled broadcasts to police, doctors, students, etc., offer possible hope of helping defray initial losses of uhf stations—as SCA multiplex operations did for FM?

**FCC THUMBS DOWN ON CBS 'INCENTIVE' PLAN:** CBS-TV "incentive compensation plan" was ruled illegal by FCC, as expected ever since Commission gave CBS its opinion to that effect last Oct. (Vol. 1:7 p3). FCC asked CBS and the 40 affiliates with such contracts to keep it informed of steps taken to negotiate new contracts. Court appeals are still available to CBS & affiliates, but no firm decisions to appeal were indicated last week.

Comr. Ford was sole dissenter. He argued that since Justice Dept. has anti-trust suit pending against CBS for the practice, Commission may be violating spirit and/or letter of U.S. Supreme Court decision (California v. Federal Power Commission). Court blasted FPC for deciding merger case while Justice Dept. had suit pending against it. Ford would have Commission wait until courts act. Ford was key man in FCC's 4-3 vote outlawing option time—and there's long been speculation he may swing back to option time if incentive plan or similar arrangements are outlawed.

Here's how FCC wrapped up its views: "We believe that the effect of the CBS plan is clearly to hinder a station from clearing for other network and non-network programs, and that it penalizes a station for so doing. In effect, the network is withholding a part of the compensation which the station could expect to receive under prior existing contracts until the substantial number of clearances desired by CBS have occurred. Although the plan does not contain an express requirement concerning a minimum number of clearances, its practical operation has the same effect. No public interest reasons in support of the plan have been offered. Accordingly, we hold that the CBS clearance incentive plan and affiliation contracts negotiated pursuant to the plan constitute a violation of Sec. 3.658(a) of our Rules prohibiting exclusive affiliation of stations."

**FCC STAFF COMMENTS ON MANAGEMENT REPORT:** FCC staff has analyzed the analysis of Commission's workings by management consultants Booz, Allen & Hamilton (Vol. 2:18 p3), are giving commissioners their views. In turn, commissioners will prepare final comments for submission to Budget Bureau.

It's understood staff likes very much the BAH recommendation that FCC be given more men, money, space. And it agrees with many BAH suggested changes which depend on more funds.

But staff doesn't go for concept of powerful executive director between it and commissioners. They say: "Placing an executive director between the bureau heads and staff officers and the chairman or Commission would interpose an additional full layer in the handling of all matters going up to the Commission and all matters coming down from the Commission. Inevitably this would serve as a tightly restricted funnel through which all Commission subject matter would have to flow. This means time and additional delay, already our worst problems."

Staff offers alternative: "Significantly increased delegations to bureau heads and staff officers."

A new "Office of Special Services" met with thumbs down from staff. BAH recommended that it include the Technical Asst. Div., Office of Reports & Information, Div. of Defense Coordination. Said staff: "Functions of these 3 divisions are completely unrelated to each other and we can find no positive reason why they should be combined."

**CURRENT CAPSULES**

Finalization of multiple-ownership rules changes, proposed in Dec. 1960 (Vol. 16:50 p9), is due for FCC consideration shortly. Change would not count individual holdings of 5% or less in licensees with 50 or fewer stockholders—if holder is neither officer nor director nor exercises actual working control.

Automatic logging of TV-AM-FM transmitter & associated equipment performance may shortly be proposed by FCC, prompted by Jan. 1961 petition from NAB. Commission may also propose to divide operating log—into separate operating and maintenance logs—and to require supervisory operator to make daily entries in maintenance log for those stations permitted to operate without technically qualified operators on duty.

Unusual FCC examiner's decision—by Herbert Sharfman—would not only deny license renewal of radio WMOZ Mobile to Edwin H. Estes but would revoke his radio WPFA Pensacola. Sharfman held that Estes had falsified WMOZ logs. Though no wrongdoing was charged against WPFA, examiner considered Estes unfit as a licensee—period. Chances are against Commission going along with Sharfman. Even in ex parte TV cases, Commission hasn't moved to take away stations other than those which had been focus of ex parte dealings.

Suspension of equal-time in 1964 Presidential & Vice-Presidential campaigns was proposed in resolution (S. J. Res. 193) introduced by Sen. Pastore (D-R.I.) at request of President Kennedy. NBC Chmn. Robert Sarnoff said legislation will enable broadcasters "to pick up where they left off in 1960," and will be "important step in the right direction."

Proposed magazine & newspaper postal rate increases were attacked last week by CBS Pres. Frank Stanton, who told Overseas Press Club of N.Y. if single publication goes under because of increased postal rates, "we have lost far more than we can possibly gain." Post Office traditionally has been public service, he declared, not intended to be run at a profit or even to break even. Stanton warned it would be "serious mistake" for those in communications with no stake in issue to consider it "someone else's battle," pledged assistance of CBS in airing issues and taking editorial stand. Postmaster General J. Edward Day accepted CBS offer to carry his rebuttal to editorials.

D-Day for U.S. pay-TV is set for June 29 when RKO's Phonevision goes on air on WHCT (Ch. 18) Hartford, Conn. RKO-General vp in charge of project John Pinto said company isn't "fooling around," intends to conduct "prestige project." Among programs being lined up, he said, are first-run films, Broadway shows, opera, ballet, concert, educational and children's programs, possibly Patterson-Liston title fight Sept. 17. Pinto estimated 300 homes will be equipped by June 29, 4,000-5,000 by end of year.

Sex & violence in U.S. TV was criticized by Argentine TV officials and *London Times*. Buenos Aires Ch. 7 Program Dir. Carlos A. Barraza declared he would "hit as hard as I can at every piece of TV violence from the *Untouchables* to the Westerns." He said most objectionable programs are from U.S., and station might begin using European productions. *Times* urged U.S. to switch from Westerns to shows depicting typical "simple, hard-working, rather devout folk" in U.S. Commenting on CBS Pres. Frank Stanton's testimony before Congress—that U.S. producers shouldn't be afraid of showing people abroad that Americans like Westerns and crime shows—paper said in editorial that this is "sound doctrine," but that typical U.S. production might not give true picture of American life.

European Bcstg. Union plans first meeting outside Europe, in N.Y. Oct. 22-27. EBU is organization of all non-Communist European TV-radio groups, has been invited to U.S. by 5 associate members—ABC, CBS, NBC, NET, USIA. Discussions will include communications satellites, program exchange, videotape & TV news exchange, international events coverage, children's programs. Delegation probably will be headed by EBU Pres. Olof Rydbeck, Swedish Bcstg. Corp. Director-General. NET Pres. John F. White heads U.S. organizing committee.

## Personals

Salvatore J. Iannucci promoted to CBS-TV business affairs vp. . . . Spencer Harrison, ex-CBS talent & contract properties vp & business mgr., named Ashley-Steiner Inc. legal & business affairs vp, N.Y.

John Hopkins, KCOP Los Angeles & KTVT Ft. Worth pres. & gen. mgr., elected to board of KCOP TV Inc., Nafi Telecasting Inc. and Oregon TV Inc. . . . William H. Grumbles, former WHBQ-TV Memphis vp & gen. mgr. and RKO vp, named gen. mgr. of new Ch. 9 Syracuse, due mid-September. . . . Ken H. James promoted to KETV Omaha sales mgr.; R. Douglas McLarty, ex-WKBW-TV Buffalo, named program mgr.

Jack Lee, radio WPRO Providence gen. mgr., and Herbert J. Mendelsohn, radio WKBW Buffalo gen. mgr., named vps of parent Capital Cities Bestg. . . . John H. Bone, WTVP Decatur, Ill. vp & gen. mgr., named WTVH Peoria operations supervisor. . . . Leon H. Lowenthal promoted to Taft FM div. sales development dir., a new post; John T. Lawrence Jr. advanced to gen. mgr.

Myron E. Grossman, ex-WBNS-TV Columbus, O. sales development dir., named H-R Reps & H-R TV sales promotion dir., N.Y. . . . Robert W. Rawson promoted to Advertising Radio & TV Services sales & sales development vp.

Larry Boggs, Vumore Co. pres., joins Daniels & Assoc., CATV brokerage-management firm. . . . Don Andersson, ex-Richards Assoc., named NCTA information dir.

John Perry, asst. to NAB Pres. Collins for last 7 years, a former newsman, establishes consulting service in broadcasting, education, publishing, govt., 1330 New Hampshire Ave. N.W., Washington, will continue part-time with Collins; NAB plans no replacement.

Al Mann promoted to ABC News Pacific coast correspondent, Los Angeles.

Nicholas C. Gilles promoted to NBC-TV business affairs vp, Herbert S. Schlosser to talent & program administration vp.

Charles Sinclair, former chief, N.Y. Bureau, *Television Digest*, rejoins as N.Y. contributing editor.

Help Wanted: Ohio ETV Network Commission seeks exec. secy. to work on projected 26-station network, \$11,-280 to start. Must have TV administrative & programming experience. Apply to Commission Chmn. Richard B. Hull, Room G-4, State Office Bldg., Columbus.

Select Station Representatives named WHTN-TV Huntington-Charleston, rep. Dick Williams, ex-Rorabaugh sales dir., appointed Select sales acct. executive; Kathleen Nugent named administrative asst. & secy. to Exec. vp Al Shepard, N.Y.

Revamp of NBC-TV sales service dept. includes following appointments: Arthur J. Johnson, to co-op station sales & clearance mgr.; George A. Hooper, station sales & clearance mgr.; Theodore Reinhard, co-op sales mgr.; Harvey Gannon, special services mgr.; James P. O'Brien, station services mgr.

NAB has affiliated with Advertising Federation of America, will name a director to AFA board in June. Move was made to strengthen cooperation between groups on mutual projects, including legislation & education.

CP for ETV Ch. 47 Yakima, Wash. has been granted to Yakima School District No. 7.

AB-PT pays nearly \$5 million for 3,900-acre Silver Springs resort near Ocala, Fla., according to estimates by N.Y. sources last week. AB-PT wouldn't confirm figure but admitted price would be several times the \$500,000 which bought a 37% interest in Disneyland in 1954 (Vol. 10:14 p1). AB-PT also owns Weeki-Wachee Springs, resort near Tampa. Deal for Silver Springs represents AB-PT's first venture into large-scale non-TV outdoor attractions since Walt Disney Productions bought back AB-PT's Disneyland holdings in 1960 (Vol. 16:28 p8).

FTC complaint against American Home Products Corp.'s "Outgro" ingrown toenail remedy (Vol. 2:17 p4) brought categorical denial from company. It denied advertising that medicine would have "effect" on infection, said claims were that it "guards against" infection. Company also asserted it never claimed remedy would cure ingrown toenail, only that it relieved pain. Name "Outgro" is not misleading, firm further alleged. American Home also pointed out that FTC investigated company previously, closed case without action.

Govt. pressures on programming pose danger to freedom of broadcasting, NBC Washington News Dir. William Monroe told Washington Rotary Club. He warned that if pattern of regulation aimed at discouraging some kinds of programs and encouraging others becomes accepted, and "station managers fear for their licenses because a government commission doesn't like what they put on the air," it's questionable whether medium will feel as free as it should.

Biscayne TV Corp. (WCKT & radio WCKR Miami) must pay 3 former employes and the estate of a 4th for 2-year period between time they were laid off and time they refused reinstatement, NLRB ruled in supplemental decision. Three-member board partially upheld original finding by examiner, in hearing ordered by Court of Appeals.

Objection to vhf translator applications on Ch. 2, 6 & 7 in Claremont, N.H. has been filed with FCC by Bellows Falls Cable Corp., Claremont. CATV firm, serving 2,000 homes, claims operation of translators sought by Claremont TV Inc. would ruin reception & distribution of signals from Boston, Poland Spring & Durham.

Vhf-uhf all-channel-set legislation has drawn little attention from general press, but *Washington News*, which always shows interest in industry affairs, editorialized against bill May 29, concluding: "The processes of a free market may be too slow for the impatient here in Washington—but in our judgment a lot less dangerous."

Katona Electronics Co., Box 431 Levittown, Pa. (Wind-sor 5-4575), new CATV equipment firm has been established by Anthony Katona, ex-Jerrold and Craftsman Electronics engineer. Firm's first offering is line of cable, to be followed by other CATV equipment. Contracting & consulting services are offered.

Waiver of power ceiling was denied by FCC to ABC for WABC-TV N.Y. which sought increase from 110 to 316 kw to fill in shadows. Commission said that disadvantages would outweigh benefits, encouraging others to seek waivers, producing "erosion of the Rules and the creation of competitive imbalance of facilities."

Construction of 1049-ft. tower for WLBW-TV Miami has begun, completion due by end of August, cost estimated at \$350,000.

FCC seeks \$125,000 extra next year to operate new staff Review Board.

## 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 Share Common	Common Shares
Capital Cities Bcstg.	1962—4 mo. to Apr. 30	—	—	\$ 369,448	\$0.31	1,149,798
	1961—4 mo. to Apr. 30	—	—	274,532	.23	1,149,798
Consolidated Electronics	1962—qtr. to Mar. 31	\$38,160,107	—	1,033,041	.33	3,170,002
	1961—qtr. to Mar. 31	22,869,373	—	738,103	.26	2,828,620
Electro-Voice	1962—year to Feb. 28	12,150,667	—	392,908	.79	497,332
	1961—year to Feb. 28	10,034,460	—	111,854	.22	473,650
Emerson Radio Story on p. 11.	1962—26 wks. to May 5	—	\$2,142,485	1,140,910	.50	2,279,465
	1961—26 wks. to May 5	—	1,356,569	667,646	.29	2,209,619
General Instrument Story on p. 11.	1962—year to Feb. 28	86,541,415 <sup>1</sup>	1,812,147	1,043,965	.42	2,492,558
	1961—year to Feb. 28	78,032,482	6,412,350	3,119,820	1.26	2,483,114
Schlumberger Ltd. (Daystrom)	1962—qtr. to Mar. 31	61,090,000	—	4,956,000	.93	5,333,587 <sup>2</sup>
	1961—qtr. to Mar. 31	56,670,000	—	3,506,000	.66	5,333,587 <sup>2</sup>
Times-Mirror	1962—12 wks. to Mar. 25	30,512,449	—	162,705	.04	4,296,872
	1961—12 wks. to Mar. 25	25,717,507	—	739,427	.17 <sup>3</sup>	4,278,200 <sup>3</sup>

Notes: <sup>1</sup> Record. <sup>2</sup> Outstanding March 31, 1962. <sup>3</sup> Adjusted to reflect 2% stock dividend Jan. 1962.

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

**Admiral.** William L. Dunn sold 2,000, held 1,600.  
**Allied Artists.** Roger W. Hurlock bought 500, held 29,200.  
**American Bosch Arma.** John E. Parker bought 1,000, held 1,000.  
**AB-PT.** Herbert Hahn sold 600, held 441. Robert H. Hinckley bought 1,560, held 2,600. James G. Riddell sold 500, held 2,557.  
**Amphenol-Borg.** Matthew Devine bought 1,000, held 2,000. Richard Purinton bought 100, held 100.  
**Avco.** Martin W. Clement bought 100, held 1,350. Matthew A. McLaughlin bought 1,666, held 10,166.  
**Avnet Electronics.** Leonard Carduner sold 5,000, held 5,033.  
**Collins Radio.** J. G. Flynn sold 500, held 1,545.  
**Columbia Pictures.** Irving Briskin sold 200, held 8,937.  
**Federal Pacific Electric.** Thomas M. Cole sold 700, held 239,087.  
**GE.** Ralph J. Cordiner bought 4,500, held 24,545.  
**General Instrument.** Louis Benedek bought 3,027, held 52,841. Martin Benedek bought 1,014, plus 825 in trusts, held 94,600 plus 825 in trusts. Alexander P. Hirsch bought 3,645, held 92,815. J. Gerald Mayer held 35,000, bought 1,500 as trustee, held 1,500 as trustee. Moses Shapiro bought 10,000, held 51,100.  
**Lynch Corp.** Bernard H. Lippin bought 9,697, held 71,170.  
**Magnavox.** David Martin bought 926, held 3,704. Richard O'Connor sold 11,000, held 216,101. Jack W. Schrey bought 870, held 3,833. Gerard M. Ungaro sold 5,000, held 36,621.  
**P. R. Mallory.** G. Barron Mallory held 22,333, sold 191 from trust, held 19,364 in trust.  
**Pacific Industries.** George M. McGrew sold 700, held 228,120.  
**Paramount Pictures.** Y. Frank Freeman bought 1,250, held 1,450.

**RCA.** Walter G. Bain bought 200, held 200. Ernest B. Gorin bought 1,830, held 3,624.

**Raytheon.** Dean S. Edmonds bought 445, held 39,863. W. E. Stevenson sold 1,000, held 956, plus 1,532 held jointly with wife.

**Reeves Bcstg. & Development.** Harry L. Petersen bought 100, held 1,130.

**Rollins Bcstg.** John W. Rollins sold 800, bought 950, held 10,746, bought 600 as guardian, held 3,300 as guardian. Henry Tippie bought 150, held 4,250.

**Standard Kollsman.** Perry Addleman bought 300, held 506. Walter F. Hermann bought 966, held 966. Raymond F. Ryan bought 100, held 100.

**Texas Instruments.** W. D. Coursey sold 700, held 3,960. James McDade bought 300, held 300.

**Thompson Ramo Wooldridge.** Ralph Johnson sold 200, held 11,870. Dean E. Wooldridge sold 1,000, held 39,163.

**Trans-Lux.** Jay Emanuel bought 250, held 16,000.

**Trav-Ler Radio.** Joe Friedman bought 4,600, held 297,411.

**Tung-Sol.** Mervin J. Kelly bought 200, held 500.

**20th Century-Fox.** Samuel Rosenman bought 100, held 100.

**United Artists.** Herbert L. Golden bought 10,000, held 19,238.

**Westinghouse.** Howard Kaltenborn bought 200, held 450.

**Zenith.** Karl E. Hassel sold 300, held 2,700. John Kuhajek sold 300, held 2,070. Hugh Robertson sold 700, held 25,799. Edwin Schroeder sold 280, held 440.

**Republic Corp.** has leased to CBS-TV its 70-acre studio facilities in North Hollywood, Cal. for \$400,000 a year net after operating expenses. Agreement includes option for CBS to buy facilities within 5 years for \$11,685,000. CBS senior vp John Reynolds said studio will be used to consolidate production facilities in L.A. area, noted that some of studio's 29 sound stages will be sublet.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**TRENDS IN 1963 TVs, RADIOS & PHONOS:** In next 3 weeks, virtually all 1963 TV-radio-phono lines will be officially unveiled to dealers. Here are some basic trends which seem to be showing up:

Cabinets—Continued trend to horizontal and lower configurations. Hardwood veneer cabinets starting at lower prices in some lines. More French provincial styling, with some exotic varieties of fruitwood showing up for first time.

TV—Far more bonded tubes in 23-in. lines. Longer lines of combinations & 27-in. sets. Many more models with tambour & sliding doors. More emphasis on uhf convertibility. FM stereo in virtually all TV-radio-phono combos. Emphasis on more features per dollar, rather than lower prices. Few, if any, major manufacturers rushing to meet \$169.95 price on 23-in. table model leader in regular lines, but many & frequent promotions.

Home radios—Prices firm to slightly lower on tube radios. Vastly increased FM-AM lines, including more FM-AM clock radios. Several more FM-stereo table radios, but not from all manufacturers (look for more of these before Christmas). More transistor table & clock radios.

Portable phonos—New "stand-up" configuration, in which changer drops down and speakers swing out; pioneered by GE last year, this has already been seen in new RCA & Muntz sets. "Sing-along" jack & mike in high-end models (seen so far in RCA & Admiral). FM stereo as optional feature at top of line. Prices firm, except for low-end kiddie phonos.

Console phonos—Large number of lines with FM stereo in all, or nearly all, radio combos. Redesigned changers with many additional features. Continuation of downward price drift in some lines. Emphasis on sound & furniture, with less gimmickry.



Three new lines—or parts of lines—were unveiled at week's end. In alphabetical order, here are highlights:

Admiral showed longer line of 23-in. models—22 sets, including 7 stereo theaters. Most sets carry open list, but where prices are given, they are unchanged from last year, with 23-in. table leader at \$189.95. Bonded tubes are used throughout 23-in. line. Among features stressed is readiness for uhf—through strip tuner or field-conversion continuous tuner (\$30 list). There's more heavy use of real wood in lower price range. Among features is unique electroluminescent channel window. All combos have FM stereo.

Admiral's phono line features redesigned changers. All stereo units carry open list. High-end portables have "sing-along" jack. Leader console "can be marketed as low as \$99.95." All combos have FM stereo.

Slightly lower prices are tagged on Admiral radio line, still starting with \$9.95 four-tube leader, but with many other sets down \$1-\$3. Expanded FM line has Admiral's first AM-FM clock sets.

GE is showing radio & portable phono lines to 4,000 dealers on promotional junkets to Las Vegas. In phonos, drop-down design is continued, and top end of portable phono line includes AM-FM-multiplex tuner at \$279.95 (phono only, \$199.95).

Going in more heavily for FM stereo, GE continues its walnut table model with swing-out speaker-doors (\$175 list), adding cherry version (same price) and smaller set of similar design at \$139.95. In rest of



radio line, there's heavy AM-FM emphasis. Although features have been added to some sets (example: "Snooz-Alarm" on \$19.95 leader clock radio), prices are relatively unchanged.

Motorola's TV line continues to start with \$139.88 portable & 23-in. table model at \$169.95. Emphasis in 24-set line (including 5 stereo theaters) is furniture styling, including wood veneers in more popular-priced units. Four more 27-in. sets have been added and Drexel line has been expanded. All stereo theaters have FM stereo.

Furniture values are emphasized in Motorola stereo line, too, with unique coffee table stereo at \$129.95. Many consoles in line accommodate drop-in FM-AM tuner, and all drop-in & built-in tuners have FM stereo. Novel furniture piece is "Decorator Home Entertainment Center"—room divider which can hold 19-in. TV, table radio, stereo phono & 15 LP albums. Completely equipped, unit begins at about \$300. Promotional stereo portable will be available with cart & 50 LPs at \$149.95.

Motorola has introduced its first FM-stereo table radio, walnut veneer unit with 2 detachable speakers, at \$129.95. Also new is AM-FM 9-transistor portable at \$79.95. AM radio prices are about same as last year. At top of AM clock radio line are 5-transistor compact AC sets at \$44.95 & \$49.95.

**NO UHF TUNER BREAKTHROUGH IN SIGHT:** Passage of all-channel-set bill and eventual change-over to vhf-uhf production won't spark any near-future breakthroughs in uhf tuner cost, performance or longevity. Improvements will come, but they'll be gradual & unspectacular.

That's unanimous opinion of the 4 major tuner manufacturers, all surveyed last week. Their views on most aspects of uhf situation are remarkably similar. Consensus is that cost of uhf tuners may drop about 10% with mass production, and that sensitivity, noise level and life of tuner & its components will increase gradually. The 4 manufacturers are General Instrument, Oak Mfg. Co., Standard Kollsman & Sarkes Tarzian.

Several redesigned uhf tuners are in works, to be brought out when demand develops. For most part, they're more compact and perform somewhat better than present ones. Perfection of RCA nuvistor uhf tube is cited by manufacturers as leading to longer life and somewhat better performance. As to use of transistors, tunnel diodes or parametric amplifiers in tuners—that's still long way off.

Tuner makers see uhf adding \$20-\$30 to retail price of set for foreseeable future, and there's definite feeling that this will cut down size of market for TV sets at first. Nevertheless, there's also some feeling that manufacturers will "jump the gun" on FCC, coming out with many all-channel sets—or readily convertible ones at the very least—as early as one year from now.

Here's progression of integration of uhf tuners into sets, as they see it: Continuous tuners, comparable to those of today, will be used exclusively at first—quite possibly going into substantial proportion of high- & medium-priced sets long before FCC's cut-off date (which may be about 3 years in future), with many portable lines still omitting uhf tuners for price appeal.

Later, simplified tuning devices will begin to show up in high-end models. Systems mentioned center around pre-set push-button tuning and signal-seeking systems—both principles to be borrowed from auto radios—in conjunction with continuous tuners. This would make possible remote-control & automatic-tuning in uhf band. Standard Kollsman Pres. J. O. Burke predicts uhf strips will continue to appeal to public, even in conjunction with continuous tuning. New Standard tuner will accommodate up to 6 uhf strips, and Burke thinks this is best approach to remote control & automatic tuning for uhf.

Cost of uhf tuner will be most important factor at start—fancy elaborations to come later after public gets used to idea it will have to pay more for TVs. There was general apprehension about public confusion and reluctance to ante up additional money needed for all-channel sets. Incidentally, tuner makers expressed distaste for principle of govt. intervention in TV set market, even though they eventually may gain as result of it.

Will all-channel law result in boom for uhf converters & strips? Only if it accomplishes its purpose of stimulating more uhf stations to go on air—and then boom might be relatively short-lived. Blonder-Tongue currently is only manufacturer in production of continuous converters. Pres. Isaac S. Blonder told us he feels recent activity in uhf field (Vol. 2:22 p1) is sign converter business will be good, and he's optimistic for future. Tuner makers all say they may go into converter field, depending on developments on the broadcasting scene.

Recent increase in uhf set production was anticipatory rather than based on real demand, in opinion of tuner makers. But they all report extremely heavy interest by set makers in their plans for uhf tuner output. Here are highlights of some individual comments:

General Instrument Chmn. Monte Cohen: "The effective date for all-channel receivers will be dictated by the industry itself. Industry will set the pace by anticipating the FCC for competitive & marketing advantage." GI currently makes continuous uhf tuner, will have nuvistor model and is working on development of solid-state units. Cohen thinks set makers' June 1963 lines will be tooled with uhf in mind—either with built-in uhf tuners or ready for easy field adaptation. Although oscillator tube is weak link in uhf tuner chain, "the life of a uhf tuner today is greater than many people realize."

Oak Mfg. Co. tuner product mgr. Paul A. Wheaton: Although Oak is not now producing uhf tuners, it can be in production in 90 days on improved version of its former model, if demand warrants. Brand new Oak uhf tuner will be disclosed in about 3 months. As soon as mass production starts, prices will come down somewhat—perhaps 10% in vhf-uhf tuner package as opposed to purchase of the 2 tuners from separate sources.

Standard Kollsman Pres. J. O. Burke: If some manufacturers change over to all-channel before FCC deadline, there's good chance that most others will follow suit. Burke doesn't think signal-seeking or push-button systems will succeed, because of cost & complexity—and indicates Standard will stick to strip approach even while selling continuous uhf tuners. Continuous tuners cost manufacturers about \$8 now, and might come down 10% in long run with "radical increase in volume." Uhf tube life is improving—now virtually double former estimated life of about 6 months. Several new tubes promise continued improvement. "We have an improved uhf tuner but we're holding off until we can determine what the market will be." Standard is currently surveying potential market for uhf converter which it has designed.

Sarkes Tarzian Inc. Pres. Sarkes Tarzian: "I don't think uhf tuners will come down any lower than their level when we used to mass-produce them—and that's about \$7. Our costs have gone up, not down." Improvements will come gradually, because the tube & set people haven't been working on uhf due to lack of demand. Eventually uhf tuners will be comparable to vhf in price & performance. Single tuner for v & u is 3-4 years away, pushbutton & signal-seeking devices are farther off. Although his company now makes single-channel converters, veteran telecaster Tarzian (1 vhf station, 2 uhfs) sees no boom coming in uhf converters except in few communities where public isn't adequately served with network programs on vhf stations.

**GOVT. SAYS NO TRANSISTOR IMPORT CURB NEEDED:** Imports of transistors and related products pose no threat to U.S. security, Office of Emergency Planning ruled last week. Decision came in response to the petition filed in September, 1959 by EIA with OEP's predecessor, Office of Civil & Defense Mobilization. (Vol. 15:38 p19).

EIA had filed on behalf of industry, seeking relief from rising volume of Japanese transistors, under national security clause of 1958 Trade Agreements Extension Act. Clause provides for clampdowns on imports of strategic items if necessary to protect capacity of domestic producers for defense needs.

