

# WEEKLY **Television Digest**

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

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New Series Vol. 2, Numbers 1 through 53

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# Television Digest

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

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### Broadcast

**CONGRESS' LOADED BROADCAST AGENDA** includes network regulation, deintermixture, all-channel-sets, space communications, political equal time, program ratings (p. 1).

**ANALYZING 'PUBLIC INTEREST':** FCC Comr. Ford & NAB vp Bell tell Speech Assn. how Congress, FCC, courts & industry put meaning into phrase (p. 1).

**DR. DU MONT ON TV:** Urges establishment of govt.-subsidized cultural network, takes dim view of move to uhf (p. 2).

**SEX UP, VIOLENCE DOWN—SWEZEY** reports for NAB in roundup of TV & Radio Code activities of 1961 (p. 3).

### Consumer Electronics

**'PERSONAL PORTABLE' TV** due this year, as manufacturers think in terms of 8-, 10-, 14-, & 16-in. One set maker schedules 8-in. output (p. 6).

**'GIANT EAGLE' FLIES TAPE-PLAN COOP:** 33-store Pittsburgh-area chain drops promotion because of small volume & increasing customer resentment; ESD slates Jan. 14 mass meeting, seeks labor's help in combating tape plans (p. 6).

**THAT \$140 PORTABLE** creates storm, with charges of "downgrading." Motorola circuit based on new low-power picture tube, entirely new complement of 14 new receiving tubes (p. 7).

**PHILCO ON AIR** again, under Ford aegis, returning to network TV in expanded ad campaign. Consumer electronics ad bill to run \$2-3 million in 12 weeks (p. 8).

**YES, WE HAVE NO PREDICTIONS.** Industry's poor forecasting record decides us to forego crystal ball this year (p. 8).

**1962 WILL BE GOOD YEAR,** say Motorola, Westinghouse, Packard Bell and Admiral; they forecast rise in sales, stronger national economy (p. 10).

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**CONGRESS' LOADED BROADCAST AGENDA:** When Congress returns Jan. 10, both Senate & House Commerce Committees will have hot hopper full of TV-radio items. Session shapes up as one of most important to broadcasting industry in years. Here's quick rundown of more important subjects:

(1) Network regulation. Bill was introduced at request of FCC. It's expected Sen. Pastore (D-R.I.) will start hearings soon after Commission completes network programming hearing which starts Jan. 22.

(2) Deintermixture and all-channel-set legislation. In-fighting on these will be rough. Many Congressmen have spoken out against deintermixture, some offering all-channel bills as alternative methods of fostering uhf. One critical question: How much effort will set makers put into fighting all-channel measures?

(3) Space communciations. Congress has been waiting for govt. agencies to come up with final recommendations.

(4) Political equal time. Several bills would lift equal-time requirement in campaigns—some for President & Vice President only, some adding congressional & gubernatorial campaigns. Congress will have aid of a report, probably in April, from special Presidential committee studying campaign expenditures under Prof. Alexander Heard, North Carolina U.

(5) Program ratings. Both Senate & House want to know more (Vol. 1:14 pl). Senate Commerce Committee 2 years ago turned over to FTC the results of its ratings investigations. FTC has been working on subject, will be called on for report.

**ANALYZING 'PUBLIC INTEREST':** "How the broadcaster serves the public interest is his business. Whether he does it is our business." So stated FCC Comr. Fred Ford in discussion, before Speech Assn. of America meeting in N.Y. last week, on question: "What is Broadcasting in the Public Interest?" NAB industry affairs vp Howard Bell represented broadcasting.

Communications Act's phrase requiring FCC to see that stations operate in the "public interest, convenience & necessity," Ford said, is what has allowed the "orderly development of broadcasting." He stated that courts & FCC have given phrase "flesh & bones" in many decisions over the years and that "FCC's definitions are now fairly well accepted." About 25-30 criteria have been developed by FCC to indicate what it considers in public interest, Ford said, acknowledging that some seem contradictory, "bringing confusion."

Commission's programming policy statement (Special Report, Aug. 1, 1960), Ford said, was best summary of stations' obligations yet offered by Commission: "It's the most important paper FCC issued in many years." He quoted from it at length, emphasizing FCC's view that broadcasters' duty is to seek out their communities' broadcast needs and Commission's job is to see that they do so—but not to tell stations how to meet such needs.

There are limitations on FCC's powers to push its "public interest" measures, Ford said: "It's not quite a carte blanche. It's not open ended." He said that Commission is constantly limited by legislation such as Administrative Procedures Act and by court decisions.

Ford predicted substantial programming improvement within next 4-5 years. "We have already seen improvement in TV," he said, "and I think it will soon be reflected in radio."

NAB's Howard Bell asserted that program improvement must come through industry self-regulation, said that NAB has done much to foster such development within last year. He agreed that stations have job of judging public's needs, stated that broadcasters would be justified in claiming "censorship" if Commission were to foist its judgment on stations.

Bell said that broadcasters are particularly able to judge public reaction to their product because approval or disapproval "can be registered instantly by a simple turn of the dial." He said industry accepts criticism but also wishes to hear "what is liked as well as what is not." He noted that Radio Code subscribers have increased 30% in a year—despite stiffening of Code—termed the increase "further evidence of the broadcasters' awareness of the responsibilities & obligations which go hand in hand with our freedom and our opportunity for service."

Bell also pointed up potential for broadcast editorializing: "A new voice has been added in our country, and with only 1,800 daily newspapers in America as opposed to more than 4,500 AM-FM & 550 TV stations, the broadcast editorial is frequently the only other voice & the only outlet for all sides of controversial issues."

NAB-FCC informal program-form conference (Vol. 1:4 p3), Bell said, was one of most important developments to date. He hoped for more such meetings, on other subjects, predicted they'd also be fruitful. He said industry has no objection to giving FCC programming information but is concerned lest Commission seek to impose its own program preferences on industry.

**DR. DU MONT SPEAKS OUT ON TV:** "There's room for a 4th TV network today. But it should be a cultural network, govt. supported but with safeguards against political control. This could be a constructive force for world peace. A 4th commercial network could exist profitably, given equal opportunity—but I see no need for it. In fact it's entirely possible that networks as we know them today have outlived their usefulness in TV, just as they did in radio."

These are the views of Dr. Allen B. Du Mont, the famed pioneer of pioneers in TV. Builder & operator of the first regularly scheduled sight-&-sound station in the late 1920s, operator of the first commercial TV network, first to produce & sell all electronic TV receivers, first to offer full line of TV sets after World War II, Dr. Du Mont continues to be active in directing the company he founded. It's now the Allen B. Du Mont Labs Divisions of Fairchild Camera & Instrument, specializing in special-purpose tubes, 2-way radio & test equipment, closed-circuit TV—and Dr. Du Mont's post is officially "senior technical adviser."