But, as generally expected, govt. found no cause for alarm. OEP Dir. Edward A. McDermott said studies of data from State, Defense & Commerce Depts., NASA, domestic & foreign manufacturers and others, indicate that: (1) Domestic semiconductor industry has ample capacity to meet defense requirements. (2) Despite rise in Japanese imports, there has been "extremely high" growth rate in domestic industry, little likelihood of disruption of U.S. mobilization base. (3) Great bulk of Japanese imports go into consumer market, only "insignificant" portion for military & industrial uses. (4) Domestic semiconductor makers "now, and in the foreseeable future, can supply virtually all essential requirements for transistors and related products."

OEP pointed out, however, that "the domestic industry should continue to retain the bulk of the military market in fulfilling future contractual requirements without any direct competitive impairment from outside sources of supply, such as Japanese imports . . ." EIA Exec. vp James D. Secrest, called decision "disappointing" but said association was gratified govt. would keep trend of imports "under surveillance" should situation change. He also pointed out petition was filed nearly 3 years ago, that rise in imports predicted by EIA occurred while OEP was conducting probe.

**2 NEW TUBES—A PROGRESS REPORT:** It's still touch-&-go situation for 2 new type picture tubes—one color, the other black-&-white.

Motorola's 23-in. rectangular 90-degree color tube, now under development at National Video Corp., Chicago, is progressing—but there are still plenty of obstacles. Big unanswered question is whether tube can be made profitably & competitively using standard black-&-white-type glass bulb. Ordering special molds for type of glass used in present color tubes would make costs prohibitive, according to National Video officials.

"We're now making 4 or 5 of these tubes a day," we were told by National Video vp Harold Cole. "The quality is good. Now we're seriously looking at the possibility of small production runs—on the order of 100 a day—for the purpose of seeing whether it can be done, particularly with regard to cost. We know we can screen it and we can frit-seal it [faceplate to funnel]. It all depends on the preparation of the glass now."

There's room for greater shrinkage (rejection) in rectangular color tube than in round one, National Video believes, because of differential in price between color & b&w glass. Round color glass envelope costs \$15, whereas rectangular b&w-type bulb being used for experimental color tubes by National Video costs about \$9.65. Sums up Cole: "We don't know yet, but we're hopeful."

New implosion-proof b&w tube which requires no safety glass—using Kimble Glass Co.'s Kimcode technique (Vol. 2:12 p7, 16 p8)—is still tied up in Underwriters Lab safety tests. Reportedly it has passed all tests so far, but UL is proceeding slowly & warily on this one. It is currently reported undergoing life test, to be followed by evaluation by laymen's committee which has power to accept or reject any new item. Final word probably won't be out for month or so.

Nobody's sitting around waiting for Kimcode, but some manufacturers have designed new sets so that they can easily be changed over in mid-run to accommodate shieldless tube if it should prove acceptable from safety standpoint and advantageous from cost standpoint.

**TV-RADIO PRODUCTION:** EIA statistics for week ended May 25 (21st week of 1962):

	May 19-25	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	109,361	117,930	121,294	2,681,073	2,186,018
Total radio .....	332,149	360,823	312,832	7,511,245	5,911,027
auto radio .....	125,798	129,091	100,508	2,642,843	1,863,781

## TOPICS & TRENDS

Marketing Science Institute has been formed in Philadelphia (3625 Walnut St., Phila. 4; EV 6-0290) by 20 major firms as a non-profit study organization for research into marketing problems. Its president is Dr. Wendell R. Smith, onetime RCA staff vp for marketing development. Among MSI's charter members: Ford Motor Co., GE, IBM, Sears Roebuck, J. Walter Thompson, Time Inc. Institute's annual budget will be "in excess of \$500,000," participating companies will contribute equally. Smith said MSI's results will be made public. Three research projects already are scheduled: (1) How to improve effectiveness of money spent on marketing. (2) Why new marketing trends arise. (3) How industry can meet marketing challenges of freer world trade.

Philco & Firestone have signed new merchandising pact under which Firestone stores & franchised dealers will sell full line of Philco consumer products. New pact provides that Firestone outlets will be supplied directly from independent Philco distributors or company branch stock, instead of via Firestone warehouses as in past. Firestone dealers will receive same sales training, promotion and other sales-supporting services accorded all Philco dealers.

Add stereo starters to list reported in Vol. 2:20 p8: WCNO Canton, O.; WLOA-FM Braddock, Pa.; KFMP Port Arthur, Tex.; WMVA-FM Martinsville, Va.; KGGK Garden Grove, Cal.; WFLM Ft. Lauderdale, Fla.; WRKT Cocoa Beach, Fla.; WTAR-FM Norfolk; KHGM Beaumont, Tex.; KOCW Tulsa; KRBE Houston; KHRF Monterey, Cal.; WCMF Rochester, N.Y.; WKLS Atlanta; WFMR Milwaukee; WISH-FM Indianapolis.

New tape-recorder development making possible thinner & longer-playing tape will be used by Westinghouse under terms of 5-year licensing agreement with TelePrompter Corp. TelePrompter's Weathers Industries div. will use new tape-handling method in its own hi-fi component tape recorder later this year.

Westinghouse TV-radio div. gen. mgr. O. H. Yoxsimer said new tape transport uses simplified mechanism permitting reduction in tape tension by about 10 to 1, permitting use of thinner & less expensive tape. Basic recorder using the method is compatible for open-reel or cartridge operation, or can be adapted for combination phono turntable & tape recorder, according to TelePrompter Pres. Irving Kahn.

"Listen to TV in your car." That's pitch being made by Mobilisound Corp., Box 951, Santa Maria, Cal., in advertising "TV audio monitor" which picks up TV sound channels and plays them through standard AM car radio. Unit sells by mail for \$124.50 and is being advertised in *Variety* as "ideal for station personnel, ad agency execs, timebuyers and professional entertainers."

Arvin seems to have won race for lowest-priced U.S. brand 6-transistor radio with its new tag of \$13.95, a \$6 reduction from former list. Arvin also has 5-transistor pocket set at \$12.95 and 7-transistor unit at \$24.95.

## Trade Personals

Chester D. Tripp, TV-Electronics Fund pres., elected chmn., TV Shares Management Corp.

Richard S. Wahlberg, ex-McCann-Erickson & GE, joins Magnavox as product ad mgr. . . . Fred W. Belz named electronic products group vp, El-Tronics Inc., Warren, Pa.

John R. Willey named Sylvania Home Electronics commercial products distribution mgr.

Kenneth M. Smith, ex-General Dynamics vp, named mktg. vp, Consolidated Electrodynamics.

Robert M. Brunson named vp of GPE's Librascope Div. . . . Pat D'Orio, pres. of Raypar Electronics before acquisition by Industrial Electronic Hardware, elected a dir. of parent firm.

Raymond R. Chapman appointed metal base plant mgr., Sylvania Parts Div.; John B. Clarkson named plastics plant mgr.; Charles D. Seekings named mgr., production engineering & engineering services, succeeding Clarkson.

Morris Reaboy appointed Symphonic national credit mgr. . . . B. A. Olerich named an Ampex vp.

Howard G. Neuman appointed Sylvania Parts Div. general mfg. mgr.; Raymond N. Anderson, named mgr. of York, Pa. metal stampings plant.

Merle M. Farber, ex-Admiral, appointed sales mgr. of Olympic's newly formed Radio Sales Div.

Arthur J. Minasy appointed Belock Instrument operations vp; Andrew Georgia, ex-GPE, joins Belock as planning vp, succeeding Charles C. Patterson who becomes general services vp; Jack Silverstein appointed acting financial operations vp.

M. E. Morrow, founder & chief executive officer of subsidiary Midwestern Instruments, elected Telex chmn.; William F. Wells named exec. vp.

Lawrence J. Straw elected American Electronics mktg. vp, a new post . . . Ira L. Landis, formerly Herman H. Smith Inc. pres., appointed pres. & chief exec. officer of Kulka Smith Electronics Corp., formed by merger of Smith and Kulka Electronics.

## Obituary

Robert M. Ryan, 66, retired RCA Sales Corp. regional finance vp, died May 28 at Cooper Hospital, Camden, N.J. He had been with RCA and one time RCA Victor Div. in Camden for 40 years prior to his retirement a year ago.

**Distributor Notes:** ITT Components Div. appoints John G. Twist Co., Chicago (John G. Twist, pres.) exclusive sales rep for semiconductor dept. throughout Ill., Wisc. & Michigan's peninsula area. . . . Admiral has terminated Sid Goldberg, Inc., Miami, as exclusive national sales agency for commercial electronic products (TVs, appliances) sold to motels & hotels. Olympic names Tel-Electric Distributor (N. 734 Division St.), Spokane and Brooks Supply Co. (609 Montgomery St.), West Monroe, La.

Today's college graduates will be citizens of a communicating planetary system "and conceivably even of a cosmic society" by the year 2000. This was prediction of RCA Chmn. Brig. Gen. David Sarnoff in commencement address to graduating class at Oklahoma City U., where he received honorary Doctor of Laws degree. He forecast that space may become "the dominant factor" in national economy, providing careers which as yet have "neither name nor description." Space age, said Sarnoff, may at last provide man with answers to profound secrets, including origin of the world, nature of gravity, "the riddle of life."

Another Canadian producer moves south: Fleetwood Corp., Montreal, plans to export TVs & stereo to U. S. Company, which manufactures Emerson, Du Mont & Fleetwood sets in Canada, has obtained title to use of Fleetwood name in U. S. after Conrac dropped out of consumer TV market. Conrac, a division of Giannini Controls, made TV sets for custom installations. Other Canadian firms now exporting stereo and/or TV to U. S. are Electrohome, Clairtone & Marconi.

FM-stereo table radio is now being produced by Sarkes Tarzian, Inc., which merchandises its radios largely through FM stations. Two-unit set lists at \$49.95.

**Emerson Slips In 2nd Quarter:** Earnings of Emerson Radio & Phonograph in fiscal-1962's 2nd quarter, ended April 30, slipped to about 20¢ a share from 23¢ in year-ago period. Decline followed rousing first quarter in which earnings soared to \$679,507 (30¢ a share) from \$126,524 (6¢) in fiscal-1961's initial quarter (Vol. 2:10 p12). Pres. Benjamin Abrams gave no indication of first-half earnings, but said sales in 6 months to April 30 rose about 25% to \$40 million. For total fiscal year ending Oct. 31, he forecast increases in both sales & earnings. In fiscal 1961, Emerson earned \$1.9 million (84¢) on \$70.9-million sales.

Abrams reported TV set sales 10-15% ahead of a year ago, explaining: "We may be getting a bigger share of the market because there seems to be a swing to buying portable sets. More than 60% of our production is in portables." He noted a "real price war in transistor radios," said dollar volume is trailing 1961's pace although unit sales are about the same. He said price cuts have been effective against Japanese radios, noted profit margins slim for U. S. manufacturers, said "it's possible we eventually will make a better profit at this price level as the cost of transistors continues to go down."

Abrams also said that Emerson has no plans to exercise its options to buy stock in Granco Products Inc. and Telectro Industries. Emerson holds options to buy controlling interests in both firms, markets Granco FM radios & Telectro tape recorders.

General Instrument sales rose 11% to record \$86.5 million in 1962 fiscal ended Feb. 28, but profits plunged to \$1 million (42¢ a share) from \$3.1 million (\$1.26) in fiscal 1961 (see financial table). For fiscal 1963, Chmn. Martin H. Benedek & Pres. Moses Shapiro forecast "another substantial increase in our volume and a marked improvement in our profitability." They attributed fiscal-1962's profit decline to several factors "non-recurrent to an important extent."

Cine-Dyne Inc. filed registration statement (SEC File 2-20409) for 100,000 shares of common at \$4 per share, through R. A. Holman & Co. Inc., N.Y. Firm produces filmed & taped TV programs & commercials, feature films, motion pictures, educational & industrial films. It has 33,800 common shares outstanding, of which Pres. Jac Hein owns 30.77%, Exec. vp Dennis Kane 29.59%, Irving Geist 20.71%. Proceeds will be used to produce feature-length film and pay debts.

Philips Lamp initiated offering of 6,153,140 common shares, valued at \$203,053,620, to its stockholders June 1 (Vol. 2:22 p12). American investors own an estimated 37% of Philips common. Per-share price was set at \$33 or 118.75 Netherland guilders, and American holders of record May 29 can subscribe in terms of dollars or guilders at their option. Offering will continue through June 22.

Telectro Industries anticipates a 2nd-quarter profit, vs. year-ago loss of \$276,169, on a sales rise to "between \$900,000 & \$1 million" from \$88,818 in 1961's 2nd quarter. Pres. S. Robert Gordon predicted tape recorder manufacturer would top 1961's \$4.6-million sales & reverse year's loss of \$643,656 with a profit.

Rust Craft Bestg. reported first quarter 1962 sales 16% over same period last year, with increases in all categories. Rust Craft operates "Friendly Group" stations, WSTV-TV Steubenville, WRPV-TV Chattanooga, WRDW-TV Augusta, KODE-TV Joplin, WBOY-TV Clarksburg.

Mergers & acquisitions: Sylvania's Argus Camera Div. has been purchased officially by Mansfield Industries. Latter's stockholders also have approved change of Mansfield's name to Argus Inc. Sylvania will receive \$1 million cash, \$3.2 million of convertible debentures and \$2 million in promissory notes. Argus Div. had \$2,805,316 loss in 1961, also operated in red in 1960 & 1959. Bulova Watch's new Keystone Controls Corp. has purchased for undisclosed cash Keystone Electronics, Newark, N.J. maker of high-frequency quartz crystals. Sprague Electric has purchased for undisclosed stock privately-held Sky-Borne Electronic. Sky-Borne, electronic components manufacturer in Santa Fe Springs, Cal., will be operated as wholly-owned Sprague subsidiary. Avnet Electronics has acquired for undisclosed cash Shaw Processes Ltd. of England, developers of a process for ceramic-mold casting. Pres. Lester Avnet described acquisition "the most important thing we've done," said British firm will be renamed Avnet-Shaw Processes and operated as Avnet subsidiary. Avnet had held Western Hemisphere rights to molding process, licensed more than 50 firms in North & South America. Avnet also announced completion of acquisition of "substantially all the assets" of Liberty Records for 368,366 Avnet common shares, valued at more than \$7 million. Electro-Voice has purchased the American Microphone Div. of G-C Electronics, Rockford, Mich. in deal which also transferred Electro-Voice's Radio Mfg. Engineering subsidiary to G-C. Electro-Voice's George Riley has been appointed vp-gen. mgr. of American Microphone. P. R. Mallory has purchased silicon rectifier business of Tyco Semiconductor Corp. for an undisclosed sum. Tyco, located in Waltham, Mass., will continue with its other products. Siegler stockholders have approved merger with Lear Inc. (Vol. 2:18 p12). Combined company will be named Lear-Siegler Inc. Merger is valued at some \$61 million.

TelePrompter stockholders will vote at June 5 annual meeting on proposed sale of company's traditional TV & film prompting service to Q-TV Inc. Pres. Irving B. Kahn said this activity represents only 7% of TelePrompter's business and no longer is "consistent" with growth pattern. If sale is approved, TelePrompter will continue to make & sell prompting device, but will no longer furnish script typing service, operating personnel and equipment for individual TV & film assignments. Meeting was postponed from May 22 because stockholders failed to return sufficient proxy votes on the sale and a proposed change in TelePrompter's incorporation certificate which would enable it to move into new kinds of businesses.

TV accounted for 89% of MGM's net income before taxes during 28 weeks ended March 15, but less than 20% of film firm's gross revenues of \$5,685,000 pre-tax profits for period. TV brought in \$4,789,000, down from \$5,911,000 in same 1961 period when total pre-tax income was \$15,031,000. Gross revenues from TV totaled \$13,368,000 in this year's period, up from \$10,124,000 last year. In 1962 period, \$5,083,000 came from feature films on TV, \$8,285,000 from series & commercials.

Two new TV projectors announced last week: By Blonder-Tongue, unit designed to project 4½x6-ft. image, at \$3,995. By TelePrompter, new lightweight (70 lb.) Amphicon 190, economy unit providing 8 foot-lambert brightness on 8-ft. wide screen, at \$1,665.

CTS Corp. will be admitted to trading on New York Stock Exchange today, June 4. Symbol: CTS.

Metromedia approved for listing on NYSE.

Reports & comments available: Howard W. Sams, analysis, Loewi & Co., 225 E. Mason St., Milwaukee 2. CBS, analysis, Bache & Co., 36 Wall St., N.Y. 5. Electronics International Capital, study, Bear, Stearns & Co., One Wall St., N.Y. 5. Electronic Associates, review, Reynolds & Co., 120 Broadway, N. Y. 5. RCA, discussion, Courts & Co., 25 Broad St., N.Y. 4. GT&E and RCA, discussions, Reynolds & Co., 120 Broadway, N.Y. 5. Stewart-Warner, analysis, Glore, Forgan & Co., 40 Wall St., N.Y. 5. RCA, discussion, Hirsch & Co., 25 Broad St., N.Y. 4. AB-PT, analysis, Laird, Bissell & Meeds, 120 Broadway, N.Y. 5. ITT, pamphlet study, Orvis Brothers & Co., 15 Broad St., N.Y. 5. Stewart-Warner, review, A.M. Kidder & Co., One Wall St., N.Y. 5. Motorola and Beckman Instruments, briefs, E. F. Hutton & Co., 61 Broadway, N.Y. 6. Raytheon, analysis, J. W. Sparks & Co., 120 Broadway, N.Y. 5. GPE, comments, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4. Fairchild Camera & Instrument, discussion, H. Hentz & Co., 72 Wall St., N.Y. 5.

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### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Arvin Industries	Q	\$0.25	June 29	June 4
GE	Q	.50	July 25	June 15
Ind. Electronic Hardware	Stk.	3%	July 5	June 15
RCA	Q	.25	July 23	June 15
Times-Mirror	Q	.12½	June 25	June 8
Wells-Gardner Electronic	Q	.30	June 15	June 8

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Ampex earned approximately \$2 million in its 1962 fiscal year, ended April 30, as sales soared nearly 20% to \$84 million (Vol. 2:21 p12). Pres. W. E. Roberts said that "for fiscal 1963 we expect at least a 10% increase in sales and a substantially greater increase in net earnings." Ampex's order backlog totaled \$31.9 million on April 30, up from \$31.2 million a year earlier.

Ampex has formed a new advanced research facility for "investigations of advanced & experimental techniques in magnetic recording." Facility has been named The Alexander M. Poniatoff Lab, in honor of Ampex's founder & chairman.

TV-Electronics Fund reported net assets of \$401,094,540 at close of its fiscal midyear on April 30—down from \$431,077,230 a year earlier. Net assets per share also declined, to \$7.83 from \$8.82, as capital shares increased to 51,193,461 from 48,850,240. Fund's electronics investments at midyear totaled 92.6% of its assets, up from 86.3% a year earlier.

Litigation arising from merger of Macfadden Publications & Bartell Bestg. has been settled, subject to N.Y. Supreme Court approval. Under proposed settlement of suit brought by minority stockholders, some principal stockholders would contribute 175,000 shares of outstanding stock to the new corporation.

New Kenya TV station in Nairobi is expected to begin Oct. 1 using Marconi equipment. Transmitter will be located at Limuru, 11 miles northwest of Nairobi.

Video Color Corp. filed registration statement (SEC File 2-20214) for one million shares of common stock at \$1.15 per share through Naftalin & Co., Minneapolis. Company was organized in February to develop, manufacture & distribute thin b&w and color picture tubes for display devices in industrial & govt. fields, and home TV sets. Firm said it plans to license outside manufacturers to produce home color tubes, subcontract production of home b&w tubes. Of stock-sale proceeds, \$230,000 will be for equipment, \$310,000 for salaries, balance for miscellaneous expenses. Video has 280,000 common shares outstanding, 205,000 owned by 12 incorporators, 75,000 shares owned jointly by Pres. Harold W. Berger, and vp C. William Geer.

Adler Electronics stockholders have approved private placement of \$2 million of convertible, 10-year, 6% notes with group of institutional investors, including American Research & Development Corp. Pres. Ben Adler also announced sharp rise in earnings for 36 weeks to March 31—to \$288,500 (43¢ a share) from \$82,000 (10¢) a year earlier. Adler also said that total 1962 fiscal year, ending June 30, would produce record earnings of 65 to 70 cents a share on record sales of more than \$17 million. Adler's fiscal-1961 performance: \$233,820 (35¢) earned on \$8,963,000 sales.

Avnet Electronics filed registration statement (SEC File 2-20350) for 93,000 shares of common stock to be exchanged for outstanding Class A & common of Pitt Products Ltd., Ontario, at rate of one share of Avnet for each 2 of Pitt A, and 43/100 share of Avnet for each share of Pitt common. Pitt is distributor of automotive & electronic parts. Avnet has 2,208,105 shares of common outstanding, of which Pres. Lester Avnet owns 12%, Chmn. Robert H. Avnet, 13.1%, management officials as group 34.8%.

Globe-Union's 2nd-quarter sales are "exceeding projected goals" and total 1962 sales are now expected to top 1961's volume by 12-15%. Pres. C. O. Wanvig Jr. also noted that earnings are "likely to register a parallel increase." Milwaukee battery maker in 1961 earned \$2.6 million (\$3 a share) on \$62.5-million sales.

Retail phono record sales last year totaled \$513.1 million at list price; up nearly 7% from \$480 million in 1960, Record Industry Association of America has announced. Of 1961 total, LPs represented \$415.6 million (vs. \$405 million in 1960). Nearly 40% of LP sales were stereo discs, compared with 26% in 1960.

Allied Radio sales rose 26% to \$39.7 million in 9 months to April 30, preliminary figures indicate. Pres. A. D. Davis said 3rd-quarter sales jumped 34% to \$13.7 million from \$10.3 million in year-ago quarter.

Proud of sales record, English Marconi reports more than \$42 million equipment sales in 10 years, including 181 transmitters, 62 low-power transmitters & translators, 738 image orthicon cameras—in 31 countries.

Ban on use of FM radios on civilian aircraft has been extended for another year by FAA.

### NEW AM-FM RADIO DIRECTORY

Due off presses shortly, *Television Digest's* authoritative annual directory—listing all U.S. & other North American stations & applications by state & city, frequency, call letters—goes to full TV-AM-FM subscribers. Extra copies, to all subscribers: \$7.50.

WEEKLY

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

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## SUMMARY-INDEX OF WEEK'S NEWS

### **Broadcast**

**SATELLITE SLOT—AND CRAVEN-CROSS-COX PARLAY.** Possibility of Craven appointment to new satellite corporation seen satisfying all major forces (p. 1).

**BROADCASTERS POST FIRST-QUARTER GAINS:** 12 companies produce aggregate earnings of \$16.5 million vs. \$14.8 million year ago; combined sales of 8 broadcasters climb to \$215.4 million from \$199.2 million (p. 1).

**THEATERS SEEK SUPREME COURT PAY-TV REVIEW,** asserting FCC hasn't legal power to grant toll-TV test and failed to consider rate regulation (p. 2).

**PRODUCT PROTECTION POT** boils over as Benton & Bowles joins Ted Bates in demanding a 15-min. separation of competitive products. Networks say they can't guarantee (p. 3).

**AM OVERCROWDING—PROTECTION & FREEDOM** weighed in industry-FCC conference, broadcasters fearing govt. meddling in programming & financial details. Emphasis now placed on engineering (p. 4).

**NEW TALL-TOWER KING CROWNED:** Columbus, Ga.'s 1,749-ft. structure carrying programs of WTVM & WRBL-TV now on air. Next contender: 2,000-footer for KTIV & KTVT Sioux City (p. 4).

### **Consumer Electronics**

**COLOR IN TRANSITION**—most lines short, some of them late, as set makers ponder effect of 90-degree tube and consider manufacture independent of RCA. Motorola decides against color line this year; Zenith shows 15 sets (p. 7).

**NEW LINES:** Many prices down, styling up. Olympic shows its most complete TV line, including Japanese-made set. Short Packard Bell line stresses tambour doors, teacart furniture. Big styling changes in Philco TVs, radios & phonos. Sylvania surprises with sharply lower TV prices. optional HaloLight on all consoles. Zenith headlines 2-gram tone arm developed with CBS (p. 7).

**FTC RAPS GE ON CO-OP ADS,** charges illegal restraint of retail price competition among competing appliance dealers because of "unfair, oppressive" conditions (p. 9).

**TV DISCOUNTERS INCREASING MARKET SHARE,** offering heftier price cuts on increasing volume of sets at lower-than-ever margins. Many small dealers against wall in scramble to keep competitive (p. 9).

**SYLVANIA TO SELL DIRECT** to dealers on franchise basis in areas where it has no independent distributors (p. 12).

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**SATELLITE SLOT—AND CRAVEN-CROSS-COX PARLAY:** Latest speculation about FCC commissionships: Comr. Craven, leading govt. satellite communications expert, may be appointed by President Kennedy as a director of new satellite corporation when Congress enacts law, as expected soon. Craven is due for mandatory retirement from FCC in Jan.—unless President grants waiver for his age (70). Satellite appointment of Craven presumably would keep most key people happy. Comr. Cross, whose term expires end of this month, could get reappointment, satisfying powerful supporter Rep. Harris (D-Ark.), chmn. of House Commerce Committee. FCC Broadcast Bureau Chief Kenneth Cox could be named to Craven's seat, gratifying his influential sponsor Sen. Magnuson (D-Wash.), chmn. of Senate Commerce Committee.

**BROADCASTERS POST FIRST-QUARTER GAINS:** Opening months of 1962 produced upbeat sales & profits for broadcasters, it's clearly indicated by first-quarter returns already in. Collective gains weren't overwhelming, and profit pictures of some broadcasters reflected ghosts of better quarters—but over-all picture was one of moderate, healthy gain.

Combined first-quarter earnings of 12 companies in broadcast field increased to \$16.5 million from \$14.8 million in Jan.-March 1961. Each closed the quarter in the black. Aggregate sales of 8 broadcasters jumped to \$215.4 million from \$199.2 million.

CBS had record earnings of \$7.8 million on peak sales of \$128.6 million. NBC also had record sales & profits (Vol. 2:17 p12), although figures are not available.

Many of companies surveyed have diversified interests, and in some cases broadcasting is not a primary activity. However, they are representatives of broadcast industry and their sales & profit progress reflect industry's trend. Companies surveyed: AB-PT, Capital Cities Bcstg., CBS, Crowell-Collier, Goodwill Stations, Metromedia, NAFI Corp., Storer Bcstg., Taft Bcstg., Times-Mirror, RKO General, and Wometco Enterprises.

Overwhelming number of broadcasters—8 of 12—posted profit gains over year-ago quarter. Among more impressive gains: CBS—to record \$7.8 million from \$6 million. Metromedia—\$138,732 from \$12,334. Goodwill Stations—\$140,106 from \$44,676. Storer—\$2.2 million from \$1 million. Taft—\$520,188 from \$375,703. Jan.-March period was final quarter of Taft's 1962 fiscal year and help pushed earnings to \$1.9 million from \$1.6 million despite slightly lower sales—\$10,950,000 vs. \$11,086,717.

Four broadcasters declined in earnings during 1962's first quarter: Times-Mirror—to \$162,705 from \$739,427. AB-PT—\$3 million from \$3.4 million. RKO General—\$1.2 million from \$1.9 million. NAFI Corp.—\$469,240 from \$544,971.

Each of 8 companies that released sales figures was up over 1961 quarter—some impressively. Examples: Times-Mirror—to \$30.5 million from \$25.7 million. CBS—to record \$128.6 million from \$126 million. Goodwill Stations—\$1.8 million from less than \$1 million. Wometco—\$4.4 million from \$3.4 million. Crowell-Collier—\$17 million from \$12 million.

"Broadcasting is still a money-maker," proclaimed June 6 *Financial World*, adding: "The initial zoom in TV may well be over but there is expansion in individual enterprises and profit potential in steady growth. . . . It may well be that broadcasting isn't licked yet—as a growth industry, that is." Magazine listed 3 growth factors: (1) "FCC is granting new station applications opening up new markets." (2) "Congress is expected to approve legislation making all-channel reception in TV sets mandatory and this will open up the uhf channels to commercial exploitation." (3) "Communications satellites are really just around the corner with the promise they bring of international TV."

Here's the 1962-vs.-1961 first-quarter performances of representative broadcasters:

	Sales		Earnings	
	1962	1961	1962	1961
AB-PT .....	—	—	\$ 3,042,000	\$ 3,425,000
Capital Cities Bcstg. ....	—	—	241,962	206,107
CBS .....	\$128,550,576	\$126,008,092	7,764,855	6,025,978
Crowell-Collier .....	16,989,671	12,070,868	226,869	163,875
Goodwill Stations .....	1,819,097	927,389	140,106	44,676
Metromedia .....	12,270,314	11,059,589	138,732	12,334
NAFI Corp. ....	17,860,000	17,380,269	469,240	544,971
Storer Bcstg. ....	—	—	2,151,596	1,055,417
Taft Bcstg. ....	2,976,642	2,643,908	520,188	375,703
Times-Mirror .....	30,512,449	25,717,507	162,705	739,427
RKO General .....	—	—	1,226,074	1,881,002
Wometco .....	4,436,441	3,434,453	449,088	301,293
<b>TOTALS</b> .....	<b>\$215,415,190</b>	<b>\$199,242,075</b>	<b>\$16,533,415</b>	<b>\$14,775,783</b>

**THEATERS SEEK SUPREME COURT PAY-TV REVIEW:** Anti-pay-TV theater operators sought ear of U.S. Supreme Court last week, having lost at FCC and Court of Appeals in efforts to block toll system. Meanwhile, RKO & Zenith plan June 29 start of 3-year test in Hartford (Vol. 2:23 p3). Connecticut theater groups argued to Court that: (1) FCC doesn't have legal power to authorize pay TV, and Court of Appeals never even weighed legal factor as it should have. (2) Even if FCC has power to permit subscription TV, it erred in failing to consider rate regulation.



Theater owners insist that pay TV "raises the spectre of permanent loss of programs and program talent to the free viewing audience," that it "raises the problem of control of broadcast material by the owners of the patents," that Commission's power to authorize "experiments" relates to technical matters and not to a 3-year test which may cost viewers \$15.5 million.

As for FCC's failure to mention rate regulation, petition stated: "It is the essence of arbitrary Commission action to authorize a radical departure from the established system without even giving thought to the question whether the Commission has or should exercise regulatory power over the single aspect of the new system which services to differentiate it in such a marked way from the system which has been in effect for almost 40 years."

Opposition to the other pending pay-TV proposal—application by KTVR Denver (Vol. 2:14 p5)—is expected June 11, with theater groups urging Commission to conduct hearing as it did on Hartford application.

**PRODUCT-PROTECTION POT BOILS OVER:** Will networks be forced to police product-protection policies of affiliates' nighttime station breaks and middle-of-show local commercials? In N. Y. last week, networks were valiantly trying to avoid issue and to get out from under battle developing between major agencies and major TV stations.

Latest skirmish was triggered by blunt warning from Benton & Bowles' Lee Rich, senior vp for media & TV programming, who stated B&B would expect "minimum of 15 minutes of separation" for competitive products in network commercials & spot TV this fall, or agency would expect "full credit" on behalf of clients for infraction.

B&B statement carries much weight, since agency places about 75% of its \$114 million billings in TV-radio and is a major P&G agency. Statement backstopped similar blast from Ted Bates agency in wake of no-guarantee announcement from Westinghouse Bcstg. Co. and other large multi-station owners.

Frequently obscured is fact that product protection policies apply to 2 different levels: (1) Network commercials and spot schedules of o&o stations, over which networks have considerable control. (2) Spot schedules on network affiliates, over which networks have no control other than persuasion. It's in latter area that current tempest is astir.

Networks don't want to be traffic cops for busy spot intersections between or within network shows. This, they feel, is hassle between agencies/advertisers and broadcasters, and a matter for industry organizations like NAB. Typical network comments we heard last week:

ABC-TV vp & Gen. Mgr. Julius Barnathan: "We've no right to dictate local commercial policy of affiliates, and we don't like being forced to try. Stations can do anything they want in local breaks, although broadcasters know it's good sense to give as much product protection as humanly possible."

CBS-TV Dir. of Clearance (Sales) Robert F. Jamieson: "Networks are being asked by Benton & Bowles to take responsibility for something networks cannot really control in the first place. We don't want to take sides on questions of custom & practice in spot TV among affiliates."

NBC-TV Dir. Station Clearance & Traffic Stephen Flynn: "You can't expect a network commercial schedule to conform to the spot schedules of 180 stations. The network schedule has to be a 'control' against which affiliates try to match their schedules. Remember, we have no contractual control over these local situations."

Are affiliate policies being revised? There's been no rush to curb freedom of affiliates to set their own product protection policies. On June 4, CBS-TV launched new service wherein recap of nightly commercial lineup on network is TWX-ed to stations to aid local traffic personnel in preventing local-level collisions between network and spot-sold products. NBC and ABC said they had no similar plans. However, all 3 networks regularly send out advance commercial schedules on weekly or monthly basis, and these serve as guide in local spot scheduling.

Even where product protection is possible under network control, there's been gradual-but-steady decline. In radio's heyday, when most big advertisers made only a few products, networks guaranteed broad-scale "corporate protection." Today, such concept is as rare as professional butlers.

What killed product protection has been trend to corporate diversification in consumer field (Sample: P&G today makes everything from dentifrices to cake mixes) and TV trend to multi-sponsored hour-long (or longer) shows. Networks, now loaded with dozens of new products in nighttime TV, and advertisers, traditionally jealous of "uniqueness" of products, frequently don't see eye-to-eye on what is—or isn't—a product conflict.

Peaceful solution to problem is going to be difficult if not impossible. Networks want to keep out of local-level product problems. Major station groups—like Westinghouse, Triangle, Corinthian—no longer guarantee oldtime product protection. Agencies want to hold line as long as possible on behalf of clients investing millions in TV. Industry groups like TvB, 4-A's, ANA, NAB, SRA, etc. have generally avoided open forums, discussions and statements on topic. And there's always threat of govt. intervention if networks start laying down law to affiliates.

**AM OVERCROWDING—PROTECTION & FREEDOM:** "They scared the hell out of us." That's reaction of one industry participant in NAB-FCC confab last week on ways & means of reducing AM "overpopulation." He was referring to Commission staff; commissioners, he said, were more reassuring.

What troubled NAB committee, headed by George C. Hatch of Intermountain Network, Salt Lake City, was FCC staff's talk about programming & money. To industry's assertion that authorization of too many new stations produces "substandard" operations, Commission staff said that means FCC should inquire into: What is "standard" or better operation? How much does that cost? How do you determine revenue possibilities of market? If station is losing money, is owner taking too-large salary? Etc., etc.

That drift of discussion made everyone put emphasis on "maintaining good engineering standards"—cutting down on new grants for "technical reasons" but with unspoken understanding of economics.

Project is one of NAB Pres. Collins' favorites, and FCC has accommodated him to extent of partial freeze on new AMs (Vol. 2:20 p2) while engineering is studied.

It's far, far too early to judge where project is going. Can economic protection be acquired without paying price of increased govt. intervention? Some, but probably not a lot, from presently-composed Commission. Meanwhile, NAB group will form 2 subcommittees—one for engineering, other "to develop information necessary to the development of broad policy determination," according to NAB.

**NEW TALL-TOWER KING CROWNED:** World's tallest man-made structure, 1,749-ft. tower for WTVM & WRBL-TV Columbus, Ga., went into operation last week. Looming in prairielands, however, is shadow of 2,000-footer planned by KTIV & KVTV Sioux City, Iowa; stations have obtained FAA clearance, will apply for FCC CP shortly.

Columbus structure was designed and fabricated by Stainless Inc., North Wales, Pa., erected by Furr & Edwards, Rome, Ga. Tower was not built from ground up; rather, 488 feet was added to existing 1,260-ft. structure in unusual operation. Stainless Pres. Henry J. Guzewicz explained that tower, built in 1960, was designed to allow later addition. Cost of additional section, including transmission lines, was about \$110,000. Antennas are RCA 6-section superturnstile for Ch. 3, RCA Mark II supergain for Ch. 9. Weight is about 215 tons.

There's now total of 117 U.S. TV towers over 1,000 ft., 8 over 1,600 ft. FCC has granted CPs for 7 more over 1,000 ft., has pending applications for another 26, including 1,794-footer for KATV Little Rock. Russia has been promising a 1,625-ft. Moscow structure for years; embassy says it's under construction.

## **CURRENT CAPSULES**

Pitch to Madison Ave. admen was made by CFTO Toronto & ABC International in N.Y. last week as latest step in handling U.S. sales representation of foreign TV outlets in which ABC owns equity or has business interest. CFTO, origination anchor of Canada's CTV network, unveiled unique come-on for agency time-buyers: station's fall schedule is loaded with current or upcoming U.S. film shows (*Flintstones*, *Dr. Kildare*, *Sam Benedict*, etc.), many of which boom into Toronto from Buffalo, N.Y. stations. CFTO, however, has acquired its film shows largely on "pre-release" basis, so that episode seen on CFTO is 2 or 3 weeks ahead of episode

on U.S. networks. Thus, station gets edge in area with home population of 1,727,000—plus bonus U.S. audience of viewers who like to stay ahead of their neighbors. CFTO Gen. Mgr. William Crampton claimed top rating honors for his station in market served by 5 TV networks, an independent outlet, and Telemeter. Possessor of one of biggest & best live TV plants anywhere, CFTO has survived huge personnel turnover, huge initial losses (nearly \$3 million in pre-operative & 1961 losses) to score sales & audience gains. Film is backbone of much of CFTO's nighttime schedule, despite Canadian quota restrictions. Live studios get regular workout, however, in producing video-taped low-budget shows for other CTV stations and in filling heavy schedule of taped commercials. ABC International, which will handle CFTO's TV sales in all areas outside Canada, is also New York sales rep for Central American TV Network, and outlets in Venezuela, Ecuador, Argentina, Philippines, Japan and Lebanon. NBC and CBS, although active in foreign TV station investment, do not handle foreign TV time sales.

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All-channel-receiver bill will be taken up on Senate floor June 13 or 14, Majority Leader Mansfield (D-Mont.) announced last week. Approval is considered virtually certain, as is House concurrence in amendment giving FCC power over uhf tuner quality. Senate consideration of satellite communications bill is scheduled next.

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Add FCC clampdowns: (1) Proposed license revocation or \$10,000 fine for radio WDOV Dover, Del. for broadcasting commercially last Sept. 19 during Hurricane Esther, filing false program logs, double billing. (2) Proposed \$1,000 fine for WOL-FM Washington for putting new antenna into use without getting Commission permission.

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Changes in logging of transmitter operation, etc., have been proposed by FCC as forecast (Vol. 2:23 p3)—including use of automatic logging, separating records into operating & maintenance logs.

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## Personals

William Ruder resigns as Asst. Secy. of Commerce for Public Information, returning to Ruder & Finn PR firm, N.Y. . . . Bernard Krause promoted to CBS-TV business affairs-administration dir., Robert A. Jelinek to contracts, talent & rights dir. . . . John F. White, NET pres., resigns from board of educational WNDT (Ch. 13) N.Y. because of possible conflict of interest.

John Rich promoted to NBC News Far East bureau chief, Tokyo, replacing Cecil Brown who returns to U. S. Bernard Frizell promoted to Paris Bureau chief, replacing Rich.

Lewis J. Rachmil, Ziv-UA production operations vp, resigns. . . . John Maxon promoted to Sponsors Film Service sales mgr.

James Benjamin named educational WNDT N.Y. special projects coordinator, Sylvia Spence program information mgr., Frank Leicht production mgr., Lee Polk children's programs mgr., Robert D. B. Carlisle adult telecourse programs producer.

Wayne F. McNulty, ex-WEAU-TV Eau Claire, Wis., named KXLY-TV & KXLY Spokane gen. mgr. . . . Harold C. Crump promoted to WLAC-TV Nashville gen. sales mgr. . . . Allen Sternberg promoted to WCKT Miami production mgr., succeeding Gene Walz, who becomes WRC-TV Washington program mgr.

Alan Newcomb promoted to Jefferson Standard Bestg. public affairs dir., a new post. . . . Jay Lewis, ex-*Variety*, named NAB publications editor. . . . Charles Ford, ex-radio WNBC N.Y. program operations mgr., named WJZ-TV Baltimore operations dir.

Richard C. Baur, ex-WLWI Indianapolis, named TV Bestg. Service videotape dir., N.Y. . . . Haan J. Tyler, former KHJ-TV-AM-FM Los Angeles gen. mgr., named *Western Advertising* southern sales mgr. . . . E. Jonny Graff, former WNTA Bestg. pres., elected exec. vp for new business, Moss Assoc., renamed Moss, Graff Assoc. Inc.

Theodore N. McDowell promoted to mgr. of expanded WMAL-TV & WMAL Washington news & public affairs dept. . . . Leo Cherniavsky promoted to BMI foreign performing rights administration coordinator.

Harold J. Klein, ABC Films world-wide sales mgr., elected to board; Raymond C. Fox promoted to administrative vp. . . . Clifford J. Barborka Jr., ex-Better Broadcast Bureau pres., named Adam Young radio vp. . . . Robert W. Bullock, ex-NBC, named asst. to TV sales & engineering vp, Kliegl Bros.

Shaun F. Murphy, KTVI St. Louis vp & gen. sales mgr., resigns July 1; Ralph Hansen, asst. gen. mgr., will direct sales pending appointment of Murphy's successor. . . . Robert G. Fincannon, radio WMRI Marion, Ind., gen. mgr. elected vp & gen. mgr., WTAF (Ch. 31) there, due on air late summer.

Randolph S. Brent, ex-CBS sports operations mgr., named WVEC-TV Norfolk-Hampton station mgr. . . . Lionel Hampton, band leader, appointed music dir., upcoming WOOK-TV Washington.

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Radio WKFM Chicago was called "world's first FM-Stereo" broadcaster, because of June 18, 1961 start, in proclamation by Ill. Gov. Otto Kerner who designated next June 18 as "FM-Stereo Day" in state.

In one of his rare editorials (Vol. 2:23 p3), CBS Pres. Frank Stanton plumped for his hard-pressed magazine brethren, asserting that postage increase could kill many publications and that it has never been national policy to expect profit from delivering publications. Though proposed increase doesn't affect broadcasting, he said, "freedom of the press, like all fundamental freedoms, is indivisible. If the freedom of one medium is endangered so is the freedom of all others." Postmaster General J. Edward Day, granted free time next day, argued that most of increase is for magazine-subscription solicitation—not for magazine delivery—and that he doesn't believe public wants to subsidize "the unsolicited advertising mail you receive." He commended CBS for giving time to the controversy.

Personalities of FRC & FCC members and their influence on broadcasting through the years is subject of article by Ohio State U.'s Lawrence W. Lichty in Spring 1962 *Journal of Broadcasting* published by Assn. of Professional Bestg. Education, U. of Southern Cal., University Park, Los Angeles. Lichty concludes that during each of 7 separate periods, 1927-61, backgrounds of commissioners "were remarkably homogeneous."

Add NCTA sessions at June 17-21 convention in Washington's Shoreham Hotel: (1) Panel on "Progress & Prospects in Broadcaster Relations" June 19 a.m.; Jerome (Tad) Reeves, KDKA-TV Pittsburgh gen. mgr., June 20 luncheon speaker. (2) Panel on "Educational TV—An Overview" June 19 p.m., with Dr. Keith Engar, FCC; William Harley, NAEB pres.; David C. Stewart, NET Washington dir.; Dr. John Guy Fowlkes, U. of Wis. Senate Finance Committee Chmn. Byrd (D-Va.) will address June 19 session.

ASCAP-industry negotiators meet June 11, at their request, with N.Y. Federal District Court Judge Ryan in what TV industry committee chmn. Hamilton Shea described as "a key conference." He said meeting in judge's chambers was sought to "explore new avenues of approach" toward agreement on music-license fees (Vol. 2:13 p4).

AM engineering standards are tightening, according to FCC pulse-feelers. They point to Commission's denial last week of daytime-to-fulltime switch sought by WLOU Louisville, saying application might well have been granted under previous policy.

New FCC staff Review Board (Vol. 2:22 p6) is effective Aug. 1, Commission announced last week as it adopted changes in its rules, outlining duties and procedures of Board.

### Obituary

Edgar Kobak, 67, distinguished broadcast pioneer, died of cerebral hemorrhage in Atlantic City June 3. He began career as engineer with Georgia Railway & Electric Co., switched soon to McGraw-Hill where he served in various executive positions for 18 years. In 1934, he was named NBC sales vp, left in 1936 to become vp of Lord & Thomas ad agency. In 1940, he rejoined NBC as vp in charge of Blue Network, advanced to exec. vp in 1942. He was elected pres. of MBS in 1944, served until 1949 when he established own agency. At time of death, he was pres. of Advertising Research Foundation. He had served with great number of industry groups and charitable organizations. Surviving are his widow & 2 sons.

Educational-commercial committee formed by NAB & JCEB started these new projects at first meeting last week: (1) Determine standards for amounts underwriters can contribute to ETV without slipping into commercial sponsorship. (2) Survey present commercial station assistance to ETV. NET network affairs vp James Robertson & WTVJ Miami exec. vp Lee Ruwitch will handle project. (3) NAEB Pres. William Harley and radio KMOX St. Louis vp & gen. mgr. Robert Hyland will head group studying methods of gathering more professional personnel for broadcasting. Full committee is headed by co-chmn. Robertson and Westinghouse Bestg. exec. vp Rolland V. Tooke.

Grant of Ch. 6 Miami to Coral TV Corp. has been approved by FCC Chief Examiner Cunningham, following agreement wherein Coral will reimburse competitor South Fla. Amusement Co. \$65,000 for expenses and give its Pres. Sherwin Grossman option to buy minority interest. Last year, FCC had been ready to give CP to South Fla. but reopened record when Coral charged that Grossman had faked letters sent to Commission (Vol. 1:15 p1). In last week's action, Cunningham said Grossman's acquisition of interest in Coral will depend on resolution of faked-letters charges.

"Equal time" for telecasters with CATV problems has been granted by FCC. Commission will confer with station group June 21. It met with NCTA representatives recently (Vol. 2:22 p5). One unusual conflict expected to come up: KLTV Tyler, Tex. and TV Cable Service Inc. (G. H. Flinn) agreed that latter wouldn't duplicate KLTV's programs by carrying out-of-town signals. In case of color, it was agreed CATV wouldn't duplicate if KLTV's technical quality were adequate—but the two can't agree on quality of signal.

ETV for all N.J. could be provided by 4 high-powered uhfs, according to N. J. ETV Corp. Group plans stations at Glen Ridge, Rutgers U., Glassboro, Atlantic City, plus 4 translators to fill in northwest. Glen Ridge station is due on air this year at estimated cost of \$750,000; other 3 are expected to cost \$500,000 each, translators total of \$24,000. Stations will be linked via microwave.

Award-winning TV research plans in TvB competition are outlined in publication: *Tomorrow's Communications Research*. Booklet gives description of the 18 winning plans, background on competition. Available without cost from TvB, 1 Rockefeller Plaza, N.Y. 20.

Unusual TV production firm, Charter Producers Corp., has been formed by ex-Revlon advertising vp Ted Bergmann. Firm will consist of producers working individually on own TV projects, with joint "brain sessions" to develop programs.

New promotional FM newsletter, *FM Report*, will be published for National Assn. of FM Broadcasters by *FM Listener's Guide*, 145 E. 52nd St., N. Y.

WTVD Durham-Raleigh affiliates with NBC-TV, will also continue with CBS-TV. WRAL-TV has ABC-TV.

### NEW AM-FM RADIO DIRECTORY

Due off presses shortly, *Television Digest's* authoritative annual directory—listing all U.S. & other North American stations & applications by state & city, frequency, call letters—goes to full TV-AM-FM subscribers. Extra copies, to all subscribers: \$7.50.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**COLOR IN TRANSITION—LINES SHORT & LATE:** With exception of RCA & Zenith, set makers' color lines for fall continue to be short—and, like last year, some are due for late introduction.

There's still air of wait-&-see caution, as 2 riddles are pondered at various industry levels: (1) Since RCA's 90-degree picture tube is due early next year, what will happen—and what should be done—in meantime? (2) Is it time to think of becoming less dependent on RCA and going into independent manufacture of color?

Most extreme reaction came from Motorola, which regards RCA's announcement of 90-degree short picture tube as sort of personal victory. At distributor meeting, exec. vp Edward R. Taylor made surprise announcement that Motorola had reversed itself and decided not to go into color this year because "the 70-degree tube will be of short duration."

Motorola even showed 70-degree consolette which it had planned to build—and then shelved. Said Taylor: "The outlook for color is good and sales should rise from last year's 175-180,000 sets to about 300,000 this year. . . . But we will not get into color until we have something different and worth talking about." As to the 23-in. rectangular 90-degree color tube being developed jointly with National Video, Taylor said: "We think we have it licked and that we will have it in a year."

Zenith went in opposite direction, broadening color line from 9 to 15 basic models, now including consolette at low end and stereo theater at high end, listing from \$549.95 to \$1,750 vs. 1962 line's \$695-\$1,050. Zenith continues to add its own special features to color line—this year including new amplifier tube & new peaking circuits.

In other introductions last week, Sylvania brought out 3 color sets—at \$695, \$725 & \$775—compared with previous single set at \$825. Olympic retained its \$695 console, added 3 more at \$749.95, for total of 4 models—vs. 3 in former line, dropping \$675 console & \$995 stereo combo.

Among companies which won't show color lines till later are Admiral, Packard Bell & Philco.

Here's status of manufacturers currently putting together own color sets: RCA, Zenith, GE, Warwick (Sears Silvertone), Packard Bell. Admiral distributors were told at last week's meeting that it would begin its own color set production this fall. In addition to Admiral, these manufacturers have announced they will make their own sets either this fall or next year: Olympic, Sylvania—and, of course, Motorola.

Meanwhile, Paramount Pictures is going to take another try at color-tube market with new 3-gun version of its Chromatron (Lawrence) tube. Pres. Barney Balaban told stockholders meeting last week that new tube currently has brightness of 200 foot-lamberts and has potential of 400 foot-lamberts, several times brighter than black-&-white tube. He said it has advantage of greater ease of manufacture than previous versions and that Paramount hoped to be ready to discuss manufacturing arrangements in September either with a U.S. tube maker or with Sony of Japan, with which Paramount has licensing & engineering agreement on tube.

**NEW LINES—PRICES DOWN, STYLING UP:** Five more new lines—or portions thereof—were premiered last week. In varying degrees, prices start lower than last year in TV & stereo. Styling gets another boost, with more hardwood & veneers, more tambour doors, more unusual configurations. In 19-in. TV, 2 more manufacturers—Olympic & Sylvania—brought leader models down to \$139.95. But there was no rush to cut 23-in. table models to \$169 range—and, except for Motorola, \$179.95 seems to be bottom so far.

In stereo field, 2 more redesigned tone arms showed up—from Zenith & Philco—both with feature claimed to make it impossible to scratch records. Most stereo consoles have built-in FM stereo. Here are highlights of last week's new lines, in alphabetical order.

**Olympic:** Marking its serious entry as competitive factor in 19-in. business, Olympic showed longest line in its history, with 5 basic portables, 5 table models, 7 consoles, 26 TV-radio-phono combos. Leader 19-in. portable at \$139.95 is U.S.-made. First set shown drawing on Olympic's pact with Nippon Columbia (Vol. 2:18 p9) is 19-in. Japanese-made table model at \$149.95. Consoles run about \$10-\$20 below last year, with new 27-in. at \$329.95, a full \$120 below last year's only 27-in. set. Hardwood models begin \$299 vs. \$359 last year. TV combinations run \$299.95-\$800 vs. last year's \$329.95-\$640, with stereo FM in all from \$399.95 up.

**Packard Bell:** Surprisingly short TV line again features conversion to wireless remote control in all but portable models. Prices begin with 19-in. portable at \$148.88 (down \$11 from last year's leader). All other sets appear to be \$10-\$30 below year-ago prices for comparable sets. Line has 4 sets with single tambour doors (vs. 2 last year). Two teacart 23-in. TVs are featured, with antenna built into cart, as well as teacart-antenna accessory for 19-in. portables. No TV combinations were shown.

**Philco:** Biggest styling changes of year—to date, that is—came from the new Philco. And it's only beginning, according to vp-gen. mgr. Larry Hyde, who said "a great deal more retooling will be apparent in the lines we will be showing later this year & in 1963."

Philco TV lines feature extensive use of doors of "curtainwood paneling," new flexible type of wood veneer. Cheapest door model is \$299.95 console. Combination line has 2 "hutch" models—one with stereo on top of TV, another in which table model TV is set on top of stereo.

First portable with list price is \$159.95, but there's leader which is unpriced—and presumably can be sold as low as \$139.95 in some areas. Highly successful Town & Country portable now has stripped-down version at \$189.95, although \$200 model is kept in line. Unique 19-in. Townhouse table model, at \$199.95-\$219.95 adopts new, modern configuration, with some Predicta influence but far more conservative. Consoles begin at \$199.95 (vs. \$239.95 last year).

Stereo line premieres new "Scratch-Guard" tone arm, in which needle retracts to prevent accidental record scratch. High end of portable phono line is \$169.95 unit, with drop-down changer, which can be mounted on wall. All stereo consoles (which begin at \$149.95) have genuine veneer & solid cabinets. Stereo consoles at \$219.95 & up have FM-stereo radio.

Philco also showed table & clock radio lines—and, at same time, reduced its 6-transistor pocket set to competitive \$14.95. Radio prices were somewhat lower than year-ago levels. Top of line is German-made 9-transistor AM-FM-SW 4-band set at \$149.95.

**Sylvania:** There are some surprises in this line. TV prices are sharply lower, starting with 19-in. table model at \$139.95. Sylvania's 19-in. portables range from \$149.95 to \$169.95. Company obviously intends to make hay out of HaloLight, is offering it as optional (\$20 extra) on all consoles. Consoles now start at \$229.95 (vs. \$269.95 last year), and only combo in line is \$549.95 (last year's combos were \$599.95 & \$699.95).

Stereo phono consoles start at \$139.95, and all sets from \$199.95 up have FM stereo. Portable phonos are \$49.95-\$129.95. Radio line has new AM-FM table model at \$49.95 and two 8-transistor cordless table sets at \$29.95.

**Zenith:** Black-&-white TV line has 42 basic models—exactly same number as last year—with 18 remote-control sets. Portables start at \$149.95. Trend in this line, as in others, seems to be toward more deluxe styling and lower starting prices for table models, consoles & combinations.

In stereo, Zenith announced new tone arm with only 2 grams pressure, with "free-floating" ceramic cartridge which prevents accidental record scratching. Tone arm & cartridge were developed jointly with CBS Labs, and are standard equipment in 23 of the 30 sets in Zenith's stereo line. Stereo prices range from portable at \$79.95 to top console at \$850.

For summary of color-TV lines, see story on p.7.

"Home music distribution system" to pipe radio or phono to any room via regular house wiring will be announced soon by GE. Available as optional extra on 3 top stereo consoles (starting at \$259.95), system uses FM transmitter in phono console, receiver-amplifier system in speaker unit. Any number of remote speakers can be fed from single transmitter. Transmitter and 8-in. speaker will retail at about \$90, additional speakers at \$69. Each speaker is in cabinet with amplifier and on-off, volume and tone controls. Unit provides monophonic sound from either stereo or mono source.

Although at least 2 manufacturers will introduce 16-in. TV sets this year, Motorola probably won't go along. Exec. vp Edward R. Taylor told distributors last week: "We passed up the 16-in. picture tube because there is no cost advantage over the 19-in. The only advantage is one of size and we do not feel the consumer will pay for it. But if the 16-in. receivers go, then it won't take us long to get into it."

**FTC RAPS GE ON CO-OP ADS:** "A difference of legal opinion," is the way GE explains accusations by FTC last week that GE co-op ad plan illegally restrains retail price competition among competing appliance dealers. W. H. Pickett, counsel for GE Housewares Div., said details of ad plan, introduced in 1959, "were promptly and fully explained to counsel for the Commission over 3 years ago. It has remained substantially the same since that date and currently applies only to some consumer product lines of the Housewares and Commercial Equipment Division." TV sets are not involved because GE has had no co-op ad plan for TVs for some years.