Although his company is now removed from TV (except industrial & military types), he still maintains active—even paternal—interest in the medium to which he contributed so much. He devotes about 50% of his time to his 2nd love—boating. He's one-third owner of Wheeler Yacht Co., Pacent Point, N.Y. boat-builder, and this year again won the Eastern predicted log racing championship in his 54-ft. Hurricane III. He has just completed an article on electronic navigation systems for private craft, which is scheduled to appear soon in Esquire.

He gave us his ideas on TV as we visited him recently in his office at the Du Mont plant in Clifton, N.J. Having traveled extensively and spent considerable time in England, he's still keen on idea of a BBC-

like govt.-supported TV network—a plan he first proposed in an address last June to AIEE's summer meeting (Vol. 17:26 p5). "The govt. is spending billions subsidizing the airlines, ship lines, farmers. Why not spend a small fraction of that for culture? How can we think in terms of peace when 75% of the TV programming features violence? As a nation, we must change our way of thinking—we can no longer afford to think in terms of violence."

As to interconnected networks as they exist today, Dr. Du Mont sees little need for them. "How many programs do you get live any more? Networks in the traditional sense may no longer be needed. The only need for live coverage is now sports & news—and this could be handled by some sort of mutual deal." Dr. Du Mont's current opinions on other subjects:

Allocations: One of the first proponents of non-intermixture of vhf & uhf channels when he was in the thick of the FCC allocation battles, Dr. Du Mont feels that uhf events have borne out his predictions that v & u can't coexist in same cities. How about deintermixture now? "When I first proposed it, and when we spent \$300,000 to develop a complete allocation plan, there were very few stations on the air and there would have been little hardship for anyone. Now there are too many stations, too many receivers in use to have a major shift without extreme hardship." As to a switch to all-uhf, "that would be a dirty trick on the American public—it would cost them billions in obsoleted equipment and they wouldn't get anything better."

An ideal allocation plan, Dr. Du Mont feels, would be one similar to the Du Mont proposal of many years ago—a contiguous band of vhf channels. A similar proposal was made recently by Motorola Pres. Robert Galvin (Vol. 1:12). However, Dr. Du Mont feels this is no longer practical. As to uhf frequencies now lying fallow, "I'm surprised that the military haven't moved into them by now." Summing up—"it's my personal feeling that it isn't additional stations we need, but good programs on existing stations."

FCC's N.Y. uhf test: "A waste of money. It will supply no new information, nothing we don't already know. We had a uhf transmitter in N.Y. for years, on our building at 515 Madison Ave."

Color TV: Dr. Du Mont, whose voice in 1953 was only one to insist color boom was long way off, still expects it to come along relatively slowly. "I don't see a spectacular rise. The present receiver is capable of a good picture, but for really big volume sales, the price has to be closer to black-&-white. I don't see how anybody can do much better now than with the present system. A new invention is still needed." As to the Lawrence color tube, which Du Mont Labs developed for Paramount: "They need some big manufacturer to push it if they want to get anywhere. Who's going to want to invest the millions needed?"

TV screen sizes: A pioneer in big-screen direct-view TV (Du Mont was selling 12- & 20-in. sets when others offered 10-in.), Dr. Du Mont thinks trend to larger screens has stopped. "The 23-in. is a good, happy solution for 95% of American homes."

**SEX UP, VIOLENCE DOWN—SWEZEY**: "Improper portrayals of sex" on TV have shown slight increase while violence-for-violence-sake has been in regular decline, according to NAB in review of year's Code work.

Code Authority Dir. Robert D. Swezey said his office is giving sex angle same concentrated attention that helped curb violence, again called for "cooperation & understanding" from sponsors, advertisers, program suppliers, public. Swezey & TV Code Review Board Chmn. E. K. Hartenbower, KCMO-TV Kansas City, also noted these 1961 highlights:

(1) Cut in prime-time commercials and other non-program material via Code amendment. (2) New toy-commercial guidelines. (3) "Relatively low volume" of complaints received at Code offices, most aimed at program content, not commercials. (4) Slight increase, from 383 to 389, of station Code subscribers, film subscribers remaining at 22.

NAB noted with pleasure Radio Code subscribers increased from 1,115 to 1,469 during year, rounded up 1961's major developments:

(1) Tighter limits on commercial time. (2) Ban on advertising of "intimately personal products" and feminine-hygiene items. (3) Reaffirmation of hard-liquor ban. (4) Establishment of continuing subcommittee on product & copy acceptability. (5) Standard Rate & Data Service began publishing Code text and identifying Code subscribers. (6) Established liaison with Better Business Bureau and American Assn. of Advertising Agencies. (7) Station Representatives Assn. offered support.

## CURRENT CAPSULES

"Substantive rules" governing monopolistic practices would be more effective & more economical than current FTC case-by-case considerations, according to Comr. Everette MacIntyre. Advantages of such rules, he told American Marketing Assn. in N.Y. last week: (1) More equitable treatment among competitors. (2) "Extremely strong deterrent effect upon the members of the industry." (3) "Subsequent quasi-judicial proceedings against recalcitrant members of the industry would be immensely simplified because these proceedings would involve only the factual issue of whether the rule book had been violated." Such rule-making, he said, "involves an analysis of all relevant aspects of a problem rather than dealing only with symptoms."

Former FTC Chmn. Earl Kintner, now in private practice, warned same group that drive for more control of advertising in govt. circles may "result in controls far more extensive than necessary."

One of strongest defenses of advertising at AMA meeting came from William Tyler, Benton & Bowles exec. vp and co-chmn. of Joint Committee for the Improvement of Advertising Content: "Let's face up to the fact that frank & honest materialism is not a weakness; it is a symptom of strength. So if advertising reflects us as vulgarly virile, let's not blame advertising. Let's change it, but not blame it. Because the mirror does not lie. And let's accept it as a lusty fact of life, not necessarily admirable, but nothing to wring your hands about, either."

New chapter in FTC history opened last week when Chmn. Paul Rand Dixon called to order first session of an open Congressional-hearing-type inquiry into merger activities of St. Regis Paper Co. Agency hopes move will clear some of stumbling blocks it has encountered in unsuccessful 5-year-old attempt to learn if company's acquisition of several small paper companies violated Clayton Act. FTC veterans believe this is first time in FTC history that the 5-man commission itself has conducted an open hearing, including cross-examination of witnesses and examination of documents & testimony.