Ad plan attacked by FTC as "unfair, oppressive and to the prejudice and injury of the ultimate consumer" drew ire on 3 counts: (1) Retailers receive ad payments on condition that they don't cut minimum resale prices established by GE. (2) They lose allowances if they compare sale price with higher prior price. (3) All co-op ads must be submitted in advance to GE distributor for approval. FTC charged that these conditions have "a dangerous tendency to unduly hinder competition," because ad allowances under plan were denied dealers who wouldn't abide by conditions. It seeks cease-&-desist order to prohibit GE from favoring one appliance dealer over another.

GE has 30 days to prepare formal answer, denied plan violates Section 2(D) of Robinson-Patman Act. Pickett emphasized that co-op plan "in no way restricts the manner in which a retailer may advertise products made by the company whenever he uses his own money to do so. . . . Neither does it in any way attempt to establish prices at which the retailer sells such products. It merely provides that the company will not contribute its cooperative advertising funds to assist any retailer in advertising which uses comparative prices—a type of advertising which FTC recognizes can often be deceptive—or prices which are below a minimum believed by the company to be reasonable." GE noted FTC's 3-year delay in taking action against plan, said this "would seem to indicate that the Commission itself has serious doubts on the matter."

GE contends plan "applies uniformly and without discrimination to all retailers of company products covered by the plan," said it disagrees with FTC's apparent position "that a manufacturer cannot in this or similar ways prescribe advertising standards which the manufacturer is willing to support with its own cooperative ad funds."

**TV DISCOUNTERS INCREASING MARKET SHARE:** Although discounting is as old as brown goods, heftier cuts applied by so-called mass merchandisers are moving an ever-increasing volume of TVs at lower-than-ever margins—and pushing many a small dealer closer to the wall in scramble to remain competitive. Our discussions last week with TV manufacturers, distributors and discounters developed these points:

(1) Estimates of discounters' share of TV market range up to 40%. Sidney A. Cooper, pres. of Silo Discount Centers, Philadelphia-based chain that extends into Delaware & N.J., told us discounters' share of TV sales in metropolitan areas is "far in excess of 40%."

(2) Fatalities among independent TV dealers were up alarmingly last year. However, so far this year fatality rate is showing signs of slowing down, we were told by Jules Steinberg, exec. vp of National Appliance & Radio-TV Dealers Assn.

(3) At least one major TV maker is exploring private label possibilities with several national discount chains. Silo's Cooper, incidentally, sees "no future in private labeling in discount industry." The future of "this discount business," he said, "is the forceful selling of name-brand merchandise—otherwise you lose

your identity." Silo sells RCA, Philco, Admiral, Zenith, among others, has just concluded deal to become exclusive U.S. distributor of radio & hi-fi line of West Germany's Wega Radio Co.

(4) Discounters have shown almost no interest in Japanese TV, despite price advantage, because of absence of quality brand names.

(5) TV makers whose products move in quantity via discounters foresee discounters increasing share of TV market.

Who is a discounter? In an industry where price cutting is traditional, separation of mass merchandiser from price cutter is matter of definition. No one knows how many of nation's 65,000 TV-selling outlets retail at list, but consensus is very few. Motorola Consumer Products Inc. Pres. Edward R. Taylor told us: "98% of TV dealers are discounters. However, only 20% operate under the handle of 'discounter.'" We asked a discounter, who's a discounter? Silo's Cooper separates mass merchandiser from price cutter this way: mass merchandiser works on 15-20% margin. NARDA concurs. "We classify as a mass merchandiser one who works between 18-20%," Steinberg told us, adding: "It's our opinion that you can't operate profitably at this margin, but the better heeled you are the longer it takes to get the message. We are countering the impact of mass merchandisers by educating our dealers to provide the services that will enable them to operate at 25-30%. Mass merchandisers can't provide trade-in, extended warranties, maintenance and other services at 18-20% margin."

Several TV makers we spoke with disclaimed interest or participation in discount activity because they sell via distributors. RCA, Philco & GE told us, for example, that they neither encourage nor discourage distributors in selling discounters, that latter set own franchising policies. RCA Sales Corp. merchandising vp Raymond Saxon, incidentally, is one TV executive who believes discounters' market share is smaller than generally believed. In his opinion it may extend to "up to 15%." Philco noted difficulty of defining a discounter, pointed out that "many department stores advertise the fact that they won't be undersold."

Motorola & Admiral do sell to discounters via distributors, and candidly recognize mass merchandisers as growing segment of business. Motorola's Taylor told us "we encourage our distributors to sell to discounters. Mass merchandisers account now for about 20% of the TV business, and we foresee this percentage increasing." Admiral told us: "Let's face it. Today you can't do without the discount business. We've always done business with discounters. We estimate that 30-40% of the market is now sold by discounters, and the percentage will increase. Today, practically everybody is a discounter, and consumers have come to expect brown goods to be discount products. Our prices are not fair traded, so we have no control on retail prices."

Case for anti-discounters is championed by Magnavox. "Our products never appear in discount stores. If they did, we would immediately take steps to see how & why. Perhaps 35% of all TV sales today are made via discounters, and this percentage undoubtedly will increase. However, despite this, we don't foresee Magnavox in discount stores because of the service we give. Our 12-month labor & parts warranty, for example, is something that discounters can't match, and we think that more and more people are turning from strictly price to service & quality. We're not being affected by discounters, and we can continue to ignore this growing discount market. In these past few years, when discounters, have been making impressive inroads, our sales volume has leap-frogged—from \$90 million in 1959 to \$125 million in 1960 to \$140 million in 1961."

Similar sentiments were echoed by Olympic consumer products sales vp Morton M. Schwartz, who told us: "Our TV sets are not the kind of merchandise you can put in a shopping cart and wheel out of the store. Our TV sets have to be sold, and we don't encourage our distributors to seek out the discount business. We don't think it is an important market for us, except where the discounter also happens to be a good selling organization, as in the case of Silo Discount Centers in Philadelphia. You won't find Olympic a factor in the discount business."

Emerson Pres. Benjamin Abrams pointed out that his Emerson line is sold via distributors who make their own decisions about dealers. Du Mont line, however, is sold direct, and "we don't sell to discounters." Abrams estimated that "90% of our products are sold outside of discount stores." He also believes that the great majority of all dealers sell at list. "Price cutting is mainly in the major markets," he told us. "I estimate that at least 80% of TV dealers across the country sell at list. I estimate that discounters account for 20% of the market—and I don't see this percentage increasing. In fact, I see it slipping back. More & more people are turning to their neighborhood retailers and department stores for the services you can't get in discount houses."



Muntz TV vp Jack Simberg told us his firm is talking private label business. "This discounting business is becoming quite a factor," he said, "and we are now talking to some discount chains on a national level about making sets under private label. We would not be interested in their handling our sets under the Muntz brand. That would destroy our price structure and hurt our exclusive dealers." He pointed out that it's not easy to interest discounters in their own-label sets. "They want national brands and the merchandising benefit of cutting prices on these brands." He's not overly impressed with discounters' TV volume. "We have the feeling that discount stores are not increasing their TV volume to a point where we at Muntz have to rush out and make a deal with them. In fact, some chains we've talked with don't seem to have the TV tonnage you would expect in view of their over-all volume."

For view from firing line, we spoke also with Zenith's Philadelphia-area distributor, Pierce-Phelps. Sales mgr. R. C. Woltemate told us "we sell direct to discount stores in the Philadelphia area, including Korvette & Silo." The reason is basic: "We have to have our merchandise in outlets where merchandise is sold in volume." Woltemate told us Pierce-Phelps sells its TVs on a "fair-traded minimum resale price, and we shop regularly to see that this is not violated." This practice has been in effect for about a year, and came about "because things got so bad that dealers were working as low as 10% on a TV console." He added: "We have had many repercussions from dealers because we sell to discounters, but this has died down since we instituted the minimum resale price policy. This policy doesn't permit the margin of profit we believe a dealer should have, but it does at least enable him to make a living." He said that if 20% is margin that separates mass merchandising discounters from traditional price cutters, then "practically every dealer in Philadelphia is a discounter."

#### **TV-RADIO PRODUCTION:** EIA statistics for week ended June 1 (22nd week of 1962):

	May 26-June 1	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	107,335	109,361	86,746	2,788,408	2,274,758
Total radio .....	289,390	332,149	281,120	7,800,635	6,193,294
auto radio .....	94,391	125,798	108,842	2,737,234	1,967,993

#### **Trade Personals**

Ted A. Flynn appointed Packard Bell Sales Corp. sales vp. . . Charles A. Black named assistant to Ampex's pres.

Don G. Mitchell, ex-GT&E vice chmn. (Vol. 2:18 p11), elected a Cerro Corp. dir.

Carl A. Pollock, Dominion Electrohome pres., elected president of Canadian Mfrs. Assn.

Frank Freimann, Magnavox pres., awarded honorary Doctor of Engineering degree by U. of Notre Dame for "contributions made to everyday life through new designs & applications of electronic engineering."

John G. Brooks elected chmn. & chief executive officer of newly merged Lear-Siegler Inc.; Albert G. Handschmacher elected pres.

Ed Whittaker, Canadian Admiral Corp. vp, appointed EIA of Canada receiver div. sales & merchandising committee chmn.

Earl L. Hadley, ex-Westinghouse and Bendix Radio-TV Div., joins Marketing-Sales Plans Co., N.Y.

Gordon G. Wilbur elected pres. of Dresser Industries' Ideco subsidiary, succeeding George W. Walton, retired.

Murray G. Wachsman appointed vp-gen. mgr. of Allied Radio's manufacturing subsidiary, Knight Electronics.

Dwight L. Umstead named western regional sales mgr., Allen B. Du Mont Labs' Electronic Tube Div.

Harvey Miller appointed mktg. mgr., General Instrument Rectifier Div.; Edgar Pollacek named selenium rectifiers sales mgr., John Tucker silicon rectifiers sales mgr.

#### **Obituary**

Harry A. Ehle, 53, retired exec. vp of International Resistance Co. and prominent parts industry leader, died recently at his home in the Virgin Islands. He served on EIA's board from 1952 to 1958, was president of Parts Show in 1953-54 and was consultant to govt. Electronic Production Board. He retired from IRC in 1958 after 27 years with company. Surviving are his wife & 4 children.

Albert W. Franklin Sr., 70, inventor with 40 patents on radio devices, died June 1 in New York's Harkness Pavilion after brief illness. Franklin was a pioneer in development of stamped circuits for radio sets and push-button controls. He also was founder of A. W. Franklin Corp., Long Island City manufacturer of radio parts.

RCA's 1962 ad support for TV-radio-phonos will be 40% above 1961—including 30% rise in factory-controlled advertising—RCA Sales Corp. ad & sales promotion vp Jack M. Williams announced last week. He said RCA Victor distributors will expand use of local newspapers, while factory will increase magazine schedule. Half-sponsorship of Walt Disney show on NBC-TV will be continued. Theme of pitch for color TV will be "8 Years Proved Performance"; b&w TV will be geared to "New Vista" campaign; stereo consoles to FM stereo & beautiful furniture, radio to "precision styling & sound."

Sylvania will raise prices 8% on all military & industrial cathode-ray tubes July 1—picture tubes excluded.

## 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 Share Common	Common Shares
Allied Artists	1962—39 wks. to Mar. 31	\$ 9,585,000	—	\$(1,196,000)	—	911,278
	1961—39 wks. to Mar. 31	10,498,489	—	414,105	\$0.42	899,723
Collins Radio	1962—9 mo. to Apr. 30	144,607,275	—	1,428,981	.64	2,230,062
	1961—9 mo. to Apr. 30	164,145,046	—	2,700,117	1.22	2,210,176
	1962—qtr. to Apr. 30	50,802,121	—	778,679	.35	2,230,062
	1961—qtr. to Apr. 30	51,716,972	—	97,895	.04	2,210,176
Emertron	1962—26 wks. to May 5	—	\$ 673,719	323,719	.14	2,316,044
	1961—26 wks. to Apr. 29	—	—	(124,260)	—	2,316,044
Hewlett-Packard	1962—6 mo. to Apr. 30	51,969,000	—	3,004,000	.28 <sup>1</sup>	10,708,911
	1961—6 mo. to Apr. 30	41,818,000	—	2,709,000	.26 <sup>1</sup>	10,627,978
Industrial Electronic Hardware	1962—year to Mar. 31	4,802,361	336,081	147,456	.22	670,799
	1961—year to Mar. 31	4,541,895	304,725	138,031	.22	641,807
Miratel Electronics	1962—year to Feb. 28	958,693	—	42,092	.10	399,620
	1961—year to Feb. 28	515,826	—	25,052	.06	399,620
National Co.	1962—4 mo. to Apr. 30	3,104,000	—	62,400	.07	802,779
	1961 <sup>2</sup>	—	—	—	—	—
TV Shares Management	1962—6 mo. to Apr. 30	1,366,648	748,097	367,258	.36	1,018,500
	1961—6 mo. to Apr. 30	1,475,072	769,646	383,658	.38	1,018,500

Notes: <sup>1</sup> After preferred dividends. <sup>2</sup> Comparison not available.

**SYLVANIA TO SELL DIRECT:** While keeping its independent distribution system, Sylvania Home Electronics will gradually close its factory branches and substitute direct-to-dealer selling in those areas. These are N.Y., Chicago, Philadelphia, San Francisco, Syracuse & Tampa-Jacksonville.

Direct sales will be handled on franchised-dealer basis through special distribution centers in various areas throughout country. The company emphasizes that present independent distributors will not be affected. New distribution plan is one of first changes in marketing setup under new Sylvania Home Electronics Corp. Pres. Robert J. Theis.

**Components Up 6% In 1961:** Shipments of components, including tubes & semiconductors, totaled about \$3.6 billion in 1961, nearly 6% higher than 1960, Commerce Dept.'s Business & Defense Services Administration reports. Semiconductor shipments increased 4% to \$565 million; capacitors were up 18% to more than \$300 million. Picture tube shipments amounted to \$249 million; total tube output \$860 million, about same as year earlier. Unfilled orders for components at year's end were about 11 weeks' production, 8% higher than at end of 1960.

Armed Forces Communications & Electronics Assn. convention in Washington's Sheraton-Park Hotel June 12-14 includes: June 12—Panel "Modern Trends in Data Communications"; keynote speech, Dr. Harold Brown, Defense Dept. Dir. of Defense Research & Engineering. June 13—Panel "Command & Control for Survival"; panel "Telestar Satellite"; banquet speech, Dr. Irvin Stewart, Dir., Telecommunications Management, OEP. June 14—Panel "Getting More for the Defense Dollar"; luncheon speech, Rep. George P. Miller (D-Cal.), Chmn., Science & Astronautics Committee.

**Magnavox Sees 40% Profit Gain:** Magnavox's 1962 earnings are expected to be "at least" 40% ahead of the 1961 rate and increase per-share earnings to "more" than \$1.80 from \$1.26, Pres. Frank Freimann reported. He said current projections place 1962 sales "substantially above" \$200 million, compared with 1961's \$140.8-million volume.

May sales rose 75% from a year earlier to about \$15 million, Freimann said, pushing total sales for 1962's first 5 months to \$70 million—up sharply from \$48 million in Jan.-May 1961. He said sales for first half would be up "more" than 50% from 1961's first half, with profits "showing at least a proportionate gain." In 1961's first half, Magnavox earned \$2.5 million (36¢ a share) on \$61.8-million sales. Military & industrial electronic products have been principal factors in 1962's sales improvement, but sales of consumer products also are up "substantially."

Freimann also noted that Magnavox's directors are expected to give "serious consideration" at mid-July meeting to increasing present dividend rate from 12½¢ quarterly. "Obviously, I can't speak for the board," he said, "but since profit has increased substantially, it's pretty difficult to justify the rather small annual dividend."

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Axe Science & Elec.	—	\$0.12	June 22	June 1
Bendix	Q	.60	June 30	June 9
Corning Glass	Q	.37½	June 29	June 18
Decca Records	Q	.30	June 29	June 18
MPO Videotronics-A	Q	.10	July 16	June 29
MPO Videotronics-B	Q	.001	July 16	June 29
Newark Electronics-A	Q	.06¼	June 29	June 15
Universal Pictures	Q	.25	June 28	June 16

# WEEKLY **Television Digest**

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

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## SUMMARY-INDEX OF WEEK'S NEWS

### **Broadcast**

**LEE STILL SOLD ON LOCAL HEARINGS.** commends Chicago stations for ascertaining needs but finds controversy over coverage of religious groups, racial & social problems, local talent (p. 1).

**COLLINS BLASTS 'CENSORSHIP SCAPEGOAT.'** asserts irresponsible broadcasters are selling industry "myth" of govt. intervention to hide shortcomings (p. 2).

**NCTA CONVENTION—MORE STRENGTH, MORE SUBSTANCE** in evidence on eve of Washington convention. Rep. Harris, Sen. Byrd, head speaker list. Shafto joins operators' ranks (p. 2).

**ALL-CHANNEL BILL—ALMOST HOME,** passed by Senate, goes to House for amendment giving FCC performance control. Commission plans uhf-vhf noise & sensitivity ratio—not absolute figures (p. 3).

**CRAVEN SEES NO DIRECT TV SPACECASTING ON HORIZON,** citing costs, lack of frequencies, doubtful foreign interest (p. 3).

**PRODUCT PROTECTION (CONT.):** Two large station groups comment on industry hassle triggered by Ted Bates agency. Gist: "We don't plan changes because we already give what agencies want." Problem continues to simmer (p. 4).

### **Consumer Electronics**

**MANUFACTURERS LIST PRICES ON WAY OUT?** National Better Business Bureau readies appeal to makers & retailers to follow lead of N.Y. BBB which has notified dealers in its areas to cease use of "list price" & suggested list price in ads (p. 7).

**HOME ELECTRONICS SHOWCASE** found in Music Show as industry endorses NAMM event almost unanimously. Entire N. Y. Trade Show Bldg. to be devoted to electronics at next week's event (p. 8).

**TV SALES LAGGED** behind '61 in May, preliminary reports indicate, reversing 4-month trend. TV & radio sales ahead of 1961 for April, but phonos showed 9% drop (p. 8).

**MORE NEW LINES**—Emerson prices steady, but some reductions are apparent in Du Mont line. Both lines feature added 27-in. sets. Telectro debuts furniture-styled recorders (p. 10).

**COLOR TV SALES** of 400,000 sets this year, 750,000 next year predicted by Siragusa. Sylvania displays \$5,000 home entertainment center with built-in slide projector. (Topics & Trends, (p. 11).

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**LEE STILL SOLD ON LOCAL HEARINGS:** Chicago-type hearings are good thing, FCC Comr. Robert E. Lee concludes in his 134-page report summarizing the controversial sessions over which he presided and heard more than 100 witnesses (Vol. 2:13 p3, et seq.). Herewith are key excerpts from his summary:

(1) "Chicago TV stations, in varying degree, do make a genuine, and, in general, reasonable & adequate effort to determine the needs & interests of the local residents in the area of local live programming."

(2) "In general, the civic & charitable organizations are happy with the treatment they receive, as are the educators, and local, state, and Federal Govt. organizations. The areas of controversy center, in the main, about the treatment accorded local religious groups, racial & social problems, and local talent."

(3) Regarding presentation of religious programs: "It is our view that any misunderstandings that heretofore existed were the result of inadequate communication between the parties." But Lee said he wouldn't comment on merits of complaints. Negroes' complaint of inadequate treatment of racial problems, he said, are also acknowledged without passing on merits. His job, he stressed, was not to "adjudicate."

(4) Re local talent: "The fact of life is that such talent, today, is generally resident in either New York or Hollywood. . . . Nonetheless, this is not a complete excuse for a failure to provide some reasonable local live program medium to develop local talent."

Lee summarized his view of such hearings in general: "On careful reflection, we are persuaded that this kind of hearing is constructive, necessary & desirable, and that the Commission should, on a limited basis, from time to time, engage in further such inquiries in typical test markets of different kinds, e.g., 2-station markets, intermixed uhf & vhf markets, non-network affiliate areas, etc."

Procedure can be improved, Lee said, by providing more time between announcement of hearing and its start; by asking public witnesses to submit statements in advance so that "provocative or controversial" representatives can be selected, others simply supplying exhibits; by having broadcasters take stand immediately after public witnesses.

Problem of local-live programming, Lee said, is clear in network-owned stations, probably is same for other multiple owners or "even a single station owned by a corporation with non-resident top management." This is matter of "local autonomy" of resident manager.

"Even in circumstances where he theoretically has authority to pass up network programs in favor of local programming, it seems clear that he seeks advice & guidance, if not clearance, from the N.Y. headquarters. Whether he seeks an OK from N.Y. either because he has to, or because he wants reassurance on a voluntary proposal, it is equally clear that N.Y. management, as often as not, turns down local programming in favor of its network programs. The joinder, in one organization, of network program production & sales, and owned & operated stations, with their conflicting interest & desires resolved by a top level management echelon, it seems, raises a basic conflict in interest problem." Carrying networks programs by o-&o's, Lee said, means more profit to stations & networks, helps keep sponsors sold, gives good example to affiliates. He suggested "further thought and resolution" of problem by FCC.

**COLLINS BLASTS 'CENSORSHIP SCAPEGOAT':** Irresponsible broadcasters who hide behind cries of "censorship," blame govt. for all industry ills, again were targets of NAB Pres. Collins.

Speaking before N.C. Assn. of Bcstrs. in Charlotte last week, he unleashed some of his strongest language to date. "A few broadcasters have sold a lot of broadcasters a myth," he said, which "profits those who peddle it by diverting attention away from their own shortcomings or selfish motives."

Collins asserted that there's always possibility of "unwarranted govt. intervention;" that he & NAB resist such efforts by "every honorable means"; that "NAB has never been more respected."

"By swallowing the myth," he said, "that all their troubles stem from a meddling govt, and everything wrong would go away if the govt. would, the responsible broadcaster plays right into the hands of his irresponsible competitor."

"And when the apologists for the irresponsible broadcaster becomes the loudest of the scapegoaters, and keep up a drumfire of opposition to any and all govt. expressions of concern, or send down thunderbolts of pious incantations in the name of freedom of broadcasting, the vicious circle is only accelerated and freedom further endangered."

Foregoing is good sample. Collins was back on a favorite theme.

**NCTA CONVENTION—MORE STRENGTH, MORE SUBSTANCE:** It's been intriguing to observe & report development of community antenna industry since its inception in about 1948—but it's particularly interesting to observe what has happened in last year or so, as National Community TV Assn. starts 11th annual convention in Washington's Shoreham Hotel today.

To much of TV industry, CATV was long considered a vague backwoods sort of deal—serving a few remote hamlets here & there during TV's long 1948-52 freeze when few new stations were built.

As systems gained strength, bringing more & more signals to larger & larger communities, and TV stations began moving into smaller & smaller communities—some conflicts developed. Stations sought protection from govt. CATV fought federal regulation—in fact beat it by one vote in Senate. Then, CATV sought to resolve conflicts at local level, to keep govt. out of it. To large extent, they've succeeded—but specter of govt. regulation remains. FCC continues to seek certain controls, asserting that CATV can sap economic strength of stations, jeopardizing outlets of local expression.

But look at industry now. NCTA's dynamic Pres. William Dalton puts it thus:

"The industry has put its house in order. There's no need for 'protection' through legislation. There will be a significant number of prominent telecasters at the convention, not only welcoming our systems which broaden their service but actually entering ownership & operation of systems.

"I think the speakers we have indicate the growing stature of the industry—Rep. Harris, Sen. Byrd, Tad Reeves of KDKA-TV, a panel of distinguished educators.

"I think there is real meaning in the theme of the convention—'Challenge of Change—The Decade Ahead.' I believe there will be tremendous changes, more noticeable than in any other industry."

Latest substantial telecaster to enter CATV is G. Richard Shafto, exec. vp of WIS-TV Columbia, S.C. & WSFA-TV Montgomery, Ala. One of telecasting's most respected pioneers, he heads Trehan Co., holder of CATV franchise in Myrtle Beach, Conway & Georgetown, S.C.

**ALL-CHANNEL BILL—ALMOST HOME:** All-channel-set bill is almost law, now that Senate has passed it. It awaits only House agreement with amendment giving FCC power to control quality of uhf tuner performance; no trouble is anticipated there. (Incidentally, newspapers have been calling amendment "minor," which it isn't, of course. It's almost guts of the law.)

As we indicated earlier (Vol. 2:20 p1), we have learned of FCC's intentions regarding uhf quality-control. Commission has no plan to try to dictate absolute tuner performance figures—on noise & sensitivity. Rather, it plans to establish ratio between vhf & uhf performance in same set. Thus, manufacturer couldn't put good vhf tuner & poor uhf tuner in same receiver—but he could produce set with poor performance on both bands. Commission considers this fair approach, also effective—because set makers must be competitive in vhf receptivity.

Commission will have to go through rule-making procedures, as outlined earlier (Vol. 2:21 p2), and it's expected that manufacturers won't be required to shift over to all-channel production for couple years.

Senate floor discussion didn't add much. Sen. Pastore (D-R.I.) repeated hopes for the bill; Sen. Cotton (R-N.H.) again said he feared precedent of federal control of products unconnected with safety, health or morals, was joined by Sen. Hruska (R-Neb.). Pastore argued that bill will help education, protect a natural resource. Sen. Dirksen (R-Ill.) submitted amendment to prohibit deintermixture, but withdrew it, accepting Pastore's assurance he could rely on FCC's word that it wouldn't demix without informing Congress of plans.

Anticipating new law (and showing nice timing), Texas Instruments announced development of transistorized uhf tuner design with 7-9 db noise figure over whole 470-890-mc band—with conversion gain of 3 db at 470 mc, ranging to 8-9 db at 890 mc. TI doesn't plan to make tuners, offers design data to all comers.

FCC's N.Y. uhf project chief Arnold Skrivseth told us he hadn't heard of TI tuner, said: "Sounds like a worthwhile development. But we have to know about costs and manufacturing difficulties. That's the trouble with the German tuners, for example. They're good, but manufacturers don't think they can make them by machine."

**CRAVEN SEES NO DIRECT TV SPACECASTING ON HORIZON:** Telecasts direct from satellites to homes will be long time in coming, if ever, FCC Comr. Craven predicted in speech to U. of Washington School of Communications last week. In fact, it's not really necessary, he opined, because there are much cheaper methods of worldwide telecasting. Thus, he agrees with most engineering judgments (Vol. 2:19 p3).

Craven stressed that he wasn't referring to space telecasts relayed by ground stations, only to direct satellite-home transmissions. Among drawbacks to latter: (1) Lack of frequencies (most space below 10,000-mc already allocated). (2) Prohibitive costs—satellite transmitters would require estimated 15 to 1,000-kw power; cost of system could run over \$1 billion. (3) Inadequate vehicles—U.S. doesn't have booster capable of putting even 15-kw transmitter in required orbit. (4) Doubtful foreign interest—Olympic games occur every 4 years, British coronations average "0.098 per year," Presidential elections come every 4 years. Aside from these, Craven pointed out, foreign viewers probably would prefer to watch delayed telecasts rather than live ones at inconvenient hours.

**PRODUCT PROTECTION PROBLEM (CONT.):** "Let's leave things as they are"—this seemed to be rallying cry of larger station groups last week who had so far avoided locking horns with Ted Bates and Benton & Bowles on simmering question of nighttime spot product protection (Vol. 2:24 p3).

Fence-straddling policy statement was made by Storer Bcstg. Co. TV vp Bill Michaels which seemed designed to make friends with everybody. Storer, said Michaels, planned "no immediate changes" but "will consider any reasonable qualification in area of product protection." Further, Storer "respects agency's right" to seek competitive spacings, but feels it's "the right of stations to accept or reject such conditions."

Problem had no "simple, chronological" answer, he concluded—although Storer tried to maintain a 15-min. separation (which was what Bates had asked for in first place). Storer statement was in form of letter to Ted Bates Sr. vp for Media Edward A. Grey.

Agreeing with Storer position that major station groups do adequate job of policing product separation was RKO General Dir. of Natl. Sales Don Quinn, who told us: "RKO General stations plan no change in present policy, largely because we feel we exceed the usual request for 15-min. separation. We've contacted all our TV managers, and they tell us the 15-min. policy is being observed. We acknowledge such protection in agency spot contracts, when asked. The whole thing is muscle-flexing on part of a few large agencies."

Another no-policy-change statement came late last week from ABC-TV National Station Sales, which reminded Ted Bates that ABC-owned stations long had policy of "15-min. separation from products competitive in the stations' judgment." Exceptions would continue to be made, ABC-TV said, with "announcements separated by programs of less than 15 minutes" and with announcements in dramatic shows or feature films which may appear within 15 minutes "due to plot construction or story development."

It wasn't really clear whether several other large TV station groups (notably Corinthian, Triangle, and CBS National Sales) had: (1) Decided finally to line up with Westinghouse Bcstg. Co. in refusing to guarantee nighttime product protection. (2) Decided to go along with the Bates-B&B demands for firm protection. (3) Decided to play it down the middle.

Major threat to stations in form of retribution from agencies was still economic. Bates originally let WBC know it planned to yank some \$2 million in spot TV from Westinghouse unless WBC was willing to meet Bates' demands. WBC said no, and Bates began cancelling several contracts. However, even threat of Bates is a bit diluted. WBC's TvAR last week delightedly pointed out that one Bates cancellation (American Home Products) was promptly bought by a less-fussy Bates client (Carter Products).

Standing on sidelines, apparently feeling argument may blow itself out, are leading TV industry trade organizations. TvB, for example, originally planned to comment publicly on situation, changed mind, now plans only to confer with groups like 4-A. Other trade groups in N.Y. last week declined direct statement.

## **CURRENT CAPSULES**

Customary raking over FCC & FTC by House Appropriations Subcommittee is disclosed in transcript of hearings released last week. In Feb. 22 session, FCC was busy defending deintermixture proposals, pleading for all-channel bill. On Jan. 26, FTC had hands full of irritated congressmen who complained about FTC's time spent on shaving, sandpaper and "puffery"—instead of deceptions affecting health. Subcommittee hasn't yet indicated how their budgets fared. If you've never read these give-&-takes, you—or students in the family—might get kick out of them. Ask your Congressman for transcript of hearings on "Independent Offices Appropriations for 1963." It includes many agencies, runs mere 3 volumes, several thousand pages—free.



Charges that TV exports tarnish U.S. image abroad were pooh-poohed by NBC Chmn. Robert W. Sarnoff last week. Speaking at luncheon of Philadelphia USO, which presented annual Liberty Bell Award to NBC's WRCV-TV & WRCV there, he cited USIA overseas survey showing U.S. programs more helpful than harmful in creating favorable attitude toward U.S. "Harsh, highly publicized" estimate of TV by Americans, rather than actual programs sent abroad, is actual cause of medium's injured reputation, Sarnoff declared.

Some big-league agreements to end legal conflicts are getting slow & careful study by Commission. Grant of Ch. 6 Miami to Coral TV Corp., instead of South Fla. Amusement Co. which had been scheduled for CP (Vol. 2:24 p6), was postponed by Commission pending further examination. Tortuous Indianapolis Ch. 13 case has a new twist. Crosley has been operating WLWI since 1957, but after much litigation FCC decided channel should go to original competitor WIBC. Last week, stations came to Commission with agreement whereby Crosley keeps WLWI but sells its WLWA Atlanta to WIBC principals for \$2,941,000, plus \$379,000 for land & buildings, plus \$100,000 for WIBC's litigation expenses. In Norfolk, where WAVY-TV (Ch. 10) has long been under attack by losing applicant Beachview Bcstg., combatants told Commission they've agreed to settle through WAVY-TV's payment of \$100,000 for Beachview's expenses.

Simultaneous pay-TV tests are favored by FCC, so speculation is that it will strive to avoid hearing on Denver experiment, despite theater groups' demand for one last week. It's expected Commission will dispose of conflict—rejecting or scheduling hearing—before August recess. One thing certain: FCC will avoid hearing if it possibly can. Denver Committee Opposed to Pay TV, comprising local exhibitors, filed 27-page petition insisting Teleglobe-Bartell plans for KTVR test are so fuzzy that Commission must deny outright or get more information in a hearing. Among exhibitors' claims: system is "radically different" from Zenith's; program plans are extremely vague; no technical field testing has been conducted; licensee will have scarcely any control of programming; basis for phone company rates isn't disclosed; costs & revenue figures are deficient, so financial qualifications of franchise-holder can't be weighed.

New TV code monitoring system will include analysis of station master logs in addition to taped off-air monitoring, NAB announced after Seattle Code Board meeting. Code Authority Dir. Robert D. Swezey said monitoring hasn't been wholly satisfactory because all stations aren't included, and hiring of outside firms to check on broadcasts regularly is too expensive. Code Board conceded that voluntary submission of logs will be burden for some stations, but declared: "Principle of self-regulation . . . must transcend considerations of personal inconvenience."

Transcontinent TV Corp., inadvertently omitted from report of first-quarter performance of broadcast entities (Vol. 2:24 p1), had sales of \$3,740,000, net income after taxes of \$395,684, during quarter ended March 31. This compares with \$3,809,000 & \$271,553 for the first 1961 quarter. The 1961 sales figures included revenues from WROC-TV-FM Rochester, sold later in year. Pres. David C. Moore said he also expects "favorable results" in 2nd quarter.

Possible solution to approaching shortage of ETV channels was demonstrated at Plainedge, N.Y. last week as Adler Electronics previewed 2,000-mc closed-circuit network of 8 schools (Vol. 2:21 p4). System uses 10-watt transmitter with bi-directional antenna, with converters to translate signal to vhf for schoolroom sets. FCC is readying rule-making to open up 2,000-mc band for ETV. For detailed description, write Adler, 1 Lefevre Lane, New Rochelle, N.Y.

Catch 'em while sneezing is national marketing mission of unique TV saturation campaign by Pharmcraft Labs to launch Allerest, new anti-allergy tablets. In 4-day period starting Aug. 11, Pharmcraft will sponsor no less than 3 hour-long specials on ABC-TV at total of more than \$500,000. Program purchase, which many advertisers would be content to spread over 52 weeks rather than 4 days, is timed to coincide with blooming of ragweed in U.S. and peak of hay fever season. Said Mauri Edwards, Pharmcraft mktg. vp: "By Wednesday, Aug. 15, we think our point will have been made." Specials include new one-man-show starring Shelley Berman, re-runs of "Invitation to Paris" and "The Bing Crosby Show." Sponsor also schedules participations in 12 regular ABC-TV shows.

FCC's consideration of multiple-ownership rules, due shortly (Vol. 2:23 p3), will weigh this idea among others: require owner with full complement of stations to sell one before he asks FCC to approve purchase of another. Currently, he can get FCC approval of a purchase contingent on sale of an outlet. If adopted, new practice would be similar to one regarding filing of applications for new stations. Commission won't accept application from licensee holding full bag of facilities; he must get rid of one station first.

Sales approved by FCC: KCKT (Ch. 2) Great Bend, Kan., KGLD (Ch. 11) Garden City, Kan. & KOMC (Ch. 8) McCook, Neb., from Central Kansas TV Corp. to KARD-TV Wichita, for \$1,037,500.

## Personals

Mortimer Weinbach, ABC vp & gen. counsel, named to NAB TV Board, replacing ABC Washington vp Alfred R. Beckman; Robert R. Pauley, ABC Radio pres., succeeds Weinbach on NAB Radio Board.

A. Frank Reel, Ziv-UA business affairs vp, N.Y., nominated Democratic candidate for U.S. Representative from N.Y.'s 25th district. . . Jean Richter, Radio Liberty equipment control dept. mgr., elected AWRT N.Y. chapter pres.; Aileen Paul, outgoing pres., named to board.

Seymour Eaton named WJBK-TV Detroit gen. sales mgr. . . William T. Wagner, ex-WJZ-TV Baltimore program mgr., named WKBW-TV Buffalo program dir. . . Mark O. Gautier, Jr. promoted to KMTV Omaha news dir.

Zachary W. Land, gen. sales mgr., WHYN-TV-AM-FM Springfield, Mass., also named asst. gen. mgr.; James A. Kontoleon, WEEK-TV Peoria program dir., named to similar post at WHYN stations.

Jack Begon promoted to ABC News European Producer, Paris . . . Leonard Traube, WCBS-TV N.Y. information services & advertising dir., resigns . . . Roger O'Connor, ex-Katz Agency, named Bolling TV sales vp; Richard G. Koenig, ex-Mutual, radio sales vp.

Ralph Jackson promoted to WAVE-TV Louisville station mgr.; Woodford H. Dulaney Jr., to similar post at radio WAVE; Houston D. Jones to WAVE-TV commercial mgr., succeeding Jackson; George W. Norton IV, WAVE Inc. secy.-treas., also named research & development dir.

Robert T. Mason, radio WMRN Marion, O., appointed NAB representative, American Council on Education for Journalism . . . Eugene McCurdy, ex-WBAL-TV Baltimore sales mgr., named radio WFIL Philadelphia commercial mgr. . . Richard F. Ahles promoted to WTIC-TV-AM-FM Hartford information dir.

Robert E. Leach, ex-WSPA Spartanburg engineering dir., named WTSP-TV Tampa-St. Petersburg technical dir.; Pat McLaughlin, ex-WSFA-TV Montgomery, Ala., named engineering supervisor . . . John L. O'Brien promoted to MGM-TV Latin American sales mgr. Mexico City, a new post.

John O. Downey promoted to radio WCAU Philadelphia vp & gen. mgr., succeeding Thomas J. Swafford, resigned to buy Albuquerque radio station . . . Joseph V. Richardson, KTVF Fairbanks advertising mgr., appointed to Small Business Administration's Small Business Advisory Council.

Second Washington "Hotelevision" system, in Shoreham Hotel, went into operation June 15. System is headed by Martin Malarkey, is similar to his operation in Sheraton-Park (Vol. 2:8 p2). Service operates on Ch. 2, 8 a.m.-8 p.m. daily, telecasting filmed "Capital Preview," will also provide live coverage for conventions. Malarkey reports considering microwave linking of hotel systems for special events.

Proposed FCC allocations changes: (1) Shifting Ch. 7 from Jamestown to Bismarck for ETV use. (2) Changing WLYH-TV's Ch. 15 from Lebanon to Lancaster-Lebanon, Pa.

Fine of \$1,000 has been levied by FCC against KOLS Pryor, Okla. for repeated illegal pre-sunrise operation.

Battle over portable video tape: Ampex last week filed \$2-million damage suit against Mach-Tronics Inc., Mountain View, Cal., after latter firm announced it would market \$10,000 portable TV tape recorder. Ampex charges that Mach-Tronics and some of its personnel "obtained & unlawfully disclosed" Ampex trade secrets, and seeks to restrain Mach-Tronics from using those secrets. Portable recorder, as announced by Mach-Tronics, occupies 2.3 cu. ft., weighs less than 100 lb., includes 8-in. video monitor, using 1-in. tape to record hour of programming on 10½-in. reel. Designed for closed circuit, picture reportedly isn't of broadcast quality.

Six Month Floor Wax really ain't, FTC examiner ruled in initial decision against Continental Wax Co., Mt. Vernon, N.Y. Examiner John B. Poindexter decided "Six Month Floor Wax," alias "Continental Grip-Kote," won't give "effective coating of wax on the average household floor for a period of six months," as company claimed in TV and radio commercials. Company contended claim is valid because directions on can note that floor may need rebuffering with diluted wax solution in less than 6 months. Poindexter rejected this because company didn't say so in commercials. In addition, he found, even re-buffing doesn't always remove dirt and scuff marks.

Communications tax of 10% would be clearly eliminated from several TV services under amendments to HR-11879 approved by Senate Finance Committee last week. Amendments would exempt from tax, after July 1, private line telephone, private line teletypewriter, closed-circuit TV, ETV, CATV, Telpak. CATV operators have long had doubts about applicability of tax, and most haven't been paying it. Those who have paid, did so under protest, didn't collect it from subscribers.

NAB editorializing committee members appointed by Pres. Collins: Daniel W. Kops, radios WAVZ New Haven, Conn. & WTRY Albany-Troy-Schenectady, chmn.; Frank J. Abbott Jr., radio WWGP Sanford, N.C.; Frederick S. Houwink, WMAL-TV Washington; John F. Dille Jr., WSJV-TV Elkhart, Ind.; Rex G. Howell, KREX-TV Grand Junction, Colo.; A. Louis Read, WDSU-TV New Orleans; George Whitney, KFMB-TV San Diego.

Sale of 2 CATV systems announced by Daniels & Assoc.: Community Aerial Systems, Mineral Wells, Tex., serving 1,300, was purchased from John Campbell & Kenneth Durant by Bob Magness, Bozeman, Mont., and Maurice Nixon, Cisco, Tex. Colville Video Inc., Colville, Wash., with 900 subscribers, was sold to Frank Reardon, Butte, Mont., by Bill Baker.

Tough decisions, which may disappoint some people, will have to be made in spectrum management. That's essence of speech by Dr. Irvin Stewart, Dir. of Telecommunications Management, Office of Emergency Planning, before Armed Forces Communications & Electronics Assn. convention in Washington last week.

TV led all media in ad revenue gains during first quarter 1962 over same 1961 period, according to *Printers' Ink*. Spot TV was up 17%, network up 14%. Business papers showed 9% increase, network radio 5%, newspapers and general monthly magazines 3%.

Senate tribute to Ed Sullivan on his 14th anniversary in TV was offered by Sens. Javits (R-N.Y.) and Kefauver (D-Tenn.). "In this period of television's 'vast wastelands,'" Javits said, "Ed Sullivan has consistently presented a program that certainly cannot be included in this generalization."



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**MANUFACTURERS' LIST PRICES ON WAY OUT?** Always-touchy issue of manufacturers' list prices and was-is & similar comparative-price advertising by retailers developed new sensitivity last week with (1) announcement by Westinghouse that it is dropping use of list prices on houseware products and (2) notification by N.Y. Better Business Bureau to retailers in its area to cease by today, June 18, use of "list price," "suggested list price," and "catalog price" in ads & point-of-sale displays. Action on national level to rid brown goods & appliance industry of unfair ad practices is slated to come this week from National Better Business Bureau.

NBBB is readying appeal to manufacturers & its member groups to follow lead of N.Y. BBB. NBBB Pres. Kenneth B. Willson told us last week that appeal is in preparation and likely would be ready for release this week. Intensified action by NBBB & local BBBs, coupled with increasing punitive steps by Federal Trade Commission, may well influence drastic changes in traditional price & ad policies of TV & appliance manufacturers in not too distant future.

Although Westinghouse's abandonment of suggested list prices applies at present only to housewares, consumer products vp Chris Witting Jr. told us "we are also evolving procedures that will affect other product lines, including TV and radio."

Action by NBBB represents no change in policy, Willson told us. It's an intensification of "our consistent policy of recommending to appliance dealers that they abandon fictitious pricing & advertising." N.Y. BBB Pres. Hugh R. Jackson also made clear that BBB has no objection to a retailer advertising price reductions from his own bona fide selling price. Neither is there objection, he said "to the advertising of a comparative price with an appropriate description other than 'list price,' etc., where the advertiser can clearly substantiate that the comparative price is based upon usual & customary prices of merchandise generally available in the trade area."

Big question, if manufacturers agree to drop list prices, is what substitutes they'll offer. There are clues already that TV-appliances makers would adopt "less than \$....." ad technique pioneered by Eastman Kodak. Westinghouse's Witting, for example, told us "we will suggest such terminology as 'should sell for less than' in ads for portables & other housewares." At least one other major TV & appliance manufacturer has told us it is studying similar approach.

Will manufacturers generally abandon list prices? NBBB's Willson said that "in the past we have found manufacturers reluctant to do so." BBB's Jackson noted, however: "It is clear that there has been a considerable decrease of public representation by manufacturers and I think that we will see a substantial decrease if not complete elimination in a period of time on the part of manufacturers."

What happens if industry does drop list prices? One leader told us "it will wreck the machinery of retailing." Another savvy consumer products executive said "it could be the great spur to national fair trading." For look at actual case history, we spoke with BBB in Pittsburgh, where there's been general elimination of list prices for nearly 3 years.

"There were squeals at first, particularly from the big discount houses, when we began implementing the FTC's guide rules on comparative advertising some 3 years ago," Pittsburgh BBB assistant gen. mgr. J. K. Orr told us. "These dealers argued that comparative prices were necessary to guide consumers in identifying merchandise. Today, these same dealers tell us they are enjoying just as much, if not more, business. We have many dealers who don't use any comparative prices at all." Orr pointed out that "it took us a while to get

some of the discount stores to go along, but we're at a point now where some of the largest now use no comparatives at all." He noted "real good cooperation" by Pittsburgh dealers, said "situation here has really improved" to everyone's benefit. There are still some dealers who don't understand they are violating FTC rules by comparative advertising, he added, but "they have to be educated."

BBB can educate & also show its teeth. Orr told us that his group is prepared to take punitive action where necessary. "If abuses should continue," he said, "and we have exhausted every other means, we can—and will—prosecute by presenting the facts to the FTC or the local district attorney. In such cases, the BBB acts as a friend of the court."

Bolder action by BBB groups stems in part from FTC's own increasing punitive action against violators and by court actions. NBBB's Willson said "it has now become abundantly clear that fictitious pricing is unlawful. This was emphasized as recently as last April when the U.S. Supreme Court refused to review a ruling of the U.S. Court of Appeals which affirmed the FTC's guide rules on comparative advertising."

To cries that demise of suggested lists will deprive consumer of invaluable guide, Willson points out that "the consumer will have the most reliable guide of all—the dealer's price." He added: "Elimination of list prices doesn't eliminate competition. There can, and does, exist a variation of prices among competitors of the same products. The value to the consumer is that these variations are not from a list price foreign to the given trading area but from the actual going selling prices in that area."

Perhaps most cogent comment came from one industry executive who said: "Maybe this industry had better face the fact that FTC means what it says about comparative-price advertising."

**HOME ELECTRONICS FINDS A SHOWCASE:** At long last, there's an all-industry show for new TV-radio-phono lines. This year's Music Show—officially known as Music Industry Trade Show—will see displays by nearly all major factors in industry, and many minor ones.

Music Show has been increasing in importance to consumer electronics industry in recent years as lure of Home Furnishings Markets at Merchandise Mart (now in progress) began to pale for TV-radio-phono makers. This year, on occasion of Show's triennial visit to N.Y. next week (June 24-28), big effort has been made by sponsor National Assn. of Music Merchants to make conditions attractive to electronics exhibitors.

TV-radio-phono-recorder-record exhibits no longer are wedged in between sousaphones & slide trombones. Electronics products will occupy entire N.Y. Trade Show Bldg., while musical instruments & related merchandise will be displayed at Hotel New Yorker across street.

Important added consumer-electronics attraction will be EIA's all-day symposium June 26, on general topic, "What's Ahead for Consumer Electronics?", specifically treating ETV, color, radio & phonos (Vol. 2:22 p9), with all-star industry cast.

Among U.S. TV-radio-phono manufacturers exhibiting at Trade Show Bldg. to an expected 11,000 attendees: Admiral, Arvin, Bell Sound, Capehart, Fisher, GE, Glaser-Steers, Hoffman, Magnavox, Motorola, Olympic, Packard Bell, Philco, Pilot, RCA, Ravenswood, Steelman, Sylvania, Symphonic, Tele-tone, VM, Waters Conley, Webcor, Westinghouse, Zenith.

Foreign manufacturers & importers to be represented include BSR, Clairtone, Continental Merchandising, Delmonico, Electrohome, Kane-Mark, Majestic, Matsushita, Petely, Realtone, Saba, Samson, Sony, Star-Lite, Sumitomo, Superscope, Uropa, Videola Erie.

**TV SALES LAGGED BEHIND '61 IN MAY:** For first 4 months of this year, TV-radio have had unblemished record—every month, distributor-to-dealer sales have been ahead of corresponding 1961 month. Preliminary reports indicate that trend didn't extend into May for TV, and that radio's advance over '61 was slight.

This isn't alarming. It wasn't hard to beat 1961's first-quarter showing in TV. But you'll remember that TV's upturn last year began in April, with near-record retail sales for month, and this good sales pace continued, to salvage what promised at first to be pretty dismal year.

On other hand, 1962 started out like house afire, with distributor sales running 15% ahead of 1961 in January, 22% ahead in February and 16% ahead in March. Official EIA figures, released last week, indicate

TV sales were 4% ahead of corresponding 1961 month in April. Unofficial indicators show May distributor sales down approximately 11%—or about 310,000 sets vs. 350,000 in May 1961. For January through April, EIA figures show distributor TV sales running about 15% ahead of last year.

Radio sales have also soared this year—even over record 1961, running 19% ahead in January, 9% ahead in February, 7.5% ahead in March—and then a surprising 17% ahead in April, possibly due to price reductions on domestic transistor radios. Unofficial industry reports for May show 2% advance over May 1961—or distributor sales of about 800,000 units compared with 735,000 one year earlier. For 4 months, radio sales were 13% ahead of 1961.

Phono sales have lagged 1961 for 3 out of 4 months, although not badly, after slow January start (23% behind Jan. 1961). February distributor sales of phonos were 9% behind 1961, March 3% ahead, and April 9% behind, for 4-month total about 10% below last year.

Crucial period is now ahead for TV-radio-phono industry. Much, of course, depends on general business conditions. What effect will stock market slump have on consumer buying? Is slump indicative of coming slowdown in economic activity? On more specific industry front—how will public take to new TV & phono models, with their more attractive packaging & pricing?

EIA's 4-month production figures indicate uhf output is 105% higher than 1961—much of this believed due to anticipation of more public demand for uhf sets. FM set output is 40% over last year, and car radio production is up 47%, apace with increase in auto sales.

Here are EIA's 4-month distributor sales & production figures for TVs, radios & phonos, arranged with handy 1961 comparison statistics:

TV-RADIO DISTRIBUTOR SALES

Month	TV		Radio (excl. auto)	
	1962	1961	1962	1961
January	465,836	403,570	562,869	471,518
February	521,275	428,705	697,893	640,379
March	580,876	500,597	917,236	853,197
April	364,742	347,800	809,499	672,756
TOTAL	1,932,729	1,680,672	2,987,497	2,637,850

TELEVISION PRODUCTION

Month	Total		UHF	
	1962	1961	1962	1961
January	488,869	367,935	39,609	25,270
February	541,494	444,418	46,715	24,514
March	659,251	497,458	48,323	21,450
April	510,587	405,808	51,107	19,095
TOTAL	2,200,201	1,715,619	185,754	90,409

RADIO PRODUCTION

Month	Total		Auto Radio		FM	
	1962	1961	1962	1961	1962	1961
January	1,350,630	1,090,073	530,589	387,136	76,510	50,421
February	1,464,797	1,115,029	480,232	307,973	84,216	41,357
March	1,810,417	1,384,050	607,510	384,227	81,010	75,044
April	1,472,654	1,124,924	519,296	375,570	63,193	51,260
TOTAL	6,098,498	4,714,078	2,137,627	1,454,906	304,929	218,082

PHONO DISTRIBUTOR SALES

Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	48,423	171,305	219,728	74,881	211,268	286,149
February	50,563	188,857	239,420	54,097	210,365	264,462
March	60,206	236,051	299,257	59,290	231,021	290,311
April	54,615	146,577	201,192	48,532	173,585	222,117
TOTAL	216,807	742,790	959,597	236,800	826,239	1,063,039

PHONO FACTORY SALES

Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	68,545	191,014	259,559	80,366	211,383	291,749
February	52,566	202,846	255,412	50,710	204,638	255,348
March	60,991	237,492	298,483	62,396	227,469	289,865
April	45,152	137,950	183,102	53,074	152,974	206,048
TOTAL	227,254	769,302	996,556	246,546	796,464	1,043,010

Philco has established National Philco Distributor Council (Vol. 2:18 p9) and plans "immediate establishment" of regional dealer councils in each of its 6 sales regions. Distributor Council will hold initial meeting early next month, will meet at least 3 times yearly. Dealer councils will hold first sessions this fall, meet at least twice a year. Named to National Distributor Council: Don Farquhar, Piedmont Distributors, Baltimore; Steve Demchyk, Luckenback & Johnson, Allentown; Frank Lyons, Roskin Distributors, Albany, N.Y.; Frank Cowan, W. Bergman Co., Rochester, N.Y.; Cy Shobe, Shobe Inc., Memphis; Buddy Dixon, Brown-Rogers-Dixon Co., Winston-Salem; Garland Medaris, Medaris Co., Dallas; Randolph Reed, Reed Co., Beaumont; Bud Sunderlin, Radio Equipment Co., South Bend; Larry Wheeler, Hardware Products Co., Sterling, Ill.; Ed Bonnet, Graybar Electric, Los Angeles; Harry Ahlstrom, Strevell-Paterson Hardware Co., Salt Lake City. Dealer Council members will be announced later.

Charges of conspiracy to fix prices of TV repairs were leveled at Brooklyn (N.Y.) Radio & TV Servicemen's Assn. by N.Y. attorney general Louis J. Lefkowitz. He asked Kings County Supreme Court for permanent injunction against Association's activities, which, he said, have boosted cost of home servicing of TV sets by at least 25%.

New plants & expansions: Motorola will begin construction immediately of a \$3-million, 172,000-sq.-ft. addition to Phoenix, Ariz. semiconductor manufacturing plant. Major portion of added space will be used for production of diodes, rectifiers, high yield transistors, integrated circuits.

Electro-Voice has been approved for listing on American Stock Exchange.

**MORE NEW LINES—EMERSON, DU MONT:** New-line parade continued last week with showing of all Emerson products—Emerson, Du Mont, Telectro & Granco—to distributors & licensees in Miami Beach.

Emerson TV prices are similar to 1962 line, beginning with hold-over 17-in. portables at \$129.95 & \$139.95, continuing in 19-in. sets with \$10 step-ups to \$169.95. Consoles run from \$199.95 to \$299.95 as last year, with 23-in. table model now deleted from line. Added to line is 27-in. lowboy without list price. Combinations (all 23-in.) begin at \$379.95 vs. \$398 in last year's line, with last year's 19-in. combo deleted. Two of the 3 combos—both with open list—have built-in FM stereo. Single color console is continued at \$750. Most TVs are available in all-channel models at \$20-\$30 additional.

Emerson portable phonos begin at \$19.95, with stereo portable at \$59.95 and 4 stereo consoles beginning at \$149.95. Radio line is held over virtually intact.

Du Mont line starts with 17-in. portable at \$149.95. Console prices begin lower than last year, with 23-in. sets starting at \$249.95 (ex-\$299). Where models have been carried over, some prices are \$40 lower than year ago. Hold-over 27-in. console has been reduced from \$475 to \$399.95. Featured in line are six 23-in. TV combos, now starting at \$595 (combos last year started at \$750), and 2 new 27-in. combos at \$895. Line continues to carry 3 color sets at \$795. Du Mont has 6 console phonos, all including FM stereo, ranging from \$279.95 to \$550.

Telectro tape recorder line features "new styling concept" of furniture design, to bring recorders out of closet and into living room as part of home-entertainment furniture. The 8-recorder line is priced from \$79.95 to \$399.95. Granco line of stereo radios & FM radios adaptable to stereo is being held over intact.

**TV-RADIO PRODUCTION:** EIA statistics for week ended June 8 (23rd week of 1962):

	June 2-8	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV	116,694	107,335	124,307	2,905,102	2,399,085
Total radio	358,716	289,390	322,858	8,159,351	6,517,767
auto radio	150,091	94,391	101,224	2,887,325	2,068,771

**TOPICS & TRENDS**

Numbers Game Dept.: This week's exercise in ratio & percentage comes from the 2 top leaders in TV sales, in inverse alphabetical order:

Zenith Sales Corp. Pres. Leonard C. Truesdell reported orders placed at Chicago sales convention for TV-radio-stereo were 25% higher than record orders at 1961 convention. Second-quarter shipments are at record levels, he said, and this month promises to be biggest June in Zenith history. Stereo phono & combo orders are more than double last year's figure, and b&w TV orders have set new record.

RCA Sales Corp. marketing vp Raymond W. Saxon reported May home instrument dollar volume set all-time record for month and total for first 5 months of year was 2nd only to 1951. Color TV sales for first 5 months, he said, were about 140% ahead of last year, with distributor orders for color nearly triple those of year ago. B&w TV unit sales set May record, radio unit sales set 6-year record, and phono dollar volume set all-time May record.