FTC's hand was strengthened by recent Supreme Court decision that agency had right to subpoena confidential reports prepared by St. Regis for Census Bureau, along with other data on merger agreements and profit & loss statements. Under new procedure, company lawyers will be held under tight rein and allowed only to advise clients during testimony. At opening session, Chmn. Dixon & a St. Regis attorney clashed, lawyer nearly being expelled from room. It's understood Commission plans to hold other hearings in same pattern, involving not only companies but entire industries.

As did the famed "Madow Report" for Rep. Harris' (D-Ark.) Commerce Committee (Vol. 1:14 pl), group of industry's key research men last week agreed that program rating services do a generally good job. Abuses arise, they said, when organizations (usually smaller firms with few research facilities) rely too exclusively on mere rating numbers.

Forum was session of American Statistical Assn. in N.Y., where representatives of most major rating services gave brief presentations, followed by discussion by: Dr. Andrew Stevenson, advisor to Harris Committee; Raymond Jessen, CEIR, member of Madow committee; Thomas Coffin, NBC; Jay Eliasberg, CBS; Bud Sherak, Kenyon & Eckhardt; Hyman Goldin, FCC. Among points made:

(1) Industry needs more education on ratings. (2) More research on radio is required—but who will pay for it? (3) More work is needed to determine actual effects of advertising on consumers.

Deintermixture of Columbia, S.C., in which FCC proposes to delete WIS-TV's Ch. 10, may develop new twist this week. Commission is considering assigning Ch. 10 to Augusta, Ga.

Compatible single sideband transmission for AM, sought in rule-making by Kahn Research, comes up for FCC action shortly, possibly this week. Turndown is likely, Commission engineers being skeptical of advantages claimed.

FCC Chmn. Newton Minow, selected "newsmaker of the year" in entertainment field by AP, had this reaction: "Well, that's show business. Oops, I mean show biz." AP annually polls news editors of AP stations & newspapers for "newsmakers" in 10 categories. It reported Minow

"won narrowly" over Jack Paar. Minow speaks next, on uhf, at National Press Club luncheon in Washington Jan. 11, then Jan. 24 before National Religious Bcstrs. luncheon, Mayflower Hotel, Washington. He hasn't yet selected subject of speech,

## Personals

Howard K. Smith, who resigned as CBS chief Washington correspondent in dispute over personal editorializing (Vol. 1:8 p5), joins ABC-TV to present weekly Wed. 7:30-8 p.m. news analysis starting Feb. 14. For sponsor Nationwide Insurance, Pres. Murray D. Lincoln said that "for some time we've been concerned about the public's increased need for information—not merely accurate reporting of the news, and not merely for a superficial commentary on the news, but for a sustained analysis of the crucial issues in the news from which responsible judgments can be formed." James C. Hagerty, ABC News vp, said Smith will have complete editorial freedom.

Philip D. Reed, retired GE chmn., named to board of National Educational TV & Radio Center . . . John F. Hurlbut resigns as promotion & PR mgr., WFBM-TV & WFBM Indianapolis, to manage his radio WVMC Carmel, Ill.

Jack Denninger resigns as Blair-TV vp to form own company in financial rather than broadcasting field . . . Richard Gerken resigns as eastern sales mgr. of Metropolitan Bcstg. national sales to rejoin Blair-TV's N.Y. sales staff.

Lawrence D. Huntsman, ex-D.C. asst. corporation counsel, and Edward S. O'Neill, formerly with Govt. Employees Insurance Co., join Washington law firm of Welch, Mott & Morgan.

Glenn R. Dolberg, BMI station relations vp, retires, succeeded by Justin Bradshaw, promoted to station relations dir. . . . C. Phyll Horne, formerly consulting engineer with Washington firm of James C. McNary, named engineering asst. to Comr. Hyde.

Ronald A. Murphy resigns as pres. & gen. counsel of Washington State Assn. of Bcstrs. to devote more time to private law practice. Chmn. W. W. Warren will assume presidency for remainder of term; James A. Murphy, from Seattle law firm of Ogden & Ogden, named vp & gen. counsel.

R. David Borah, ex-CBS Films research supervisor, named asst. to business mgr., CBS-TV Stations National Sales . . . Joseph T. Conway, Storer Bcstg. ex-national sales mgr., promoted to gen. mgr. of radio WIBG Philadelphia, replacing John C. Moler, now gen. mgr. of radio WMGM N.Y.

## Obituary

Frederick E. Meinholtz, 71, N.Y. Times communications system dir. since 1931 and short-wave news broadcasting pioneer, died Dec. 23 at Terrace Heights (N.Y.) hospital after a long illness. He is survived by his wife, 2 sons, daughter.

Corporate Public Relations Inc., 520 N. Michigan Ave., Chicago, has been formed by principals of ad agency Roche, Rickerd & Cleary and Robert W. Balcom, ex-PR dir., American Home Laundry Mfrs. Assn. Balcom is pres.; chmn. is James L. Proebsting, chmn. of the ad agency; secy.-treas. is Clyde Anderson.

WILX-TV Lansing names Young-TV rep. Donrey group names Venard, Rintoul & McConnell for KOLO-TV Reno, KLRJ-TV Las Vegas, KFSA-TV Ft. Smith, KFOY-TV, Hot Springs, KGNS-TV, Laredo.

Music spoiler, to foil home taping of broadcasts, was tested recently by radio KTOD Sinton, Tex., near Corpus Christi, caused apprehension among tape-recorder makers who look for expanding market, particularly as stereocasting grows. Station sent FCC wire reporting it had tried method—which puts unwanted tone on tape but is inaudible on broadcasts—only once, and after midnight, during period Commission allows experimentation. It said it wouldn't do it again, was planning to file petition for rule-making. FCC staff member told us he doubts that such experimenting is permissible without special authority—but he saw no reason to worry about it, now that station said it won't continue and will file petition. Recorder makers report they'd have no trouble devising filter to cut the interference. Prognosis: FCC most unlikely to allow practice.

New show launched Dec. 23 by WCBS N.Y., polling man-in-the-street opinions on TV (Vol. 1:15 p5), came in for some sharp criticism itself by N.Y. Times TV critic Jack Gould in Dec. 25 column. He applauded idea, brain-child of WCBS-TV gen. mgr. Frank Shakespeare, but added "his premiere show tended to leave the impression that his word usually would be the last and that the broadcasters had something of an option on omnipotence." Stating that TV stations tend to oversimplify major controversial issues, columnist declared: "If the heated debate over serving majority and minority tastes was as simple as Mr. Shakespeare made it seem . . . network lawyers and professional TV critics long ago would have been united in unemployment."

NAB Pres. LeRoy Collins, in Jan. TV Guide, reiterates his "self-regulation" & "self-improvement" themes, rejects "more governmental controls," urges viewers to give broadcasters their programming likes & dislikes. He also describes plans for an "NAB Research & Training Center" and projects for it: (1) Rating reliability. (2) Effects of commercials on audience. (3) How broadcasters can better know their communities. (4) Proper broadcast coverage of judicial & other public proceedings. (5) Effects of programming violence on children. (6) How TV-radio can contribute to elimination of juvenile delinquency.

Assignment of a vhf channel to N.J. for commercial use will get "my fullest attention," FCC Chmn. Minow assured Sen. Case (R-N.J.), who had written about his concern, now that educators have bought WNTA-TV (Ch. 13). One FCC engineer said that a vhf drop-in would have "radically restricted coverage" because of nearby occupancy of all vhf channels. Or, he joked: "Maybe 5 of the 6 New York commercial stations could get together and buy out the 6th and give it to New Jersey."

Purchase of KOGO-TV San Diego by Time-Life Broadcast Inc. for \$6,125,000 (including AM & FM) was announced officially last week. Principal stockholders of sellers are Newsweek Inc., owned by Washington Post, and investment firm of Fox, Wells & Rogers. Time-Life TV-radio chief Weston Pullen said that William Goetze will continue as gen. mgr. Transaction gives Time-Life full complement of 5 vhf's. Blackburn & Co. was broker.

KUAL-TV (Ch. 41) San Antonio's Spanish language station, has been purchased for \$200,000 from Raoul A. Cortez Sr. by Spanish International Bcstg. Corp., 20% owned by Cortez. Other stockholders: Frank Fouce, Los Angeles; Edward J. Noble, Mexico City; Emilio Azcarraga, Mexico City, 20% each; Reynold V. Anselmo, San Antonio, 15%; Julian M. Kaufman, San Diego, 5%.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**FOR 1962—'PERSONAL PORTABLE' TV:** Manufacturers are "thinking small" for 1962. Their thinking is running along 8-in., 10-in., 14-in. and 16-in. lines. One American set maker—appropriately, a small one—is now finalizing design of 8-in. "personal portable" TV (not transistorized) for introduction late this year.

Sales logic of decreasing size runs like this: We need something to supplement our TV lines, a set that's really portable. Let's offer public a new size which fills a need quite different from the 19-in., something that can lead to a TV in every room. Just as color TV is a new product at high end of line, compact small-screen set can offer something entirely new—and additional—at low end.

Public's reaction to Sony 8-in. battery set—"it's cute but too expensive"—is factor in industry thinking. Delmonico's new Japan-made 8-in. power-cord set, which is actually being sold in N.Y. at \$10 over its list price of \$119.95 (Vol. 1:15 p7) is another factor.

Desire to head off imports of Japanese TV may enter into considerations. Japanese succeeded in transistor radio field by supplying a product—pocket radio—which was not made in U.S. at all. Now it appears there may be Japanese push in another field not supplied by U.S. manufacturers—personal portable TV. Some American set makers want to fill this need before foreigners do.

Most U.S. set makers aren't thinking of battery-operated sets, but "cute" and portable conventional sets which will operate from household power. For this purpose, one very short 8-in. tube will soon be available, with 110-degree deflection and flat faceplate. It's hybrid variation of 110-degree neck of an industrial CR tube now in wide use, cross-bred with faceplate of old 8-in. TV picture tube once used by RCA and others.

Also available is Corning's new lightweight 16-in. bonded bulb, which has already been sampled to industry (Vol. 1:3 p5). At least 2 major manufacturers are known to be more than casually interested in this size. And even 10- & 14-in. tubes are getting renewed attention.

Don't expect to see any of these desk-sized TVs early this year. But there are preparations for "cute" sets which could meet a late-1962 target.

**'GIANT EAGLE' CHAIN FLIES TAPE-PLAN COOP:** First major defection from ranks of tape-plan participants came in Pittsburgh last week when Giant Eagle Food Markets pulled promotion from its 33 stores in 3-county area after 6-week run. "We just weren't selling enough TVs & appliances to justify the promotion," vp Saul Shapiro told us. He said tape plan sputtered at outset, fizzled in recent weeks.

Giant Eagle operated tape-plan competitive with Philco's "Instant Dividend," offered GE & Emerson TVs, Kelvinator appliances. Shapiro also told us that decision to withdraw was prompted in part by growing resentment among customers not participating in tape plan. "The increased buying volume produced by the tape plan certainly wasn't sufficient to warrant our continuation, especially in view of the adverse reaction we were getting from our other customers," he said. Giant Eagle announced its withdrawal in newspaper ads, assured participants in tape plan that it would continue to honor its obligations to them. Noted ad in part: "We goofed! We jumped into the Giant Bonus Plan because we thought there was an overwhelming demand for an appliance tape plan. We were wrong. Demand has been so low that we have decided to drop the plan."



"We've got tape plans slowed to a trickle here in Pittsburgh, and our aim now is to stop it on a national scale." So we were told last week by Joseph S. Doyle, secretary of Electronic Service Dealers Assn. of W. Pa. ESD has slated a Jan. 14 mass meeting in Pittsburgh "of merchants affected by this ID plan," is inviting local Congressmen, labor leaders, Better Business Bureau, to attend to seek their "support in driving out the plan

from this area and to assist the small independent merchants to maintain their business and to continue to employ sales & service personnel." Among invitees is United Steelworkers of America Pres. David J. McDonald.

"Labor has a major stake in these tape-register plans," Doyle told us. "It's taking jobs away, it's tying working people to long-term contracts, it's costing them more for food." He told us that department stores affected by tape-plan competition have been laying off salaried & commission clerks and outside salesmen. "Here in Pittsburgh," he said, "we know that 3 department stores have cut their force by 33%."

**THAT \$140 PORTABLE AND ITS IMPACT:** Hot industry controversy has developed over Motorola's introduction of new 19-in. portable at \$139.88 (Vol. 1:14-15)—\$20 to \$30 below recognized starting lists for big-name brand sets—as might be expected. Most competitive manufacturers were frankly caught off guard, and there was sharp criticism from many industry sources.

Influence of Motorola move was felt immediately, when Admiral adopted \$139.95 price for its low-end portable. Other manufacturers are expected to start chipping away at portable prices in next few weeks—though few can profitably cut them enough to hit \$140 figure.

Motorola says new set carries "good profit for dealer, distributor and manufacturer." Then what's the secret, if any?