Motorola has sold its Motorola Finance Corp. for \$36 million cash to Associates Financial Services Corp., subsidiary of South Bend, Ind.-based Associates Investment Co. Motorola vp Edwin P. Vanderwicken said sale was made "to improve the financing service available to Motorola customers with no change in rates or terms, and at the same time to enable the parent corporation to devote itself exclusively to financing future expansion & diversification of its electronic product lines." Motorola Finance Corp. was founded in 1956. Its assets "exceeded \$41 million at the end of 1961," Vanderwicken said. Associates has assets of \$1.250 billion, operates 540 offices across nation.

Packard Bell established finance subsidiary Packard Bell Acceptance Corp. to finance dealer floor-planning in 13 Western states. Packard Bell consumer products vp Kenneth R. Johnson will also be president of the acceptance company.

Super-deluxe home entertainment center at \$5,000 went on display at week's end in Sylvania's Merchandise Mart showrooms for opening of Chicago's International Home Furnishings Show. Unique set, in 85-in. wide hutch cabinet by Fancher Furniture, will be produced on custom-made basis. Cabinet contains: (1) 23-in. HaloLight TV set. (2) AM-FM tuner with FM stereo. (3) Stereo phono with Garrard changer, 6 speakers in sealed component-type cabinets. (4) Stereo tape recorder. (5) Automatic slide projector for 35-mm color slides with rear-projection system and 23-in. TV-like screen. (6) Master control panel to control all features of system with color-coded pushbuttons. (7) Space provision for closed-circuit TV camera—"optional at extra cost."

Industry color TV sales will total nearly 400,000 sets this year, rising sharply to 750,000 in 1963. This is prediction made by Admiral Chairman Ross D. Siragusa at New Orleans dealer meeting last week. He pointed out that next year's 750,000 color sets would be equal in dollar volume to nearly 2 million black-&-white receivers. He foresaw bright future for consumer products if "creative selling" is employed. Terming stock-market decline "a downward adjustment that has been long overdue," he said security prices may go even lower by fall, but "this does not indicate any basic weakness in our economy."

Market for recording tape will increase from present \$65 million to more than \$100 million annually in "next few years," principally as result of rapid expansion of home market, according to prediction of Reeves Soundcraft exec. vp Frank B. Rogers. Meanwhile, Record Industry Assn. of America announced it will compile quarterly statistics on factory sales of pre-recorded tapes (7½-in. per sec., reel-to-reel type).

Trend among importers of Japanese-made transistor radios has been to reduce prices to meet U.S. competition—a novel switch. Starting price for many imported sets with well-known names now is \$14.95—but including carrying case, battery & earphone. Latest to join trend are ITT, Realtone, Petely (Hi-Delity).

**Trade Personals**

Allen W. Dawson, ex-TV bulb sales mgr., named TV dept. mgr. in reorganization of Corning Glass electrical products div. under vp-gen. mgr. John L. Hanigan, Division now has 3 product departments—TV dept.; electronics dept., headed by Malcolm H. Hunt, ex-electronic components dept. mgr.; lamp dept., under Forrest E. Behm, ex-division mfg. mgr. Other key posts in new TV dept.: Joseph S. DeMaio, departmental ad & sales promotion mgr.; Oakes Ames, mfg. mgr. who is succeeded as Albion, Mich. TV bulb plant mgr. by F. Philip Hunt.

Benjamin Abrams, Emerson pres., honored by Society for the Advancement of Management's C.W. Post College chapter for outstanding contributions to govt., business & community. Citation was read into *Congressional Record*.

T. W. Rainsberger, formerly responsible for merchandising of radios, phonos & housewares in Goodyear Tire's care & home merchandise dept., appointed to new post of special account executive, Symphonic Radio & Electronic, responsible for sales to premium buyers, stamp plans & special accounts.

Wallace R. Johnston, Clairtone Sound sales vp, establishes office at U.S. hq. N.Y.

Christian J. Goodman Jr. named Motorola Semiconductor Products sales vp.

Edison J. McGowan, ex-Motorola Finance Corp. vp-gen. mgr., named pres. of Associates Financial Services Corp. which has purchased Motorola subsidiary (see p. 10).

A. L. Champigny, one time GE tube dept. ad mgr., elected a vp of Maxon, Inc., N.Y. ad agency . . . John W. Scheck, ex-Beckman Instruments, named Du Mont Labs. electronic instruments mktg. mgr.

W. James Peterson named Sylvania tube div. field sales mgr. for equipment entertainment sales.

Factory sales of TV picture tubes in April increased slightly over year-ago volume to 758,539 units vs. 722,110. Dollar value, however, slipped to \$14,253,425 from \$14,293,375. The same pattern of units up, dollars down prevailed for year to date, EIA official report shows. For 1962's first 4 months, sales totaled 3,112,100 units valued at \$59,403,191—compared with April-1961's 3,095,030 units at \$61,844,969. Conversely, factory sales of receiving tubes gained in units & dollars for April and year to date. April receiving tube sales totaled 31,016,000 units at \$25,838,000—up from 28,687,000 units at \$24,392,000 a year ago. Jan.-April sales show 123,469,000 units at \$104,211,000, compared with 117,468,000 at \$99,203,000 in 1961's initial 4 months. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January .....	802,061	15,625,304	29,592,000	24,789,000
February .....	733,670	13,944,313	27,977,000	23,841,000
March .....	817,830	15,580,149	34,884,000	29,743,000
April .....	758,539	14,253,425	31,016,000	25,838,000
Jan.-April 1962 ..	3,112,100	\$59,403,191	123,469,000	\$104,211,000
Jan.-April 1961 ..	3,095,030	61,844,969	117,468,000	99,203,000

## 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
Columbia Pictures	1962—9 mo. to Mar. 31	—	\$ 2,127,000	\$ 2,102,000 <sup>1</sup>	\$1.27	1,535,027
	1961—9 mo. to Mar. 31	—	56,000	1,673,000 <sup>2</sup>	.98	1,449,030
Famous Players Canadian	1962—qtr. to Mar. 31	—	—	611,711	.35	1,737,072
	1961—qtr. to Mar. 31	—	—	545,742	.31	1,737,072
Houston Fearless	1962—qtr. to Mar. 31	\$ 5,454,000	—	232,000	—	—
	1961—qtr. to Mar. 31	18,907,000	—	(4,301,000)	—	—
Lafayette Radio Electronics	1962—9 mo. to Mar. 31	18,975,813	—	478,143	.45	1,061,575
	1961—9 mo. to Mar. 31	17,572,778	—	594,750	.56	1,025,000
Republic Corp.	1962—6 mo. to Apr. 29	21,899,523	—	974,328	.32 <sup>4</sup>	2,443,448
	1961—6 mo. to Apr. 29	14,216,265	—	1,275,010	.54 <sup>4</sup>	2,004,190
Taft Bcstg.	1962—2 mo. to May 31	2,136,804	—	441,613	.28	1,578,893
	1961—2 mo. to May 31	1,774,327	—	321,018	.20	1,578,893
TV Industries	1961—year to Dec. 31	1,365,237	—	(1,125,799) <sup>3</sup>	—	1,015,758
	1960—year to Dec. 31	5,871,288	—	(2,424)	—	815,879
United Artists Story below.	1962—qtr. to Mar. 31	32,065,000 <sup>2</sup>	—	916,000 <sup>2</sup>	.53	1,729,473
	1961—qtr. to Mar. 31	26,965,000	—	879,000	.51	1,729,473
Universal Pictures	1962—26 wks. to Apr. 28	—	—	3,371,647	3.73 <sup>4</sup>	887,790
	1961—26 wks. to Apr. 28	—	—	1,835,322	1.98 <sup>4</sup>	888,390

Notes: <sup>1</sup> Includes profit of \$413,000 (28¢ a share) on sale of land.

<sup>2</sup> Includes profit of \$1.6 million (98¢) on sale of land. <sup>3</sup> After non-

recurring charges of \$4.3 million—including \$2.6-million provision for loss on film & film rights. <sup>4</sup> After preferred dividends. <sup>5</sup> Record.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Clevite	Q	\$0.35	June 28	June 18
CTS Corp.	Q	.12½	July 20	June 29
Collins Radio	Q	(Omitted June 6)		
Columbia Pictures Stk.		2½%	July 30	June 29
Heli-Coil	SA	.30	June 25	June 18
Heli-Coil	Ex.	.10	June 25	June 18
ITT	Q	.25	July 15	June 22
Republic Corp.	Q	.15	Aug. 15	July 5
Sangamo Electric	Q	.18¾	July 10	June 18
Schlumberger Ltd.	Q	.15	Sept. 1	Aug. 15
Western Electric	Q	.90	July 2	June 20
Western Union	Q	.35	July 16	June 22

Metromedia expects 1962 profits to rise to more than \$1.8 million on a sales rise of at least 10%. Company earned \$1.2 million on \$48.7-million sales in 1961. Pres.-Chmn. John W. Kluge said Metromedia's major growth this year will be in TV, forecast first-half earnings would more than double 23¢ earned in Jan.-June 1961, said first-half sales would top year-ago's \$23.4 million by at least \$2 million. He expects all Metromedia units to show profit this year—except for short-wave station "which is losing less money now than it was last year." Station broadcasts overseas, and "we don't expect it to be profitable for several years."

Packard Bell appoints new distributors: N. C. Teakle Co. (Norris Teakle, pres.), 715 Folsom St., San Francisco, succeeding Paul G. Daly Co., headquartered in Oakland, which becomes one of 2 East Bay distributors; Standard Supply Co. (Vern C. Brown, pres.), 225 E. 6th St., Salt Lake City.

Mergers & acquisitions: Trav-Ler Radio has acquired for undisclosed cash sum Hoosier Cabinet Div. of Dane Enterprises • MCA stockholders have approved proposed acquisition of Decca Records (Vol. 12:22 p12) • Siegler & Lear merger will be a tax-free consolidation, Internal Revenue Service has ruled. Lear-Siegler Inc. will be formed (Vol. 2:23 p11) as soon as necessary papers can be filed with regulatory agencies in Delaware & Illinois • Tele-Prompter stockholders have approved sale of company's TV & film prompting service to Q-TV Inc. (Vol. 2:23 p11). TelePrompter will continue to manufacture the prompting equipment.

United Artists posted record earnings of \$916,000 on peak sales of \$32 million in 1962's opening quarter (see financial table). Chmn. Robert S. Benjamin told stockholders that revenues in 2nd quarter are expected to run \$500,000 ahead of \$30.9 million volume a year ago. Pres. Arthur B. Krim noted that TV operations produced healthy profit in wake of last year's setback, said UA has large number of network shows scheduled for 1963 & 1964. All UA operations—motion pictures, phonograph records, TV production—are "continuing to show a profit," he added.

Electronics Investment Corp. reported net assets of \$34,807,166 on April 30—down from \$43,593,353 a year ago. Net assets per share declined to \$6.46 from \$8.63. Capital shares increased to 5,386,207 from 5,051,657.

Distributor awards: Jones Distributing Co. (Paul D. Jones, gen. mgr.), Sioux City, Ia., wins Motorola's Paul V. Galvin Distributor of the Year trophy . . . Neil Distributors Inc. (Herbert S. Neilinger, pres.), Miami, and Koelemay Sales Co. (Lawrence Koelemay, Jr., pres.), named 1962 Distributors of the Year by Sylvania Home Electronics Corp.

JUN 25 1962

# WEEKLY **Television Digest**

JUNE 25, 1962

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

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## SUMMARY-INDEX OF WEEK'S NEWS

### **Broadcast**

**TELEVISION FACTBOOK—NEW ONE IN THE WORKS**, due in Nov., updating & freshening all major features of predecessors, including full page devoted to every U.S. station—with coverage map, ARB county-by-county set penetration and net weekly circulation data, FCC official Grade A & B contours—the works, again running approximately 1,000 pages (p. 1).

**CATV—POLITICS, ECONOMICS, TECHNIQUES:** NCTA Washington convention points up growing power of industry (p. 2).

**CBS CHANGES INCENTIVE PLAN, MAY FIGHT** it in courts, however. Tells FCC contracts are changed for time being to give affiliates about same scale as with "standard" contract (p. 3).

**SATELLITE TELECAST IN JULY** between Europe & U.S. will feature simultaneous translations for European audiences piped by cables while original picture & sound are bounced from Telstar (p. 3). Legislation roadblocked (p. 4).

**WESTINGHOUSE TRIGGERS FEUD** with film distributors by terminating feature packages "economically unfeasible" while dwindling in supply. Complete nonsense, snaps Seven Arts in reply (p. 4).

**FILM FIRMS SAG IN FIRST QUARTER:** combined earnings of 7 firms tumble to \$9.1 million from \$14.2 million year earlier (p. 4).

**RKO WARNS ON PAY TEST**, that appeal will be made to Justice Dept. & FCC if feature film supply is denied Phovision in Hartford. Deals made with Warner Bros. & Paramount so far (p. 6).

### **Consumer Electronics**

**"YOU'RE ON YOUR OWN IN COLOR,"** RCA telling manufacturers, as it plans to stop taking orders for complete color sets; will still sell color components (p. 9).

**MAJOR NEW DEVELOPMENTS** in picture-tube shielding: GE's Lamilite tube, coated with thin plastic, used in 16-in. set; Kimcode bare-faced tube wins UL listing, now is ready for use; Pittsburgh develops lighter-weight, lower-cost bonded Teleglas (p. 9).

**NEW PRODUCTS** in new lines: GE's 16-in. set weighs 22 lb., will sell at around \$170; GE has on-the-wall TV-radio-phonos; Magnavox unveils transistorized stereo console; Westinghouse to offer 5-set color line, expanding Instant-On use in b&w; new Capehart, Symphonic sets (p. 11).

**PHONO LEADERSHIP** position sought by Zenith with new CBS-developed cartridge & tone arm (p. 12).

**REBUILT TUBE MARKET** isn't nearly so big as industry believed, in opinion of trade experts. 1961 total seen at about 1.6 million units, down from 1.8 million in 1961 (p. 12).

**PLANT SHUTDOWNS FOR VACATION** begin this week at some TV-radio-electronics companies. Vacation dates listed (p. 13).

**NBBB URGES END OF 'LIST,'** warns that failure of manufacturers to end abuse of fictitious pricing will lead to governmental restraint (p. 14).

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**TELEVISION FACTBOOK—NEW ONE IN THE WORKS:** We are very pleased to report that our new 1962-63 TELEVISION FACTBOOK No. 33 is now in preparation.

Publication will be in November. Despite insistent demand, we have scrupulously avoided promising the famed volume until we were certain we could maintain or exceed the reputation of the distinguished 17-year-old reference. We now have that certainty—in staff & facilities.

We will update the remarkable innovation created by our predecessor, Triangle Publications—a coverage map for every station in U.S., complete with fresh American Research Bureau county-by-county sets-in-use, net weekly circulation, Grade A & B contours—the works.

We are delighted to report that usage of the coverage data has precisely filled its designated role, i.e., a quick, graphic guide to coverage of every station in the nation, particularly for agencies & advertisers. For detailed analyses of coverage, full service of ARB are basic, of course.

We are retaining & updating all important features of last volume. New issue will run approximately same number of pages—1,078. However, in response to sole criticism—weight & bulk—we have paper mills experimenting with goal of producing lighter, thinner stock without sacrifice of toughness or opacity.

Questionnaires are now in mails to all firms represented in the dozens of categories featured in volume. If your organization is new—not in last edition—notify us immediately.

Copies of issue will go to all full TV-AM-FM and full TV subscribers, as part of their service. Copies separately purchased are \$12.50 if ordered before publication, \$15 thereafter. Pre-print orders of 5 or more are \$10 each. Write to publication offices—911 13th St., N.W., Washington 5, D. C.

**CATV—POLITICS, ECONOMICS, TECHNIQUES:** Striking thing at NCTA convention in Washington last week was almost unprecedented down-the-line support of virtually every CATV position by keynote speaker Rep. Harris (D-Ark.), chmn. of Commerce Committee.

"This was common knowledge around the FCC," according to a Commission source who added: "That's why we've been doubtful about chances of seeing our CATV bill enacted." Fact is, CATV scarcely could have asked for more.

With 5 FCC commissioners at head table while he spoke, Harris virtually told them to keep cotton-pickin' hands off industry. Ironically, while NCTA was conventioning, handful of small-town telecasters was conferring with FCC Comrs. Minow & Lee and staff, repeating requests they be given protection against possible CATV inroads. Ironically, too, at same time, more & more influential telecasters were showing up at NCTA's convention, plunging into the business. Ironically, further, NAB staff member was carrying out members' mandate in speech at Ga. Assn. of Bcstrs. in Atlanta, valiantly asserting that NAB doesn't oppose CATV but seeks to resolve "inequities."

Again, it's evidence of growing power of industry, probably genuine breakthrough—politically, economically, technically. Such stalwarts as Vice President Johnson, Sen. Fulbright (D-Ark.), Monroney (D-Okla.) made appearances. Among broadcasters, those in view included politically-ept Cox Stations' J. Leonard Reinsch and astute retired NBC Washington vp Frank M. (Scoop) Russell, now a CATV owner—plus substantial corps of TV-radio attorneys, brokers, consultants, et al.

Quotes from Harris: "Entirely new industry in the best American tradition . . . FCC cannot regulate CATV as a common carrier . . . No action has been taken [on CATV bill] and none is contemplated . . . Great improvement in CATV-broadcasters relations since these bills were introduced . . . The problem can no longer be regarded as acute . . . Some cities or counties seem to be attempting to regulate [CATV] through insistence upon non-duplication agreements [but] I would expect that CATV operators will not permit a host of divergent and conflicting local regulations to spring up. The pertinent court decisions in these matters should be brought to the attention of the local authorities and their jurisdiction should be challenged in the courts, if necessary . . ."

Harris plunged into famed "Carter Mountain" case, in which FCC denied microwave facilities to serve a CATV unless latter agrees to carry local-station signal and avoid duplication of its programs. He said decision has "frightful implications" for broadcasters and others, as well as to CATV. He said he wouldn't comment on it because it's appealed to courts, but, he said: "In the meantime, I would think the Commission is likely to adhere to its previously announced policies, until clear determination of its authority in this field is obtained from the courts." FCC people were shocked—"Harris asserting Commission shouldn't enforce its decisions because courts may overrule them," according to one source. [Copies of speech available from NCTA, 535 Transportation Bldg., Washington. Sen. Dirksen (R-Ill.) had text printed in June 20 *Congressional Record*.]

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Other major aspect of convention was technical-economic outlook, notably as forecast by Daniels & Assoc. Pres. Bill Daniels and Teleprompter Pres. Irving Kahn, both large system operators. New all-band systems have bandwidth-handling capacity of 250 mc, giving dozen TV channels (72 mc)—plus.

New services stressed by Daniels: Closed-circuit "weather channel," giving constant TV picture of wind, rain, pressure, etc.; news, "AP & UPI service before TV or radio stations broadcast it"; FM signals—as many as desired; audience-response measurements; pay TV—"which is inevitable."



Systems broker Daniels also reported that "plenty of investment money is available now"; that interest in CATV has been expressed by firms in Germany, Norway, Sweden, Britain, Peru, Argentina, Italy, Australia, France; that "you will see CATV in 3-station markets."

Kahn repeated hopes for pay-TV future. He said next championship fight, if he gets rights, will be fed to 250,000-500,000 CATV homes. Among future uses he envisioned: "We have in our labs a device to measure gas & electricity consumption via CATV"; "we'll soon prove out our point-of-purchase system in one town or 2." He added: "The telephone company is the greatest threat to auxiliary services; if we lose, it's by default."

Next convention: June 7-14, 1963, Seattle. NCTA reelected Glenn H. Flinn, Tyler, Tex., chmn. Other officers: Fred G. Goddard, Aberdeen, Wash., vice chmn.; Ben J. Conroy, Uvalde, Tex., secy.; M. William Adler, Weston, W. Va., treas.

**CBS CHANGES INCENTIVE PLAN, MAY FIGHT:** CBS told FCC it was complying with Commission's ruling ordering changes in payments to affiliates (Vol. 2:23 p2)—but said it may contest decision in courts.

In letter to Commission, CBS said contracts were being changed so that if an affiliate chooses offering of another network instead of CBS fare, it will get approximately same rate of payment for total hours carried weekly as it did with old "standard" compensation plan.

CBS said "we respectfully disagree with the conclusion" that incentive compensation plan violates Sec. 3.658(a) of FCC rules but plan is dropped "until there is a final order, not subject to reconsideration or appeal, that the plan without the amendment is not invalid by virtue of Sec. 3.658(a)." CBS concluded: "This is without prejudice to any action we may take with respect to the matter, either by way of further petition to the Commission, an appeal to the courts, or by other changes in the plan. In this connection . . . we have under study . . . other possible modifications, including some which would change the scale of payments to the stations from those presently provided in the contracts."

**OVER-&-UNDER ATLANTIC:** First live Europe-U.S. telecast, scheduled for July when Atlas-borne Telstar satellite will be orbited, will involve electronic communications link under Atlantic as well as high above it. So stated CBS-TV producer Fred Friendly at news conference in N.Y. late last week called by 3-network coordinating committee which will work with European Bcstg. Union to produce pair of "non-political" transatlantic programs.

Satellite can only handle single audio & TV channels during 12-min. period when it will be in line-of-sight with ground stations at Andover, Me. and Goonhilly Down, England. But, since U.S.-produced show will be fed to Eurovision via Brussels, major language barrier looms. Problem will be tackled by feeding picture & "indigenous" (English-language) track via satellite to Europe, and piping simultaneous translations (French, German, Italian, etc.) on 8 or 9 transatlantic phone circuits. Anticipated audience in Europe: 20 million.

Telecast will present plenty of electronic headaches since conversions must be made from U.S. 525-line system to British 405, French 819 and West European 625-line systems. Then, when system goes into reverse to bring European 12-min. show to U.S., converters must also be reversed during orbit of Telstar. "We'd like to do a 'hot switch' during telecast, but it involves too much," said Aubrey Singer, BBC-TV spokesman at N.Y. meeting. Singer also said Soviet Union might participate.

Composition of U.S.-produced show is still vague, CBS's Friendly said, since exact date of Telstar launching isn't firm. It will contain these elements: (1) 3-network capsule coverage of hard & feature news in U.S. on day of shot. (2) Pre-show telecast for U.S. audience to explain system. (3) Audio and/or wirephoto confirmation that show arrived in Europe. (4) No particular attempt to further American "image" or "to use President Kennedy as 'U.S. spokesman.'" Both U.S. & European shows may be taped and played back-to-back as 24-min. prime-time show on date of satellite telecast.

Costs are also blue-sky at moment but won't be cheap. BBC's Singer said European end of telecast will be "very expensive . . . on the order of 5 figures in English pounds" (translation: possibly \$150,000). U.S. costs would be similar or higher, although Friendly admitted "we hope to have practical budgets although it's a bargain at any price." Will there be "regular" programming between Europe & U.S. via satellites? Consensus: "Too early to say."

**SATELLITE BILL FAILS TO ORBIT:** Communications satellite bill, which zipped through House by overwhelming vote (Vol. 2:19 p4), ran into big trouble in Senate last week, finally had to be set aside to let lawmakers get at more pressing bills.

As written now, bill may be in trouble. Determined bloc of Senators, led by Kefauver (D-Tenn.) is firmly opposed to private ownership provisions, wants govt.-owned system which wouldn't be susceptible to "domination" by AT&T or other large firms. There's little possibility, however, of any change in ownership setup as it stands. Senate had short session June 22 because of death of Sen. Case (R-S.D.), planned to resume debate on measure at special Saturday session.

**WESTINGHOUSE TRIGGERS FILM FEUD:** Westinghouse Bcstg. Co. has developed real talent for stirring up industry brouhahas. Having triggered hassle on product protection with refusal to guarantee traditional 15-min. spread (Vol. 2:24 p3 et seq.), it lobbed verbal mortar shell in new direction last week—distributors of TV feature-film packages.

Features were roundly panned as major program investment for stations by WBC Pres. Donald H. McGannon last week during interview with *Variety* reporter Dave Kaufmann. There's been a steady decline in audience appeal of features on TV, McGannon said, and they're becoming "economically unfeasible" for stations while dwindling in supply. Audience surveys and station demand for "good product from diversified sources" have prompted WBC to go heavily into production of its own syndicated TV series ("Steve Allen Show," "Reading Out Loud," a new monthly series of TV children's specials, etc.), rather than rely on feature films in WBC markets, said McGannon.

Feud began to roll when we asked Eliot Hyman, pres. of Seven Arts, veteran feature distributor, for opinion of McGannon's blast. Hyman is usually leery of making industry statements, but WBC needle was bit too sharp.

WBC position was strictly grand-standing, snapped Hyman, and McGannon was "making unfair use of his right to express himself." In fact, said the Seven Arts pres., McGannon was talking through his statistical hat in trying "to impose certain facts and influence other people."

Hyman's basic rebuttal: (1) Feature packages have produced "maximum profits per program hour" for stations, as well as "largest ratings industry has ever known." (2) There is "definitely not a lack of new film product," and Seven Arts has just completed new deals with Warner Bros. and 20th Century-Fox for post-1950 pictures which "can supply stations for the next 10 years." (3) TV's economics "prevent the creation of 'made specifically for TV' programming in any significant quantity" to compete with strong features. (4) Rating record of features proves they can compete against TV's best home-grown programming.

In major Westinghouse market, San Francisco, feature films have taken audience play away from WBC-owned KPIX, Hyman asserted. He cited case of KTVU (independent) vis-a-vis KPIX in 16-month (Jan. 1961-May 1962) ARB study of audience trends, following KTVU's launching of 2 packages of Seven Arts' post-1950's.

KTVU has been showing the Warner features in a Sun. 7-9 p.m. slot, and again on Mondays at 7:30 p.m. Audience trend: When KTVU launched features in Jan. 1961, its audience share average on Sunday evenings was 2% vs. 42% for KPIX, which carries CBS-TV lineup. Ratings quickly climbed for KTVU, partly at expense of KPIX. Final 16-month share average for KTVU was 20% (10 times original level) vs. 32% average share for KPIX. Snapped Seven Arts of WBC's stand on features: "sour grapes."

At week's end, other feature-film distributors were readying counter-blasts, aimed at station management & film buyers, and drawing their own bead on WBC. Officials of the station group, busy with their own syndicated program plans, held to position as outlined by their boss. Whole thing began to take on familiar air of an industry brawl.

**FILM FIRMS SAG IN FIRST QUARTER:** TV & theatrical film companies earned poor notices for profit performance in 1962's opening quarter. Despite socko efforts by several—and record earnings by MCA, Screen Gems & United Artists—composite picture shows profits down markedly from 1961's first quarter, despite moderate sales gain. This aggregate downbeat trend is indicated by first-quarter returns of MGM, Movielab, MCA, Paramount, Screen Gems, Technicolor, 20th Century-Fox, United Artists.

Combined first-quarter earnings of these 8 firms in film industry tumbled to \$10 million from \$15.1 million in Jan.-March 1961. The 1962 figure is after deducting loss of \$513,587 recorded by 20th Century-Fox. It must be noted, however, that loss is after a special amortization charge of \$2,090,000 and reflects 20th Century's new policy of writing off prospective losses on all films released during a given quarter.

Profit drops were reported by 3 of 8 companies: MGM—to \$2.6 million from \$6.7 million. Paramount—\$1.1 million from \$2.5 million. 20th Century—loss of \$513,587 from \$1.7 million profit. For brighter picture, Screen Gems posted record \$1.1 million—up from \$845,160. MCA doubled year-ago's \$2 million profit to record \$4.2 million.

It's interesting to note—and perhaps significant—that best profit performances were turned in by 2 film companies which are exclusively in TV. Among film makers listed above, only MCA and Screen Gems do not produce theatrical films.

Aggregate sales of 5 companies improved to \$158.5 million from \$150.9 million. Only one of these film companies, 20th Century-Fox, was down from 1961's first-quarter—to \$33.2 million from \$34.9 million. Sizable gains were registered by Technicolor—to \$14.8 million from \$11.8 million; Movielab—\$1.7 million from \$1.4 million; United Artists—\$32 million from \$27 million.