We saw Motorola's \$140 "Tartan" set last week at showing by N.Y.'s Knickerbocker Distributing Corp.—and, although full technical information isn't yet available, perusal of set confirms claim that this is indeed a completely new receiver. Manufacturer presumably has incorporated new features which cut costs sharply and are claimed not to hurt performance. Set uses a low-drive picture tube, which cuts down on 2nd-grid power requirements. It has 14 receiving tubes—almost all of them brand-new types, including 4 frame-grid tubes. Cabinet is plastic, with built-in handle & monopole antenna. Set is transformerless, has series-string filaments, polarized power plug. It carries same full-year parts warranty as other Motorola TVs.

It's reasonable to believe there will be other versions of low-power-level set introduced this year—if, as Motorola maintains, such a set performs well and can supply normal profit margins.

Motorola is already preparing ad campaign which will pitch new portable as auxiliary set for the home—keyed to theme, "Is One TV Set Enough for Your Family?"

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Much of rest of industry was openly angered at Motorola's move. Zenith's Leonard Truesdell, for example, is already on record as deploring the action as "downgrading" and indicating that Zenith has no intention of trying to meet this price.

"We're talking about meeting the price," said Olympic Pres. Morris Sobin, however. "We haven't made a decision yet, but we can't see any way to produce a good portable at this price. If we can't meet the competition any other way, we may be forced to import from Japan. Our decision will be based on economics." (Motorola set is U.S.-made.)

RCA Sales Corp. merchandising vp Raymond W. Saxon had this comment: "We believe our current portable TV sets represent excellent value at today's retail guide prices which provide adequate profit margins for our dealers & distributors . . . Our distributors have the flexibility to develop their own promotional plans in keeping with local market conditions."

In another low-priced set category, Muntz is now field-testing its 19-in. \$99 set, first reported last summer in these pages (Vol. 17:32 p18). It's a metropolitan-area set, uses 8 GE Compactron tubes. Following introduction of this set, Muntz is considering offering a build-it-yourself kit for hobbyists, featuring some circuits.

Motorola reacted sharply to what it called "competitive static" about its \$140 set. It said it was being knocked because industry couldn't match the receiver whose "engineering innovations will become a new standard for the industry." Motorola pointed out that it was "still the only TV maker with full-year TV parts warranty across the board, including the \$139.88 set." Added the spokesman: "While some of our competitors are now Monday-morning quarterbacking our latest move, our plant is working around the clock filling January-February orders" (for more on orders, see p. 10).

Is Motorola downgrading its product? "No," says the company—"merely rounding out our TV line." Wait for the Chicago Mart, says Motorola—and see what we show in furniture innovations. Company will demonstrate 12 new custom-built furniture pieces by Heritage & Drexel, designed to accommodate TV and/or

stereo—similar to Westinghouse's "Curio Chest" collection. Due to be included are such items as secretary-desk housing stereo & AM-FM, wall-hanging early American TV cabinet, stereo coffee table, TV serving-cart with doors, etc.

Between the ID plan and the \$140 portable, meanwhile, there'll be plenty to talk about at next week's Chicago Mart.

**REVITALIZED PHILCO RETURNS TO TV ADS:** Strong evidence that Ford really plans strong attempt to push Philco consumer products over the top is contained in new Philco ad campaign for 1962.

Ford's hand shows up starkly in the ad planning—particularly in heavy use of TV. It has become almost axiomatic that auto manufacturers have great faith in TV's ability to sell goods, while many TV manufacturers prefer to use all other media almost to exclusion of the medium which provides their bread-&-butter.

Philco becomes 2nd TV maker to return to network TV in recent months—first being Motorola (Vol. 1:5 p8)—and under guiding hand of Ford it has bought into 10 high-rated evening network shows on ABC-TV & NBC-TV for average of 3 shows a week for first 3 months of campaign, beginning in mid-January. Increases will also be made in national magazine advertising, with greater co-op equity to distributors & dealers for local advertising.

Consumer electronics will be emphasized for first 12-week period—with ad spending due to come to \$2-3 million during that time alone.

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Philco dropped in 11 basic TV models last week—including its first 23-in. table—and also dropped out of 17-in. business. New TVs are now in production, will be available shortly. Drop-ins comprise 3 19-in. transformer-powered compacts (starting at \$179.95; 2 on open list); 23-in. table (\$199.95) 7 23-in. consoles (starting at \$219.95, majority on open list.). All consoles use 92-degree bonded picture tube, excepting Model 4843 which uses 110-degree type. This model is designated "Miss State" set, will be used promotionally at each state & territorial competition for "Miss America" representative. Each winner will be awarded that set. Other promotion plans by Philco include "90 Deals in 90 Days" incentive for distributor salesmen. Contest will award Ford Falcon to each salesman who closes that many sales in first quarter.

**YES, WE HAVE NO PREDICTIONS:** For such an unpredictable industry, an amazing number of predictions fly around this time of year. Unfortunately, the TV industry has poor track record on its year-end prognostications.

We took a look at the record and decided to forego our usual canvass of the industry, in which we habitually put leaders on the spot. We will, of course, report any voluntary limb-climbing which comes our way (see p. 10), as well as the consensus of industry forecasts as compiled by EIA. We print them, however, with this warning:

Economists, computers and gypsy tea-leaf readers to the contrary, the consumer is an independent & unpredictable cuss. Nobody has yet come up with system to forecast what he'll spend his money for—or whether he'll keep his hands in his pockets. Nobody can predict the precarious course of world affairs.

Proof of the pudding can be found in industry predictions as reported in these pages over the last 12 years. For auld lang syne, let's turn back the pages of time and see how industry's year-end prognostications stacked up against stark reality 12 months later:

Although 1950 was TV's first big year, nobody dreamed how big it really would be. Averaging out industry forecasts, New Year's consensus was that TV production & sales would total 3.5-4 million units. Not one forecaster dreamed that production would total 7.5 million, distributor sales 7.1 million.

Having set the pattern for erratic forecasting, industry leaders continued in the groove. They came somewhat closer in 1951, when nearly all guesses of TV output ranged between 4 & 5 million units. When EIA's final 1951 count came in, it was 5.4 million.

In 1952, consensus of production estimates was 4.5 million, while actual figure turned out to be above 6.1 million. For 1953, industry's production guesstimate fell short again—6.5 million vs. an actual 7.2 million (although public only bought 6.4 million of them).

After 1953, we began asking industry to estimate sales instead of production, because of the sudden realization that public wouldn't necessarily buy every set industry would make. Everybody was nice & con-

servative, making guesses that retail sales would total about 5.5 million—not reckoning that popularity of the portable would push over-the-counter sales to 7.3 million.

And so it went. In 1955 predictions ranged from 6 to 6.3 million—and retail sales set all-time record of 7.4 million. In 1956, predictions were 7-7.5 million, but fickle public bought only 6.8 million. Forecasters were still overshooting mark in 1957—to tune of an even 7 million sets, but retail sales totaled 6.6 million. Retail sales consensus for disastrous 1958 was 6.5-6.8 million, while final figure came to a mere 5.1 million.

For '59, guessing game indicated 6-6.3 million retail sales but actual figure was 5.7 million. Distributor-to-dealer sales predictions for 1960 indicated 6.1 million—but again figure was 5.7 million.

For 1961, it would appear at first glance that year-ahead predictions were on the nose, or close to it. Consensus at beginning of year was that distributor sales would fall short of 6 million—and final sales figures are likely to show about 5.8 million. But if you will remember, at midyear, most industry soothsayers raised their sights to between 6.1 & 6.5 million—to maintain their perfect record of being wrong every time.

So this year-end, we're taking forecasts with grain of salt. We send instead our wishes for a peaceful, happy and prosperous 1962. And maybe about 8 million sets?

## **TOPICS & TRENDS**

Factory sales of electronic tubes & semiconductors in 1962 "will hold to about \$1.4 billion due to continued pressures on prices & increasing foreign competition," EIA Pres. L. Berkeley Davis (GE Electronic Components Div. vp-gen. mgr.) said last week. Forecast is slightly higher than 1961's estimated volume. He said "tubes probably will outsell transistors by about 30%," forecast 1962 semiconductor sales of about \$525 million, tubes \$850 million.

Davis estimated TV picture tube sales of 12 million units (including 1.5 million for export) valued at about \$254 million, compared with 1961 sales of 11.5 million units at \$239.8 million. Of 10.5 million kinescopes to be sold domestically, he sees 6.2 million for new b&w TVs, 300,000 for color sets. "Almost half" b&w sales will be in 19-in. size. Other 1962 forecasts: Receiving tubes—sales by manufacturers "may range as high as \$315 million or as low as \$268 million" depending on foreign competition, compared with \$310 million estimated for 1961. TV camera tubes—market "may decline slightly" from 1961 for studio types, but 20% rise is forecast for pick-up tubes for closed-circuit TV. Transistors—gain in unit sales to 265-to-290 million from 194 million in 1961, but "current unstable price situation makes it almost impossible to predict total industry dollar volume." Semiconductor rectifiers—a 12% sales gain to boost industry volume \$17 million above 1961's estimated \$140 million.

Federal Judge J. Cullen Ganey has terminated 5-year probations imposed last February on 23 officials of companies involved in electrical price-fixing conspiracy (Vol. 17:25 p21). These executives had been involved in "less serious cases," had also received one-month suspended jail sentences. In ending probations, Judge Ganey warned of "far greater punishment than before" if any of defendants were to appear in U.S. District Court on similar charge • Justice Dept. asked U.S. District Court for sweeping order forbidding GE ever to fix prices on any products it makes. Govt. said "GE's proclivity for persistent & frequent involvement in anti-trust violations" in heavy electrical equipment industry necessitates court orders "to prevent occurrence of similar offenses by GE" in its many other product areas.

GT&E's 1961 earning will approach & may top \$1 a share, vs. 1960's \$1.04. Chmn. Donald C. Power estimated for 1961 a decline in manufacturing sales to about \$700 million from \$701 million, a gain in telephone revenues to \$520 million from \$477 million. For 1962, he forecast earnings of \$1.10-\$1.15 a share, a 12% gain in net income from manufacturing operations to more than \$26 million, a 10% gain in net from telephone operations to \$55-\$57 million.

Giannini Scientific Corp., parent of Conrac, plans to acquire net assets of Telechrome Mfg. (and subsidiary Hammarlund Mfg.) in exchange for 180,000 shares of Giannini common stock, valued at nearly \$37 million at last week's market prices. Not included in sale is Telechrome's minority interest in a small electronics firm.

Retail fair-trade policy has been inaugurated for Du Mont sets in greater N.Y.-N.J. area by Emerson.

## 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
Bendix	1961—year to Sept. 30	\$757,999,062	\$48,713,482	\$23,968,664 <sup>1</sup>	\$4.45 <sup>1</sup>	5,389,260
	1960—year to Sept. 30	792,266,614	54,028,270	26,188,471	4.88	5,371,278
NT&T	1961—year to Sept. 26	43,849,109	—	(6,900,000) <sup>2</sup>	—	2,818,063
	1960—year to Sept. 27	46,544,000	—	(3,098,148)	—	2,816,247
National Video	1961—6 mo. to Nov. 30	9,692,000	—	639,000	.52	616,667
	1960—6 mo. to Nov. 30	10,344,000	—	768,000	.62	616,667
Packard Bell See story below.	1961—qtr. to Dec. 31 <sup>3</sup>	12,000,000	—	500,000	.59	840,000
	1960—qtr. to Dec. 31	8,738,350	—	(365,969)	—	813,433
Television Shares Management	1961—year to Oct. 31	2,995,968	1,634,633	804,333	.79	1,018,500
	1960—year to Oct. 31	3,063,643	1,490,848	750,848	.74	1,060,000

Notes: <sup>1</sup>Includes non-recurring net equal to 60¢ a share, principally profit on sale of Elliott-Automation shares. <sup>2</sup>After \$7.7-million writedown

of holdings in NTA. <sup>3</sup>Preliminary.

**REVIEWS & FORECASTS:** Motorola, buoyed by record December sales approaching \$35 million, anticipates that a final tally will show total 1961 sales of just under \$300 million. "We lost some ground in the early recession months," noted Pres. Robert W. Galvin, "but regained most of it from August on." For 1962 he sees "sales in excess of \$300 million and earnings greater" than in 1961.

Consumer Products Div. exec. vp Edward R. Taylor, analyzing December's record volume, noted that distributors' TV orders for Jan.-Feb. ran 153% ahead of a year ago; table radio orders were up 123%, clock radio 173%, stereo products 69%. Among radios, only portables were down from a year ago.

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Westinghouse Pres. Mark W. Cresap Jr. foresees an 8-12% increase in 1962 orders and "a significant increase" in billings if "favorable business conditions materialize." He's confident that they will, said a "potential for substantial improvement in sales of appliances & other consumer products, larger outlays by business for capital equipment, and greater expenditures for defense promise better business in 1962 for the electrical manufacturing industry." However, he cautioned in year-end statement, "the primary challenge to management in 1962 will continue to be the squeeze on earnings exerted by rising costs and unusually low prices."