Here's 1962-vs.-1961 first-quarter performances of representative firms in film industry:

	Sales		Earnings	
	1962	1961	1962	1961
MGM .....	\$ 76,766,000	\$ 75,778,000	\$2,553,000	\$ 6,684,000
Movielab .....	1,685,314	1,436,380	97,235	69,399
MCA .....	—	—	4,203,841	2,019,553
Paramount .....	—	—	1,129,000	2,450,000
Screen Gems .....	—	—	1,055,509	845,160
Technicolor .....	14,796,100	11,807,564	567,326	451,479
20th Century-Fox .....	33,215,994	34,894,728	(513,587)	1,669,244
United Artists .....	32,065,000	29,965,000	916,000	879,000
<b>TOTALS</b> .....	<b>\$158,528,408</b>	<b>\$150,947,415</b>	<b>\$10,008,324</b>	<b>\$15,067,835</b>

Opening quarter of 1962 was 2nd fiscal quarter for 3 other film producers. Although Jan.-March 1962 breakdown is not available, their composite picture for the half shows sales up moderately — profits up mightily:

	Sales		Earnings	
	1962	1961	1962	1961
Walt Disney (6 months) .....	\$ 32,643,281	\$ 23,065,743	\$2,425,065	\$ 669,982
Warner Bros. (6 months) .....	44,079,000	47,008,000	4,074,000	3,564,000
Universal (26 weeks) .....	—	—	3,371,647	1,835,322
<b>TOTALS</b> .....	<b>\$ 76,722,281</b>	<b>\$ 70,073,743</b>	<b>\$9,870,712</b>	<b>\$ 6,069,304</b>

Jan.-March 1962 period was 3rd fiscal quarter for Allied Artists, Columbia and Screen Gems. Latter, which had record profits for Jan.-March 1962, also posted peak earnings for 9-month period, despite slight sales sag. Here's aggregate 9-month picture of these 3 film producers:

	Sales		Earnings	
	1962	1961	1962	1961
Allied Artists (39 weeks) .....	\$ 9,585,000	\$ 10,498,489	\$(1,196,000)	\$ 414,105
Columbia (9 months) .....	—	—	1,689,000	56,000
Screen Gems (9 months) .....	37,930,560	40,510,183	2,428,236	1,817,752
<b>TOTALS</b> .....	<b>\$ 47,515,560</b>	<b>\$ 51,008,672</b>	<b>\$ 2,921,236</b>	<b>\$ 2,287,857</b>

**RKO WARNS ON PAY TEST:** "We'll appeal to Justice Dept. and possibly seek FCC aid if we find we can't go ahead with our pay-TV test in Hartford because we're being denied a supply of feature films by pressure brought to bear on film distributors." So stated WHCT Gen. Mgr. Charles Wood to us last week when we queried him about possible "legal means" threat voiced earlier in week by RKO General Pres. Thomas F. O'Neil, at luncheon gathering of civic & business leaders in city where RKO General and Zenith will launch 3-year test of Phonevision June 29.

Station is not meeting blank wall in obtaining features as part of its planned potpourri of movies, taped specials, sports events and Broadway shows for pay-as-you-watch audiences, we learned. Although WHCT has had "varying success" with home offices & N.Y. film exchanges handling features, it has "firm deals" with Warner Bros. & Paramount, 2 major producer-distributors, for brand-new films and is "close to working relationship" with MGM, Universal and 20th Century-Fox.

Movie policy will be similar to that of Telemeter's Toronto-area test during Phonevision trial, WHCT mgr. told us. Films will generally be close-circuited in "subsequent first run," i.e. day-&-date exposure with key neighborhood circuits 17 days after film has closed in its run in downtown theater. RKO General hopes eventually to obtain some choice films on "preview" basis, and is also negotiating for telecasts of Broadway shows while they're in traditional New Haven tryout.

First-night pay-TV program still isn't set, although there was strong hint that it might be Warner Bros. blockbuster "The Music Man," likely to be one of season's biggest film successes. Home target is 200 decoder-equipped households by June 29 with 2,000 by September and 5,000 by early 1963.

Hartford test may tap Telemeter supply of taped pay-TV specials (performances by Carol Channing and Bob Newhart, production of Gian-Carlo Menotti's "The Consul," etc.), we learned. WHCT admitted to "conversations" with Telemeter regarding these & other properties. Such a deal would represent first U.S. sale by Telemeter of shows produced for its Canadian test and now stockpiled against U.S. demand by pay-TV systems.

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New Savannah CATV system, Georgia TV Cable Co., will begin operation in fall, carrying 9 channels & ETV programs. Company plans to build 500 to 700 ft. tower, will spend total of \$1.2 million for 7-yr. expansion program. Pres. is George Eng, Norfolk, Va.; James Y. Nishimura, pres. of Communications Systems Corp., Huntington, N.Y., is vp.

New CATV firm, Trans-Video Corp., Tucson, Ariz., announced purchase of El Cajon, Cal. system with potential of 3,700 subscribers, plans to acquire additional franchises as well as management of existing systems. Pres. is Lee Druckman, former Jerrold Western regional mgr.

French TV viewership surveys disclose that at peak program hours subways & buses run virtually empty. This led London monthly *TV International* to observe: "The 'evils' of TV have been subject of comment ever since its birth but the accusation that it is stopping people from using the Paris Metro is carrying criticism a bit far."

"The world marketplace will—and should—determine what TV shows we export to foreign lands," according to Martin Codel, international TV consultant and former publisher of *Television Digest*. International TV consultant for U.S. telecasters & manufacturers, Codel has made extensive surveys in Europe, Latin America & Africa. In letter-to-the-editor in June 20 *Washington Post*, he writes: "Our Messrs. Murrow and Minow may, quite properly, undertake to exert the moral suasion implicit in their offices to warn American TV enterprisers against damaging the American image abroad [but] my own rather extensive TV surveys . . . over the last few years indicate a trend to indigenous live shows, especially musicals in Central & South America, and an acceptance of TV trivia for what it is: mere entertainment. There's less blood & guts stuff on the TV abroad than one might think. . . . A goodly number of our better TV & movie productions, including documentaries & travelogues as well as feature shows, are getting a good play and seemed to me to be creating favorable images."

Defense of advertising industry came from NAB Code Authority Dir. Robert D. Swezey in speech to Better Business Bureau and San Diego Advertising & Sales Club. He said advertising has become public whipping boy for reflecting conditions it can't control. Advertising isn't "the arbiter of public taste," Swezey said, yet it is subjected to "ridicule and bitter accusations that it is establishing false values and exploiting the public." He expressed hope industry untangles itself from "mass of minutiae" to concentrate on "broader fields in which to exercise its talents."

Finger-shaking at FCC & industry by Court of Appeals—more & more common in "final paragraph" addenda in recent months—was characteristic of decision affirming FCC in ETV channel-reservation case last week. Judges Edgerton, Washington & Danaher in short "per curiam" decision upheld Commission's refusal to put short-spaced ETV Ch. 3 in State College, Pa. at request of Pa. State U. Court then added that "the Commission must consider, and attempt to meet, the needs of educational TV, and of the public, as well as those of commercial interests. Should the Commission, in the future, demonstrate that it is neglecting this need, a different result may be required. This is not such a case."

FCC seeks equal-time suspension in 1964 elections, supporting President Kennedy (Vol. 2:23 p3), it's understood. Sen. Pastore (D-R.I.) has introduced S-3434 on behalf of Sen. Hartke (D-Ind.), seeking complete repeal of Sec. 315. Pastore said repeal, rather than election-by-election suspension, would provide well-deserved vote of confidence in broadcasting industry. Sen. Javits (R-N.Y.) has introduced S.J. Res. 196 to suspend equal-time requirements in this year's Congressional elections.

Illusion of quick fortunes to be made from communications satellite system should be dispelled quickly, FCC Comr. Hyde told Mountain-Pacific States Conferences of Public Service Commissions in Seattle last week. "Unknown frontiers seem to invite this sort of financial day-dreaming," he stated, "but space promises to be almost as empty of riches as it is of matter."

Paris theater is doing excellent business with TV fare. Pagoda Cinema, Paris, is showing *Eddie Sachs In Indianapolis, Kenya 1961 & Primary*—work of Time-Life Bestg. Div.'s Robert L. Drew in association with Richard Leacock & Gregory Show, all ex-*Life*.

## Personals

Alfred R. Schneider promoted to vp & asst. to exec. vp, AB-PT & ABC div., Joseph Fitzpatrick to AB-PT asst. treas. . . Peter A. York promoted to Bureau of Broadcast Measurement exec. vp, Toronto.

J. L. Brown promoted to ABC Paramount Records administrative operations vp . . . John Regazzi, ex-Price Waterhouse & Co., named AB-PT comptroller . . . Don B. Curran promoted to ABC-TV o&o stations advertising & publicity dir.

Joel Rosenbloom, legal asst. to FCC Chmn. Minow, took position FCC policies on programming promote civil liberties, in ACLU N.Y. June 22 Park-Sheraton debate with Maurice Rosenfield, WFMF(FM) Chicago—in meeting closed to public & reporters . . . Hyman Goldin, chief of FCC Research & Education Div., spoke on "Current Commission Activities" to meeting of Cal. Assn. of Bcstrs. in Santa Rosa June 22.

P. A. Sugg, NBC spot sales and o&o stations exec. vp, resigns because of ill health, successor not yet designated.

Frank (Scoop) Russell, retired NBC Washington vp, to be target of testimonial luncheon at Mayflower Hotel June 27 . . . William P. Breen promoted to NBC Films sales vp.

Peter Kenney, NBC Washington vp, named to NAB Radio Board, succeeding P. A. Sugg, resigned . . . Thomas B. McFadden, ex-NBC-TV vp & national sales mgr., named TWA marketing vp, a new post.

Ronald Pollock promoted to NBC-TV sales proposals mgr., Paul Klempner to client presentations mgr., both new posts; George Walker succeeds Pollock as sales development mgr.

Robert E. Ryan, ex-CBS Radio Spot Sales midwest client relations dir., promoted to sales development mgr., N.Y. . . . Raymond Cranley, ex-Peters Griffin Woodward, named Central Media Bureau broadcast program project leader, covering systems analysis, computer programming & production . . . Henry Brenner, Home Testing Institute pres., elected Radio & TV Research Council pres.

E. C. Page promoted to Petry vp; Alfred M. Masini & Malcolm B. James named group sales mgrs. . . . Norman W. Glenn, ex-Young & Rubicam, named Ziv-UA vp for program development . . . Abe Mandell promoted to Independent TV Corp. exec. vp. . . . Robert L. Fierman named MGM Telestudios sales mgr.

Ward L. Quaal, WGN-TV Chicago exec. vp-gen. mgr., awarded honorary degree by Mundelein College, delivered commencement address, inserted in full in June 21 *Congressional Record* by Rep. Rostenkowski (D-Ill.).

Ann M. Corrick, Westinghouse Bestg. Washington Bureau Asst. Chief, and Elizabeth Carpenter, ex-*Variety*, now asst. to Vice President Johnson, receive 1962 Headliner award of Theta Sigma Phi, professional sorority for women in journalism.

Amos T. Baron, ex-KCOP Los Angeles vp & gen. mgr., named UAA Western div. mgr., Los Angeles . . . Eugene C. Walz, ex-WCKT Miami production mgr., named WRC-TV Washington program dir.

Fred W. Johnson, KPLR-TV St. Louis local sales mgr., named WFRV Green Bay, Wis., gen. sales mgr. . . . Don Mumford promoted to KBTW Denver production mgr., replacing Russ Kundert, resigned . . . Earl J. Glade promoted

to Radio Service Corp. of Utah community relations vp; Saul Haas, Queen City Bestg. pres., elected a Radio Service dir.

W. D. (Dub) Rogers, ex-KDUB-TV Lubbock & satellites (Vol. 17:27 p16), resigns from NAB Board, no longer active in station management.

Douglas G. Leonard, ex-WBZ-TV Boston production mgr., named program mgr., Conn. Educational TV Corp., WEDH (Ch. 24) Hartford, due on air this summer; Samuel C. Edsall, WRTC(FM) Hartford chief engineer, assumes similar post at WEDH.

Louis J. Kramp appointed AP member relations dir. . . . Ray Schneider promoted to TelePrompTer CATV Systems Div. gen. mgr. N.Y., a new post . . . Robin Hardy, producer-director, joins Audio Productions creative staff.

## Obituary

Walter J. Damm, 69, one of TV-radio's most distinguished prime movers, long-time gen. mgr. of WTMJ-TV & WTMJ Milwaukee before retirement in 1958, died there June 15 following surgery. During career, he headed or participated vigorously in virtually every major broadcast movement—was noted for abrasiveness & fairness of personality. He joined *Milwaukee Journal*, WTMJ-TV owner, as classified advertising salesman in 1916, headed radio activities starting in 1922. When WTMJ began in 1927, he was named manager—then radio gen. mgr., a *Journal* director, a vp—retiring to Naples, Fla., in 1958. Long a dominant national figure in broadcasting, he was NAB pres. 1930-31, member of NAB committees which wrote first radio code and commercial section of TV code, member of first Code Review Board, member of committee which negotiated first ASCAP contract. He served on govt. Board of War Communications during World War II, was TV Broadcaster's Assn. pres. until merger with NAB in 1951, organizer of NBC TV Affiliates and its chmn. until retirement. His widow survives.

Alfred Levy, 52, Talent Associates-Paramount pres., pioneer TV producer & packager, died June 19 of pneumonia in Littleton, N.H. He was co-producer with David Susskind of programs such as *Philco* and *Goodyear Playhouses*, *Armstrong Circle Theatre*, *DuPont Show of the Month*. His widow survives.

CBS Foundation 1962 grants of \$21,000 have been awarded to 4 universities in honor of alumni employed by CBS. Columbia U. was awarded \$9,000 on behalf of CBS Inc. Asst. Gen. Atty. Peter M. Abel, CBS-TV Asst. Business Mgr. Richard H. Low, Columbia Records Chief Development Engineer Erik Porterfield. NYU received \$6,000 for Columbia Record Club Operations Dir. Richard Brun and CBS TV Stations Research Advertising & Sales Promotion Dir. Robert F. Davis. Princeton U. was awarded \$3,000 for CBS News correspondent Dallas Townsend, and U. of Southern Cal. received \$3,000 for CBS TV Stations vp & KNXT Los Angeles Gen. Mgr. Robert D. Wood.

FCC cut \$8,000 forfeiture action against WCUY(FM) Cleveland Heights (Vol. 1:13 p6) to \$4,000. Station had appealed original levy, made for testing new transmitter without notification and broadcasting on new frequency without authorization.

The \$2 million sale of radio WGES Chicago to McLendon group has been granted by FCC.

**Russia's TV Boom:** "Even the most dilapidated building has a TV antenna," White House News Secy. Pierre Salinger reports after tour of Soviet Union. Recently returned from trip to discuss cultural exchange, he told *Washington Post* TV Editor Lawrence Laurent biggest problem Russians have is matching set production with demand, though prices are \$150-\$350—month's income for average worker. Russian officials claim 10 million sets-in-use, served by 116 centers, but only Moscow, Leningrad & Kiev are hooked up via network.

One force behind expansion of Russian TV is recent appointment of Mikhail Khalarmov as radio-TV minister, Salinger said. Khalarmov is anxious to expand medium, faces obstacles once familiar in U.S.: movie producers don't want films telecast, playwrights shy away from medium, etc. Consequently, Khalarmov is developing programs specifically for TV. Extensive ETV system is under consideration; some schools now use closed-circuit.

Salinger termed Leningrad TV center "most modern," using high quality, Soviet-built equipment. Much news coverage is propaganda, he stated.

Plan for Kennedy-Khrushchev TV speech exchange (Vol. 2:11 p5), postponed in March because of lack of "right atmosphere," may be revived, Salinger said.

Stenographic reports of FCC hearings during fiscal 1963 will be available from CSA Reporting Corp., 939 D St., N.W., Washington—12¢ per page for Washington hearings, 21.6¢ for those held elsewhere, daily & immediate charges higher.

WWUP-TV (Ch. 10) Sault Ste. Marie, Mich., began June 15 as WWTW-Cadillac-Traverse City satellite.

CBS-TV's controversial abortion episode of *The Defenders* (Vol. 2:17 p1, et seq.) scored highly in Pulse survey of 1,000 N.Y. area TV homes conducted for *Television Age*. Of viewers who saw show, 72% liked it very much, 21% liked it somewhat, 5% didn't like it; 86% thought it proper, 13.6% improper. Most of those who considered program improper cited effect on children as major objection. Other findings: (1) 92.9% thought problem of abortion was handled fairly, 7.1% said "unfairly." (2) 28.9% noticed different sponsor for episode, 7.1% thought sponsor was same as usual, 64% didn't notice. (3) Of those who noticed sponsor change, 61.8% correctly gave reason, 38.2% didn't know.

NAB Pres. Collins won his point with Sen. Dodd (D-Conn.) and HEW Dept., persuaded them to change projected study of children & TV from "how does TV crime & violence contribute to juvenile delinquency" to "what is interrelationship between children & TV, and how do other influences enter picture" (Vol. 2:16 p2). After Collins wrote Dodd of his concern about distortion of original program, Dodd came back with mollifying letter stating that his intent had been "misinterpreted."

FCC's new educational broadcasting branch is described in May-June *NAEB Journal*, in article by chief Keith M. Engar and Research & Education Div. Chief Hyman Goldin. Activities and plans of branch, which will work with HEW in implementation of federal ETV aid funds, is outlined in question & answer form. *Journal* is available from NAEB, 119 Gregory Hall, Urbana, Ill., \$4 yr., 75¢ copy.

Interest in WXIX Milwaukee has been relinquished by pres. Gene Posner, who sold 51% to Harold Sampson, Bernard J. Sampson & Herbert Wilk, 49% owners.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Radio	1962—9 mo. to Apr. 30	\$39,713,446	—	\$1,081,341	\$1.00	1,065,098
	1961—9 mo. to Apr. 30	30,875,335	—	824,173	.76	1,019,739
	1962—qtr. to Apr. 30	13,755,661	—	357,351	.33	1,065,098
	1961—qtr. to Apr. 30	10,280,690	—	254,028	.23	1,019,739
Avco	1962—6 mo. to May 31	185,698,585	\$17,473,125	8,373,125 <sup>1,4</sup>	.77	10,886,109
	1961—6 mo. to May 31	157,926,234	12,576,187	6,201,187	.60	10,379,438
	1962—qtr. to May 31	102,519,020	—	5,051,666 <sup>1</sup>	.46	10,886,109
	1961—qtr. to May 31	84,232,290	—	3,749,812	.36	10,379,438
Belock Instrument	1962—6 mo. to Apr. 30	4,412,800	—	(282,400)	—	928,533
	1961—6 mo. to Apr. 30	5,576,517	—	(357,983)	—	928,533
Lab for Electronics	1962—year to Apr. 27	61,482,000	—	102,000 <sup>2</sup>	.08	1,298,100
	1961—year to Apr. 27 <sup>3</sup>	63,494,000	—	2,095,000	1.61	1,298,100
Loral Electronics	1962—year to Mar. 31	41,456,887 <sup>1</sup>	3,789,765	1,774,153 <sup>1</sup>	.82	2,173,305
	1961—year to Mar. 31	35,776,964	2,804,023	1,301,618	.75	1,738,944
Nippon Columbia	1962—6 mo. to Mar. 31	22,500,000	1,600,000	—	—	—
	1961—6 mo. to Mar. 31	20,400,000	1,500,000	—	—	—
Transistor Electronics	1962—year to Apr. 30	1,622,912	—	130,563	.39	—
	1961—year to Apr. 30	862,169	—	116,724	.35	—

Notes: <sup>1</sup> Record. <sup>2</sup> After special charge of \$432,000 for loss on foreign investments. <sup>3</sup> Includes operations of Tracerlab Inc. & Eastern Indus-

tries Inc., acquired in 1961, on pooling-of-interests basis. <sup>4</sup> Includes record earnings by subsidiary Crosley Bestg. Corp.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**RCA TO INDUSTRY: 'MAKE YOUR OWN COLOR':** RCA is getting ready to turn off tap which supplies complete color chassis to its competitors. In effect, it's quietly telling its manufacturing customers to get ready to stand on their own feet in color set business.

RCA feels it will need the capacity in its Bloomington, Ind. color TV plant to make more sets under its own brand name. But even more important, RCA's move means first plateau in color has been reached—it is now profitable mass-market business (185,000 sets last year, probably 400,000 this year). More real competition between manufacturers can't do anything but help.

RCA will continue to supply color TV parts & subassemblies—but it plans to stop turning out complete sets for others. And next year, RCA will even have competition in the 2 most vital color parts—picture tubes & yokes.

Cut-off date for end of RCA manufacture of sets for competitors is believed to be some time next year—possibly around time of introduction of new 90-degree short color tube (scheduled for early 1963). Of course, RCA will honor all contractual commitments to make color sets but presumably will accept no more orders after some date in future. Exact details & timing of RCA move are sketchy and at week's end it was impossible to get confirmation from company.

Number of manufacturers depending on RCA for color sets would have dwindled anyhow, as it becomes more profitable for set makers to roll their own. Admiral, Olympic & Sylvania recently announced that they plan to go into production on their own (first 2 are buying sets from RCA, latter from Packard Bell). In addition to RCA, these companies now put together own sets: Zenith, GE, Warwick, Packard Bell. Packard Bell, incidently, is planning large increase in color set production facilities next month—despite fact that it will be losing Sylvania account. Color is really beginning to move. Phase One is over. Phase Two—more compact sets, multi-network colorcasting, heavier intra-industry competition, more aggressive merchandising—can mean only more & better color business.

**3 TUBE-SHIELDING DEVELOPMENTS READY:** In rapid-fire sequence, last week saw culmination of 3 important developments in picture-tube shielding which will have marked effect on course of TV set design and manufacturing.

(1) "Lamilite" picture tube, unveiled by GE tube dept., using 35-mil (1/32-in.) layer of plastic bonded to faceplate, made debut in GE's new lightweight 16-in. portable (see p. 11) and will be offered to industry in 16-, 19- & 23-in. sizes.

(2) "Kimcode" tube process, developed by Kimble Glass Co., received Underwriters' Labs approval. With UL seal, this approach is now ready for use.

(3) Thinner & lighter Teleglas for bonding to picture tubes was announced by Pittsburgh Plate Glass, with concomitant cost reduction of approximately 15-20%.

All 3 developments are aimed at reducing weight of TV sets, and proponents of all 3 also claim cost reductions. Here are details of each:

**Lamilite:** GE's Lamilite tube process, in development for more than 5 years and listed by UL in 16-, 19- & 23-in. versions, is reminiscent of duPont's Mylar tube shield, which as yet has no takers in industry. It uses 2 layers of plastic—composition of which was not divulged, except for statement that inner plastic is of

buteral family and outer plastic is of buterate family. Layers are laminated together and bonded to tube through vacuum-forming process on specially modified commercial equipment.

First use of system is on lightweight 16-in. bulb, and GE CR tube dept. mgr. David C. Scott said process can be used on lightweight 19- or 23-in. bulbs designed for Corning or Pittsburgh bonded caps. Plastic can be removed under heat for rebuilding of tubes or re-processing rejects. In next 2 weeks, GE CR tube dept. will sample industry with 16- & 19-in. versions.

Although samples shown last week were of clear tinted plastic, GE says it has also developed treated reflection-resistant type. GE has applied for patents on Lamilite, hopes to offer it to other tube manufacturers on royalty basis.

Among advantages listed by GE (all figures are GE's): Weight reduction—19-in. twin-panel tube weighs 19¾ lb., while Lamilite tube weighs 14½, differential of 5¾ lb., or more than 10% of weight of 19-in. set; in 16-in. version, Lamilite tube weighs 7½ lb., lightest bonded samples 9½. Length—Lamilite tube is ¾-in. shorter than tube plus external implosion glass, ½-in. shorter than bonded. Picture quality—Plastic used in Lamilite tube has same refractive index as glass, providing greater clarity. Costs haven't been worked out in detail, but GE says they're "comparable to other systems and better than some."

Will it scratch? Yes—any plastic will scratch, but GE says this is one of toughest plastics made, and scratches may be removed with special compound. When ready? Now—on GE's 16-in. set.

**Kimcode:** Long-awaited UL listing came June 19 for Kimcode bare-faced-tube process. As detailed exclusively last March in these pages, Kimcode (standing for Kimble Method for Controlled Evacuation) makes use of 2 metal bands around rim of faceplate for added strength, and treated fiberglass cloth cemented around funnel to prevent implosion shattering (Vol. 2:12 p7). Bulb used with Kimcode process has specially designed & tinted faceplate (making it heavier than conventional lightweight bulb).

Kimble lists these advantages for Kimcode (all figures are Kimble's): Weight—"Components" for 23-in. Kimcode-type tube weigh 2 lb. vs. 11¾ lb. for laminated bulb, saving 9¾ lb.; saving in 19-in. size "might be approximately 7 lb." Length—at least ¾-in. shorter than other systems. Cost savings—Lowered shipping costs and "utter simplicity" of manufacture. Actual costs weren't specified, presumably through lack of experience in mass-production of such tubes.

Kimcode's UL listing is real breakthrough in that it's first safety approval for a picture tube without any barrier between viewer & tube. Both Kimcode & Lamilite have advantages & disadvantages—Lamilite is lighter in weight, but it uses plastic. Comparative costs may eventually tell large part of story.

There's no doubt some set makers will use Kimcode process—which could be ready almost immediately. But consensus is that it won't see any widespread use until next year.

There's another innovation in Kimcode which isn't being talked about. Kimble holds patents on process, and, for what is believed first time in history of picture-tube industry, bulb-maker is asking royalties from tube makers who use it. It's understood Kimble originally asked 25¢-a-tube royalty, but has reduced this to 2¢ to get process going.

**PPG Teleglas:** Last week was also the week Pittsburgh Plate Glass chose to come out with new lightweight Teleglas for bonding to picture tubes. (PPG supplies raw glass; independent glass manufacturers shape & sell it.) New stronger glass is ⅝-in. thick vs. former 3/16-in., will be offered initially for 16- & 19-in. sizes, probably later for 23-in., color tubes & other larger sizes.

In addition to 15-20% cost saving, new Teleglas for 16-in. tube weights only 1½ lb. compared with 2¼ lb. for older type glass; 19-in. implosion shield is cut from 3½ to 2¼ lb.

PPG has UL listing for use of new ⅝-in. glass bonded to both 16- & 19-in. tubes.

Importance to industry of these innovations in tube implosion shielding—plus more to come—will be made clear in weeks ahead. We'll keep you & your staffs posted.



**NEW PRODUCTS—16-IN. TV, TRANSISTOR STEREO:** As new-line activity reached climax on eve of Music Show, GE took wraps off 16-in. lightweight TV portable and Magnavox showed all-transistor stereo console with 100 watts Music Power Output.

GE's 16-incher is attractive set weighing 22 lb. and designed to retail at \$170-\$175. Designated the "Escort," light weight was attained through use of new Lamilite tube (see p. 9), 7 compactrons (plus 3 conventional tubes), extensive use of aluminum. Other TVs in GE's new line use 6 compactrons. Escort has mono-pole antenna, private listening jack, locates speaker & tuning knobs in front under screen. Leather carrying case with shoulder-strap will be available.

Only other 16-in. set definitely known to be scheduled for this year is Philco's, which will be launched in fall. Best guess is that Philco set, also lightweight, will use new Pittsburgh-type bonded tube instead of GE's Lamilite (see p. 10).

Among other GE TV innovations are 19-in. TV-radio phono TV combo (with drop-down record-changer) designed to be hung on wall, to retail at about \$550, and hutch-style combos at around \$699.95, with 3 other combos at \$699.95 to \$799.95. On-the-wall combo has removable speaker doors, similar to GE stereo phono design instituted last year. GE also is offering furniture-type 19-in. table models in period designs, at around \$229.95. Many GE TV sets use light-sensitive automatic brightness-contrast control.

GE continues 8-model color-TV line at \$595-\$795. Also shown last week was 23-in. classroom TV-audio center. GE's console phono line has 8 basic models at \$150 to \$550, continuing its on-the-wall units at \$260-\$350 and including its first hutch console (\$399.95 with radio). All radio-equipped units have FM stereo. GE is also offering built-in version of its on-the-wall console for builder market. Also unveiled was home music distribution system, which uses home power lines to pipe music from phono or radio to any room in house.