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Packard Bell Electronics, which suffered its first net loss in fiscal 1961 (Vol. 1:15 p10), produced sales & profit gains in the first quarter of fiscal 1962 (see financial table) and expects sales for the year ending next Sept. 30 to top 1959's record \$46.6 million. Pres.-Chmn. Robert S. Bell would not predict fiscal-1962's profit. He noted that Consumer Products Div. sales are now running more than 40% ahead of a year ago, at an annual sales rate of \$20 million. In the fiscal year ended Sept. 30, sales of consumer products slumped to \$12.5 million from \$16.5 million in fiscal 1960. In the new fiscal quarter, from Oct. 1 through mid-Dec., unit sales of TVs were up 76% over the year-ago period; b&w up 69%, color sales 5 times ahead.

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Admiral Pres. Ross D. Siragusa predicts 1962 sales of some 6.5 million TVs and an over-all 8% gain in sales of TVs, radios and non-laundry appliances over 1961 levels.

He said that Admiral's sales in 1961's final quarter were 25% ahead of 1960's 4th quarter sales of \$42.9 million and higher than 1961's 3rd-quarter \$49.6 million. Siragusa also forecast continuance of sharp growth in sales of stereo radio phonos and stereo home theater combinations, and continuance of annual radio sales of 10-15 million units.

### Trade Personals

Robert L. Shaw elected by Admiral Sales Corp. to new post of vp in charge of distributing branches. Prior to joining Admiral in August 1961 (Vol. 17:34 p15), he had been Du Mont-Emerson exec. vp and previously Sylvania Home Electronics pres. . . . Larry F. Hardy, longtime Philco consumer products & PR executive who retired at year's end (Vol. 1:15 p10), plans to spend some time in California this year, will also take extended European tour in the fall. Hardy, onetime member of the Philadelphia Museum School Board, said also that his future plans may embrace activities in the field of industrial design, primarily among college students.

Bernard G. Tremblay named Federal Pacific Electric vp . . . James McLaughlin appointed Webcor mktg. vp . . . Rual Cogswell Jr., ex-Magnavox, named Estey Electronics gen. operations mgr.

Joel J. Zimmer, Symphonic Electronic purchasing dir., appointed assistant to his father, Pres. Max. J. Zimmer.

Anthony A. DeLisse, electro-mechanical engineering & production operations mgr., and Glenn E. Ronk, mktg. dir., appointed Cornell-Dubilier Electronics vps.

Thomas L. Phillips elected Raytheon exec. vp, filling post vacant since April 1960 . . . William M. O'Hern appointed Lear corporate PR & ad dir., a new post.

### Obituary

Ray H. Manson, 84, retired chmn.-pres. of former Stromberg-Carlson Co., died Dec. 23 in Rochester, N.Y. An industry pioneer, he held more than 100 TV, radio and telephone patents, was 1931 IRE pres., was instrumental in formation of FM Broadcasters Inc. and successor Frequency Modulation Assn. Dr. Manson joined Stromberg-Carlson in 1916 as chief engineer, became vp in 1924, president in 1945. He retired as president in 1949, continued as chairman until 1953. He is survived by a daughter and son, Stanley, military products ad mgr., General Dynamics/Electronics.

# WEEKLY **Television Digest**

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

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**FTC RASPS AT 'SANDPAPER' COMMERCIAL,** unanimously condemning Colgate-Palmolive and Ted Bates for Rapid Shave deception (p. 2).

**TIGHT 'TRAFFICKING' RULES VOTED,** FCC deciding 5-2 to have staff draft final decision following most of Broadcast Bureau's recommendations (p. 3).

**BUILDUP FOR NAB EDITORIAL POW-WOW** March 1-2 underway, Secretary of State Rusk and FCC Chmn. Minow among principal speakers (p. 3).

### **Consumer Electronics**

**10- & 14-IN. IMPORTS** due to follow 8-in., but U.S. manufacturers

may provide stiff competition. Most importers seem satisfied to stay out of TV (p. 6).

**1961 TV PRODUCTION** totaled 6,161,662 sets, 7% higher than 1960. Year's radio output was 2nd highest on record, despite sag in auto radio (p. 6)

**CHICAGO MART** may be making its last TV stand this week, due to defections & lack of new merchandise. More electronics firms seen leaving Mart after this year (p. 7).

**SOMETHING NEW** for '62 to upgrade dollar sales & profits seen in color & FM stereo. Trade virtually unanimous in view that shortage of programming is biggest barrier in both fields (p. 8).

**PHILCO SEES 5% GAIN** in home electronics in 1962. Pres. Charles E. Beck predicts sales of 6.1 million b&w TVs, 250,000 color sets, 12 million radios, 4.6 million phonos; takes firm stand supporting tape-register plan (p. 9).

**WITNESSMANSHIP—AND FCC'S NETWORK HEARING:** Buildup to FCC hearing on network programming processes, in which very top executives will appear before all 7 Commissioners starting Jan. 23, has become extremely intense.

Enormous amount of management manpower is going into preparation. Coverage of sessions, including TV-radio network programs, will be unprecedented. Most of nation, including broadcasters, will for first time see Commissioners at work, on home screens.

To prepare you, we thought it would be useful to draw on our experience of covering FCC hearings—the longest stint of day-to-day Commission reportage in nation—and give you some idea of what to expect.

FCC has asked networks to produce witnesses who know all the answers. ABC-TV is expected to present Pres. Treyz, News vp Hagerty, Gen. Counsel Everett Erlick; CBS—Pres. Stanton, CBS-TV Pres. Aubrey, News Pres. Salant; NBC—Chmn. Sarnoff plus at least 6 others. Additional topkicks will be on hand to produce any specialized information which Commission may want.

None of network chiefs is a slouch as a witness in anyone's book. Most distinctive about them is directness & simplicity of their answers, which, of course, is characteristic of major men in any activity. None is without humor.

Treyz is noted for his enthusiasm, knowledge of detail, and—naturally—salesmanship, even in a govt. hearing.

Sarnoff grew up in atmosphere of broadcasting and awareness of govt. processes & power, has developed into a witness at ease in chair, equipped with broad background in complex network activities.

Stanton is generally acknowledged pro of pros—decades of experience before Commission, almost never at loss for response. (We did see him badly nonplused during a hearing—once. He had illustrated a point by saying something like this: "When you're engaged to a girl, you don't romance another one down

the street." Official stenographers at hearings are traditionally silent & inconspicuous, but the one at this hearing, a girl, suddenly blurted with extreme cynicism about men: "Oh, you don't, don't you?").

Greatest tour de force of testimony before FCC we've ever seen was that of Sarnoff's father, RCA Chmn. David Sarnoff, during color-TV conflict in 1950 (Vol. 6:18), when he was on stand 16 hours in 2 days, until 11 p.m. one day. He almost had everyone sold on his views—including former Comr. Jones, who was extremely hostile.