Magnavox became first in industry to completely transistorize its high-end stereo consoles—extending transistorization all the way to include AM-FM tuner. Parts are guaranteed 5 years, and transistorized chassis uses only 1/10 power of comparable tube set. Transistor sets sell for \$675. Record-player improvements were also announced, with synchronous motors used on high end. Enlarged line of electronic organs is completely transistorized, ranging from \$495 to about \$2,000. Stereo console line starts at \$149.50, transistorized portable phonos at \$99.90.

Magnavox TV line places heavy emphasis on 24- & 27-in. tubes and light-sensitive brightness-contrast adjuster, with new transistorized remote control. Warranties on 24- & 27-in. sets have been extended to 3 years on picture tube, continuing one-year warranty on labor & other parts. Magnavox has completely dropped diagonal picture-tube designations, using square inches instead.

Magnavox portables run \$159.90-\$225 (latter has remote control) vs. previous starting price of \$168. The 23-in. models start at \$179.90 (vs. \$188 in Jan. line), 24-in. at \$249.50 (unchanged), 27-in. at \$289.95 (vs. \$299.95 for same model). Combos run \$398.50-\$895 (vs. \$399.50-\$925). New lower-priced color set has been added at \$695, with \$745 & \$795 sets continued unchanged.

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Other new line news: Symphonic entered transistor radio field, with 7 models priced from \$14.95 to \$99.95. New Symphonic phono line has portables from \$19.95 to \$199.95 (latter with FM stereo), consoles from \$99.95 to \$379.95.

Zenith adopted popular drop-down phono concept in new "Cabinette" stereo at \$379.95-\$399.95. Attractive space-saving set (which includes FM stereo), may be used as conventional console, wall-hanging unit, or shelf or table set.

Westinghouse will debut new line, minus list prices, with TVs designed to sell for \$140-\$750, including its popular Instant-On feature in expanded number of models. First Westinghouse color TV line will have 5 sets at approximately \$595-\$850.

Redesigned Capehart lines will aim at lower-priced markets through direct franchised dealer approach. There will be 8 TVs from \$129.95 for portable to \$550 for top combo; 5-set stereo line will start at \$99.95.

**ZENITH BIDS FOR PHONO LEADERSHIP:** "Several years ago we set out to be the most important company in the hi-fi business. Our first goal was to improve our product. We have achieved that. Now we are making our first play for real position in this business. We have 20% of the TV business and we are aiming at the same place in the phonograph business."

So said Zenith Sales Corp. Pres. Leonard C. Truesdell last week at N.Y. press luncheon to whoop it up for new CBS Labs-designed 2-gram "free-floating" pickup cartridge & "Micro-Touch" tone arm—development which Zenith claims provides highest quality reproduction in history of packaged phonos (Vol. 2:24 p8). Truesdell's announcement obviously is to be taken seriously on basis of past performance, on basis of factory & distributor organization, on basis of dealer & consumer loyalty.

Whether Zenith will achieve hi-fi leadership goal or not, Truesdell's announcement signifies battle royal in phono field. This year, nearly all major stereo manufacturers are touting new record-changer improvements, and you can bet Zenith will push hard on the demonstrable features of its new tone arm-pickup combination, which is featured (in 2 versions) on all its consoles except leader model, and even on \$149.95 portable stereo.

Indicative of Zenith's promotion plans is one of its infrequent network TV appearances—sponsorship of "World Series of Golf" on NBC-TV live in color 4:30-6 p.m. Sept. 8 & 9, pitting 4 top golf tournament winners for \$75,000 prize money put up by Zenith. (Amana will co-sponsor.) Commercials will be divided between new phonos & color TV.

New tone arm & cartridge was under development by CBS Labs for some time when Zenith took hold of it, bought patents. Zenith plans to market component version, both in changer and in turntable, through its own distributors and nationwide component houses such as Lafayette & Allied. Price for changer will be around \$129.95, according to Truesdell—an almost unheard-of price for a record-changer. At same time, probably early next year, Zenith also will market component version of its FM stereo tuner.

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The articulate & effusive Truesdell ("I'm just a country boy") got off a few prime Truesdellisms in his talk to newsmen and in informal discussions after lunch. Some of his pronouncements:

On the stock market: "I can't get too alarmed about it. In all the markets where we've held dealer meetings so far—and that's 75% of the 80 largest markets in the country—we've broken all records. Retailers wouldn't be buying like this if they didn't feel business was going to be good. Every family has 2 or 3 radios, and yet everybody's buying more. If the world's coming to an end, what the devil are they buying radios for?"

On radio prices: "Radio is a mess. We've got some screwballs who are selling below cost. I don't know why. You can count us out of this."

On TV programming: "With TV programs stinking the way they do, I wonder why we're selling so many TVs. I think TV programs are largely responsible for the big shift to phonographs."

On TV inventories: "We have no problems at Zenith. But on an industry basis, there are still too many 19-in. sets in the pipelines for comfort."

**REBUILT TUBE MARKET—NOT SO BIG:** Just as the industry is revising its thinking about picture tube replacement market, it's taking another look at rebuilt tube market and finding this segment of picture tube business isn't nearly so big as previously believed.

In April we reported growing feeling that replacement tube market will be continually declining business, rather than expanding one, due to increasing life of original-equipment picture tubes (Vol. 2:17 p7).

Now there's strong suggestion that rebuilt tube sales aren't much more than half as large as most industry statistics used to indicate they were—and that they are declining, too.

Most of industry has always accepted reports that rebuilders have been selling picture tubes at rate of about 3 million a year. Now industry sources in position to know say this assumption was wrong—that 1959 & 1960 rebuilt-tube sales were in neighborhood of 1.8 million units.

Last year saw decline in rebuilt tube sales, and there's working estimate that they totaled only about

1.6 million—as opposed to 9.3 million new picture tubes (original equipment, replacements & exports). This 12% decline in rebuilds in period of single year is due in part to same problem plaguing new-tube replacement market—increasing life of original-equipment tubes. But another factor may be showing up for first time: Difficulty of rebuilding bonded tubes.

Most of confusion about replacement & rebuilt sales of picture tubes should be cleared up when EIA officially releases new statistical approach to market, based on special survey by Dun & Bradstreet.

**THE LONG, SAD HISTORY OF CLOCK TV:** Way back in 1955, we were hearing predictions that clock TV would become as popular as clock radio (Vol. 11:13 p9). In fact, first clock TV was marketed in 1952 (by Sentinel). Somehow, clock TV never was brisk-selling item—and the clock gave way to clockwork sleep-switch timer, which didn't do much better.

Most TV manufacturers have featured at least one TV model with clock-type timer, between 1955 & 1958. Two clock manufacturers—GE (Telechron) & Sessions—have been pushing idea of TV timers for years, haven't given up.

Five manufacturers have sleep-switch timers in their 1963 lines—Zenith, Westinghouse, Emerson, Packard Bell & Olympic. These shut-off timers are concentrated in portables as low-cost alternative to remote control. They're designed to turn off after selected interval up to 3 hours, and are generally confined to one model in portable lines.

GE clock & timer dept. also offers Telechron Videoclock (\$14.95 list) which converts any TV into clock TV. Company recently offered set makers new Telechron "Off-R-On" timer low-cost timing device which can be set to turn TV set on or off at any pre-selected time up to 10 hours in future.

Why hasn't sleep-switch feature been success? Lack of promotion, says GE clock & timer dept. According to spokesman: "No one is doing an outstanding job of promoting the feature, but it is anticipated that this innovation is needed for bedroom use of TV sets. This should be a salable innovation to help expand TV sets into the bedroom if set manufacturers promote the fact that the feature is available."

**TV-RADIO PRODUCTION:** EIA statistics for week ended June 15 (24th week of 1962):

	June 9-15	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	132,617	116,694	131,765	3,037,719	2,530,802
Total radio .....	335,453	358,716	339,468	8,494,804	6,859,354
auto radio .....	122,609	150,091	117,246	3,009,934	2,183,183

**Plant Shutdowns for Vacation:** Time of year approaches when most plants close for 2 weeks for employee vacations, to fulfill union contracts and/or to gauge inventories. From EIA & others, here's our calendar:

Set mfrs.: Arvin, July 30-Aug. 12. Bendix, June 25-July 8, GE, July 30-Aug.12. Magnavox, July 2-15, Motorola, July 29-Aug. 13. Packard Bell, July 2-15. Philco, July 16-29. Pilot, July 2-24. RCA, July 2-15 (Ind.), July 16-29 (Camden). Sylvania, July 16-23. Trav-Ler, July 2-15. Warwick, July 16-29. Waters Conley, July 16-29. Wells-Gardner, July 2-15. Westinghouse, Aug. 6-19.

Tubes & semiconductors: Bendix Semiconductor, July 2-9. Clevite Transistor, July 2-15. Allen B. Dumont Labs, July 16-29. Eitel-McCullough, July 23-Aug. 5. General Instrument (F. W. Sickles Div.), July 16-29. ITT Tube Lab, July 27-Aug. 12. National Semiconductor (except sales), July 16-29. Pacific Semiconductors, July 30-Aug. 12. Raytheon, July 2-16. Tung-Sol (except Cathode Ray & Semiconductor Divs.), July 16-29. **Not closing:** Fairchild Semiconductor, National Transistor, Raytheon's Rheem Semi-

conductor, Texas Instruments, Transitron Electronic, U.S. Semiconductor Products.

Components & others: Adler Electronics, July 23-Aug. 5. Advance Ross Electronics, June 25-July 8. Aerovox, July 2-8 (New Bedford Div.), July 2-15 (Hi-Q Div.). American Bosch Arma, July 16-29. Ampex (Magnetic Tape Div. only), July 2-9. Blonder-Tongue Labs, July 2-15. Chicago Condenser, July 2-15. Clarostat, July 2-15. Erie Resistor, July 2-15. International Resistance (except Philadelphia plant), July 16-29. Jerrold, July 16-29. Litton (Westrex), July 30-Aug. 12. P. R. Mallory (Radio Materials Div.), July 2-15. Muter (Rola Div.), July 16-29. Radio Condenser, July 16-29. Speer Carbon (Jeffers Div.), July 2-8. Stackpole Carbon, June 29-July 8. Sylvania Parts Div. (Naugatuck Plant), July 2-15. **Not closing:** Amphenol-Borg, Audio Devices, CTS Corp., General Dynamics/Electronics, Globe-Union, International Rectifier, International Resistance (Philadelphia plant), P. R. Mallory Capacitor Co., Muter Co. (Muter Div.), Speer Carbon (Speer Resistor Div.), Sprague Electric.

**NBBB URGES END OF 'LIST':** National Better Business Bureau joined intensifying attack (Vol. 2:25 p7) on fictitious pricing today (June 25) with appeal to "all in business" to discontinue "list" prices or any other form of pricing representations in advertising, however expressed, which are not the usual or customary prices of the articles so designated in the trade area in which the advertising appears."

FTC also gave notice of increasing pressure on fictitious advertising last week by ordering a manufacturer and a retailer to cease using suggested list prices that are, in fact, higher than prices usually charged. Involved are Regina Corp., maker of electric housewares, and Giant Food, Washington-area food chain that also sells appliances. Noting that 3 big Washington department stores sell identical products at considerably below manufacturer's list prices stated by Giant Food in comparative-price ads, FTC said: "Rightly or wrongly, many people believe that a manufacturer's 'suggested list price' expresses his considered and expert judgment as to the approximate retail value of his product. Accordingly, where the advertised manufacturer's 'suggested list price' is not in fact the usual or regular price generally prevailing in the area, the public may be misled."

In special bulletin to NBBB membership, Pres. Kenneth B. Willson emphasized "responsibility for the use of fictitious prices by retailers is shared by manufacturers, both legally & morally, if they put into the hands of retailers the instrument through which deception of the public is carried out."

We asked Willson about plan of Westinghouse & others to supplant list prices with such ad terminology as "less than \$ . . ." or "should sell for less than \$ . . .". He interpreted this way: "Fictitious pricing in any form is unlawful. If an article is advertised to sell for, say, less than \$14.95, no reasonable person is going to object if the selling price in a given area is a few cents less. This expression will be interpreted by the public to mean that the product so advertised usually & customarily sells for a few cents less than the advertised price. However, if someone kicks the daylights out of that price and sells the article for \$7.95, that would be fictitious advertising. It would give the consumer in that area the false picture that he is buying for \$7.95 a product that normally should sell for \$14.95."

Noting that with "few exceptions" actual retail selling prices generally are "less than manufacturers' 'list' prices, 'suggested list prices,' preticketed or other stated prices," NBBB in its bulletin emphasized: "Whatever validity 'list' prices have had historically in pricing between manufacturers, distributors and retailers, their use in retail advertising in conjunction with a lower selling price almost invariably has been to represent to the public, directly or by implication, that an article is being offered for less than its going price and therefore at a saving. . . . The 'worth' or 'value' of an article is the price it commands in the market place. Savings claims based upon pricing representations which are sheer fiction are wholly illusory."

NBBB sounded this warning: "The FTC has served notice on business that the dissemination of fictitious pricing representations in whatever form is deceptive & illegal and that those who do so risk adversary proceedings by the Commission. In the public interest, the NBBB urges the

cooperation of business leadership in meeting its responsibilities for correcting this problem through the exercise of self-restraint."

NBBB also called upon media "to cooperate in reviewing acceptance of copy by requiring advertisers to prove with competent evidence that any 'list,' 'suggested list' or other stated price used be the usual & customary prices of the articles so designated in all areas where circulated."

**Loudspeaker rating system** to identify quality of speakers to consumers was proposed last week to EIA loudspeaker conference in Chicago by Lincoln Walsh, Walsh Engineering Co., Millington, N.J. System would use 8 colors to identify various ranges of sound frequencies, and 7 symbols to express power-handling capacity of speaker; for example, a moderate-power speaker with good frequency response might have 6 blue diamonds. Walsh urged speaker industry to upgrade itself by lowering speaker cost "per unit of performance." Speakers today, he said, are largely in same performance-per-dollar class as those of 20 years ago. Conference also heard report that loudspeaker imports last year equalled about 40% of U.S. production of approximately 42.5 million speakers.

**Philco ad & promotion programs** for late summer & fall will boost 1962 spending 75% ahead of 1961. Consumer Products Div. gen. sales & mktg. mgr. Charles H. Hakimian said Philco will spend 400% more for national TV in 1962's 2nd half than it did in same 1961 period; some 250% more for local newspaper ads; 50% more for promotion programs. Total ad campaign, which embraces full pages in *Life*, *Look* & *SatEvePost*, will produce more than one billion reader & viewer impressions of Philco products, he said. TV specials include sponsorship of "Miss America" pageant Sept. 8 & premiere of Johnny Carson's *Tonight* show Oct. 8.

**Japanese electronics exports** to U.S. totaled \$119,878,000 in 1961, 28% higher than 1960's \$94,013,000, Commerce Dept.'s Business & Defense Services Administration reports. Radio receivers valued at \$74,638,000 accounted for 62% of exports to U.S., down substantially from 1960's 74%. TV shipments amounted to 23,000 valued at \$1,721,000, compared with 10,000 worth \$507,000 in 1960. Other sizeable increases from 1960 to 1961 were in sound recorders and reproducers, \$6,068,000 to \$15,554,000; electronic components, \$3,545,000 to \$5,871,000; radio-phonos, \$1,252,000 to \$2,698,000, and capacitors, \$972,000 to \$1,812,000.

**Factory transistor sales** in April continued familiar pattern: up in units, down in dollar volume compared with year-ago month. April sales totaled 19,621,048 units valued at \$25,097,960 vs. 15,072,064 units at \$27,388,278 in April 1961. Cumulative pattern was similarly up & down. Jan.-April sales showed 80,031,959 units at \$98,911,135, compared with 55,655,696 units at \$105,858,361 in 1961's first 4 months. Here are EIA's official figures.

	1962		1961	
	Units	Dollars	Units	Dollars
January ..	17,238,376	\$21,459,598	12,183,931	\$22,955,167
February ..	20,239,880	24,151,155	13,270,428	25,699,625
March .....	22,932,655	28,202,422	15,129,273	29,815,291
April .....	19,621,048	25,097,960	15,072,064	27,388,278
<b>Totals ..</b>	<b>80,031,959</b>	<b>\$98,911,135</b>	<b>55,655,696</b>	<b>\$105,858,361</b>

## Trade Personals

Wendell B. Sell, ex-Marquardt Corp. vp, appointed Packard Bell Electronics group vp, effective July 1 . . . S. Dean Wanlass, ex-Packard Bell group vp, named a Philco vp & gen. mgr. of Computer Div.

Theodore A. Flynn named Packard Bell Sales Corp. sales vp, a new post, and sales dir. of Home Products Div. . . . John H. Ihrig, onetime Webcor exec. vp, has resigned as a dir. . . . Dr. Richard C. Sitrine named Sylvania Semiconductor Div. integrated circuit dept. mgr.

Leon A. Wortman, ex-Fisher Radio (Vol. 2:22 p11) & RCA, appointed commercial electronic products sales mgr., Sylvania Home Electronics, headquartering in N.Y.

Hubert Larson named Trav-Ler Radio sales dept. vp; D. J. Cameron, production vp; Richard Strand, purchasing vp; Ralph Hanna, vp-gen. mgr., Hoosier Cabinet Corp. subsidiary.

William B. Wilfong named buyer for radio, hi-fi & housewares sold through Goodyear Tire & Rubber retail stores, succeeding T. W. Rainsberger, resigned.

J. Philip Reichmann Jr. appointed Motorola special accounts mgr., succeeded as conventions & special projects mgr. by Robert DeNapoli . . . Joseph M. Walsh named pres. of Lear-Siegler's Instrument Div.

Gordon W. Farmer named RCA Tube Div. mgr., Harrison, N.J. plant; Frederick J. Lautenschlaeger, Woodbridge, N.J. plant mgr.

Thomas E. McCarthy appointed GT&E public information mgr., succeeded as Sylvania Electronic Systems PR mgr. by James J. Lanigan who returns to Sylvania after 6 months duty with U.S. Army.

John W. Young, of RCA's Findlay, O. plant, received company's top 1961 employe suggestion award of \$4,900. Total 1961 awards, for 3,754 suggestions: \$142,810.

Fredrick M. Fowkes named Sprague Electric Research Dir.

Leonard C. Truesdell, president of Zenith Sales Corp. who is recognized as bridge expert, has been certified as instructor in Charles Goren bridge system—one of 50 in U.S. "I have no intention of teaching," said Truesdell last week; "it was just the challenge that interested me."

## Obituary

William P. Banning, 82, retired AT&T executive, died June 18 in Christian Sanatorium, Wyckoff, N.J. He was asst. vp from 1927 until retirement in 1944, served at one time as PR mgr. He was author of *WEAF: Commercial Broadcasting Pioneer*, which traced introduction of commercials in radio broadcasting.

U.K. electronics exports to U.S. totaled record \$22.3 million in 1961, up 14% from 1960's \$19.6 million, Commerce Dept. reports. U.S. shipments to U.K., exclusive of classified items, totaled \$23.6 million. Half of British exports were record playing mechanisms, valued at \$10.8 million, 34% higher than year earlier. Shipments to U.S. of phonos and record players, radios & radio-phonos, declined. Tape recorders & reproducers, tape decks, transistors, were up substantially. During 1961, U.K. electronics exports to all countries amounted to \$193.6 million, 19% higher than 1960.

**Officers-&Directors** stock transactions as reported to SEC for May:

Allied Artists. Roger W. Hurlock bought 900, held 30,100.

AB-PT. Jerome B. Golden sold 750, held 681 plus 105 jointly with wife.

Ampex. Phillip L. Gundy bought 750, held 12,927.

Arvin Industries. Robert G. Nau bought 100, held 1,225.

Avnet Electronics. Robert H. Avnet sold 368, held 289,934.

Capital Cities Bcstg. William J. Casey bought 3,200, held 25,198. William S. Lasdon bought 3,200, held 21,925, Frank M. Smith bought 3,434, held 127,222.

Columbia Pictures. Jerome Hyams bought 500, held 5,096. Sol A. Schwartz bought 200, held 200.

Corning Glass. John L. Hanigan sold 400, held 3,925.

Emerson Radio. Harvey Tullo held 4,417, sold 200 as custodian, held 4,384. Abraham Vogel sold 2,200, held 5,727.

Federal Pacific Electric. Thomas M. Cole sold 1,500, held 237,587.

Friendly Frost. Alfred McCoyd bought 1,500, held 13,500.

Magnavox. David W. Martin bought 926, sold 100, held 3,604. Richard A. O'Connor sold 10,700, held 205,401.

P. R. Mallory. J. Taylor Foster sold 380, held 1,001.

Muntz TV. Harold S. Lansing bought 1,000, held 1,000.

National Union Electric. Robert P. Dole bought 300, held 500.

Pacific Industries. George McGrew sold 800, held 227,320.

Pentron Electronics. R. L. Moxley sold 1,674, held 217,600.

RCA. Carroll V. Newsom bought 100, held 200. David Sarnoff bought 26,543, held 50,000.

Raytheon. George Ingram Jr. bought 904, held 2,999. Robert McCormack sold 389, held none.

Rollins Bcstg. John W. Rollins bought 5,000, sold 6,350, held 9,396 plus 3,300 as guardian, sold 5,000 Class B, held 201,000 Class B.

Screen Gems. Alfred Hart bought 850, held 950.

Stanley Warner. Charles F. McKhann sold 100, held 500.

Thompson Ramo Wooldridge. Benjamin W. Chidlaw sold 700, held none. Ralph P. Johnson sold 100, held 11,770.

Trav-Ler Radio. Joe Friedman bought 100, held 297,511.

Warner Bros. Jack L. Warner bought 4,100, held 1,125,060.

Zenith. Robert Adler bought 1,260, held 1,260.

**Distributor Notes:** TelePrompTer has appointed Pacific Audio Sales (1933 South Broadway St., Los Angeles) southern California sales rep for audio products . . . Dee Mahin appointed gen. mgr., Admiral Sales Corp. Detroit Div., succeeding Martin Scully, resigned . . . Harold G. Carlton named Sylvania Home Electronics sales mgr. for Denver district, embracing Col., Utah, Kan., Okla., succeeding Donald Morse, resigned.

**Mergers & acquisitions:** MCA has declared effective its offer to purchase minimum 80% of Decca Records stock (Vol. 2:22 p12), will announce within 30 days plans for disposing of its talent agency. MCA previously said it would divest agency after acquiring Decca.

**MOTOROLA'S INVENTORY WARNING:** "Inventory glut of TV & radio products before year's end" was forecast by Motorola Consumer Products Pres. Edward R. Taylor last week, "if production continues at present level." Warning "production is outstripping sales," Taylor said industry TV sales at distributor level for 1962's first 5 months were up 10.5%—but TV inventories at factory and distributor level jumped 35.5%. Distributor radio sales were ahead 23%, inventories up 30%.

"It behooves all electronics manufacturers to substitute binoculars for rose colored Pollyanna glasses, and to take a hard look at production rates now in terms of what they can expect to sell at a profit the balance of the year," he said. "A mature attitude of production and inventory discipline in the next 90 days can assure us a TV year of over 6 million sets with good quality merchandise for the consumer and with reasonable profit all along chain of distribution."

In radio category, he noted "conditions in portable radios are growing serious with sales up 13.5% while inventory is up 51%." Ratio in clock radios is better with sales up 26.5% and inventory up only 13.2%—but, he said, table radio sales are down 1.8% while inventories are up 15.2%.

**Major breakthrough in hydro-electronics:** Completely new electronic consumer product has been introduced in Japan by Miniman Radio Co.—the diaper-moisture detector. Device resembles cuddly kitten, has loudspeaker in one eye, and is connected by wire to small moisture-sensing device which presumably is inserted somewhere in diaper. Miniman's poetic advertising copy for appliance (described as "Model No. M-48") reads as follows: "Lovely Baby's Diaper Must be Kept Clean! Put it into the diaper, and it will cry 'mew! mew!' instantly when the diaper becomes wet. When 'mew mew' is heard, remove it from the wet diaper and always keep your baby refreshed." To best of our knowledge, the gadget is not being exported to U. S., thereby depriving millions of American babies of refreshment.

Channel Master will import TVs by end of this year, distributors have been told. The maker of antennas & picture tubes, and importer of Sanyo-built radios, demonstrated 3 sample sets (all unpriced) built by Sanyo. They are 8-in. battery-operated transistor portable, 17- & 21-in. AC sets. They'll be made by Sanyo.

Appealing indirectly for TV-battery business, Yardney Electric Corp., N. Y., features portable TV set in current trade ads for its "Silcad" batteries. Caption reads: "Just Putting a Handle on It Doesn't Make It Portable! Putting a Silcad Battery in it . . . Does!" Text of ad is geared to theme: "Create new products . . . improve existing ones!"

Silicon Transistor expects first-half earnings to rise "at least \$110,000, equal to about 22¢ a share," from \$69,000 (13¢) a year earlier, Pres. Robert Ashley reported. For total 1962, he said, "sales should increase about 50% over last year with profit greatly improved over 1961." Last year, Silicon Transistor earned \$36,008 (7¢) on \$1,682,382 sales.

Jerrold Electronics will ask stockholders at June 28 annual meeting to approve reorganization plan which creates new parent organization. The Jerrold Corporation, and 4 subsidiaries: Jerrold Electronics Corp., Harman-Kardon Inc., Technical Appliance Corp., Pilot Radio Corp. Pres. Sidney Harman in annual report said reorganization "will serve & reflect more fully the diversified operations of our company." Report also emphasizes Jerrold's record sales & earnings in 1962 fiscal year ended Feb. 28 (Vol. 2:17 p6). Earnings soared 140% to \$597,234 on a 51% sales rise to \$18 million, compared with fiscal 1961 performance. At close of 1962 fiscal, Jerrold had total current assets of \$11,188,770, including \$1,384,868 cash. Total current liabilities: \$3,980,547.

Aerovox expects 2nd-quarter sales to approximate \$6.3 million, push first-half total to about \$12.6 million—from \$10.9 million in 1961's first half. Pres. W. M. Owen said Jan.-June earnings should climb to at least 20¢ a share from 12¢. For total 1962, Aerovox, barring unforeseen developments he said, should reverse 1961's \$606,568 loss with a profit, produce good sales gain over 1961's \$22.3 million. Aerovox, whose TV-radio products include resistors & capacitors, will forego vacation shutdown at one plant, reduce closings to one week from 2 at 3 others. Owen said vacation shutdowns are curtailed to serve customers who will curtail or forego vacation closings this year. (For latest schedule on vacation shutdowns, see p. 13.)

Allied Radio expects sales & earnings in its 1962 fiscal year ending July 31 to extend sharp improvement of first 9 months (see financial table). Sales increased to \$39.7 million from \$30.8 million in year-earlier period, earnings rose to \$1.1 million from \$824,173. Pres. A. D. Davis forecast total-year sales of \$52 million (vs. \$40.5 million in fiscal 1961) and rise in per-share earnings to about \$1.35 from \$1.04. He said Industrial Div. opened 6 new branch offices in first 3 quarters, increasing total to 10, and has scheduled 6 additional offices for opening by early next year. A new retail store will be opened in South Milwaukee next month, increasing outlets to 8.

Joseph S. Sinclair, pres. of Outlet Co. (WJAR-TV Providence), has gained personal control of 156,000 shares of Outlet common, increasing his holdings to nearly 1/3 of 497,100 shares outstanding. He received the shares on his 40th birthday under provisions of trust established by his grandfather, Col. Joseph Samuels, one of company's founders. Trustees in 1958 sought to sell the stock, but Sinclair successfully fought move in Rhode Island courts.

#### Common Stock Dividends

Corporation	Period	Amt.	Payable	
IBM	Q	\$0.75	Sept. 10	Aug.
Motorola	Q	.25	July 13	June 29
Transcontinent TV	Q	.12½	Aug. 15	July 31

#### NEW AM-FM RADIO DIRECTORY

Due off presses shortly, *Television Digest's* authoritative annual directory—listing all U.S. & other North American stations & applications by state & city, frequency, call letters—goes to full TV-AM-FM subscribers. Copies available separately at \$7.50.