Atmosphere of Commission hearings is quite different from Congressional probes. Usually, Commissioners are polite & patient in their questioning. Congressmen tend to get snappish, brusque, inclined to use witnesses as badminton birds in political vendettas. Commission counsel running hearings tend to be tougher than Commissioners—maybe because they usually know more detail, can pursue points further. Counsel in this hearing, Ashbrook (Ash) Bryant, knows his subject well. Incidentally, we don't recall that anyone has accused him of terseness.

Such long hearings are at times very technical, dull even to industry. Broadcast newsmen will be particularly on mettle, covering touchy affair featuring their bosses, exercising difficult selectivity judgments.

NBC will offer 3 TV, 3 radio, special Sun. news programs covering hearing: TV 6:30-7 p.m. Jan. 28 and 5-5:30 p.m. Feb. 4 & 11—with radio 9:05-9:30 p.m. same dates. ABC & CBS will have regular news coverage, may also do specials. G. Bennett Larson, whose new "U.S. Hearing Highlights" starts with FCC hearing (Vol. 1:4 p5), is handling pool arrangements.

CBS witnesses lead off Jan. 23, followed by NBC. ABC starts Feb. 5.

**FTC RASPS AT 'SANDPAPER' COMMERCIAL:** The unanimity of its action and vehemence of its words plainly indicate FTC's intention of driving home in precedent-setting fashion its decision last week against Colgate-Palmolive and agency Ted Bates & Co. for deceptive "sandpaper" Rapid Shave TV commercials.

Though Colgate promptly said it would appeal to courts—also attacking FTC for releasing decision to press before company was notified—decision is bound to further increase caution of commercial-makers, just as host of FTC anti-deception consent decrees has done in last couple years.

Whole anti-deception push by FTC began couple years ago, after quiz & payola scandals. Most cases were ended with consent decrees, advertisers simply agreeing to stop—but not admitting illegality of commercials. A few, like Colgate, chose to litigate, though Rapid Shave commercial was dropped immediately after FTC filed complaint in Jan. 1960.

Questioned commercial purported to show Rapid Shave moistening sandpaper so that it could be shaved easily, telling audience it was effective for beards "as tough as sandpaper." In hearing before FTC examiner William L. Pack, it was brought out that sandpaper wasn't used; instead, plexiglass coated with sand was employed because of "technical difficulties," according to Colgate.

Decision written by Comr. Philip Elman was aimed not only at public, which it said may have been led to buy Rapid Shave, but at Colgate competitors who lost sales because of unfair competition.

"The argument that respondents only indulged in a little harmless 'puffing,'" Elman said, "is obviously out of place. They represented unqualifiedly that Rapid Shave will dramatically facilitate the shaving of sandpaper and that they were demonstrating this fact before a TV audience to prove it. Both of these were factual representations; neither is true . . . Perhaps some consumers will be content with a product purchased in response to such a deceptive 'come-on,' but that is hardly legal justification for it. It could not atone, for example, for the injury to a competing shaving cream manufacturer whose product might have fared better in the marketplace had respondents adhered to honest and fair advertising practices."

To the argument that knocking the props from under harmless props would shackle TV in effective advertising, decision said: "This is, of course, absurd. No one objects to the use of papier-mache sets to represent saloons or to an actor's drinking iced tea instead of the alcoholic beverage called for by the script. The distinction between these situations and the one before us is obvious. The set designer is not attempting, through his depiction of the saloon, to sell us a saloon, nor is the actor, sipping at his drink, peddling bourbon . . . An announcer may wear a blue shirt that photographs white; but he may not advertise a soap or detergent's 'whitening' qualities by pointing to the 'whiteness' of his blue shirt. The difference in all these cases is the time-honored distinction between a misstatement of truth that is material to the inducement of a sale and one that is not."

Decision said that FTC is "somewhat skeptical" of argument that "technical limitations" of TV impose need for mock-ups. Even if that's true, FTC said, practice isn't justified: "Stripped of polite verbiage, the argument boils down to this: Where truth & TV salesmanship collide, the former must give way to the latter. . . . The notion that a sponsor may take liberties with the truth in its TV advertising, while advertisers using other media must continue to be truthful, is patent nonsense."

Decision specifically prohibits Colgate and Ted Bates from "falsely advertising shaving cream and from using spurious mock-ups or demonstrations for any product." Decision didn't go as far as FTC counsel wanted: a prohibition against "misrepresenting in any manner the quality or merits of any . . . product." Said Elman: "So broad and indefinite a command would be most difficult to obey, even in the best of faith."

Other deceptive-commercial complaints still pending before FTC: Lever Bros. (Pepsodent), Libby-Owens-Ford (auto glass), Carter Products (Rise shaving cream), Continental Wax (floor wax and "Grip-Kote").

Spokesmen for FTC believe industry has shown considerable improvement since first rash of anti-deception complaints started flowing right after quiz-rigging explosions. However, they say "there's still lots to be done." They believe Colgate decision gives industry most precise guide to date.

NAB Code chief Robert D. Swezey, commenting on decision, noted that TV Code prohibits "material deception" and that members have been kept completely informed on progress of case.

**TIGHT 'TRAFFICKING' RULES VOTED:** Sales of stations owned less than 3 years without a hearing would be prohibited by FCC—with some exceptions—under new rules due to be finalized soon. Commission announced last week that it had instructed staff to draft decision for final vote. It's understood vote was 5-2, so it may be assumed it's all over but the mimeographing. Comrs. Hyde & Craven disagreed with majority, believing abuses should be handled on case-by-case basis instead of by rules.

FCC's brief announcement didn't give provisions of new rules, but we gather that they're little different from staff recommendations we disclosed earlier (Vol. 1:13 p4). It's understood that Commission plans to call for hearings on proposed sales of stations owned less than 3 years—with these exceptions:

- (1) Operator losing money may sell without a hearing if he gets no more than he paid, plus losses.
- (2) Death or disability of owners is adequate reason for exception. Similar loss of key management personnel isn't enough.
- (3) If sale is part of divorce settlement—okay. If station transfer is gift to owner's children, it's in the clear. But owner can't sell to 3rd party to get funds for trust for his children.
- (4) When multiple owner is involved, he can sell, without hearing, those stations held more than 3 years—but not those held less.
- (5) When station is owned more than 3 years and has a CP to modify facilities, and CP is less than 3 years old, station must go through hearing—unless modification has been completed, whereupon date of original station acquisition is controlling.
- (6) Unforeseen circumstances occurring after station was acquired will be weighed on case-by-case basis, leaving FCC discretion to grant exceptions anytime it believes them justified.

**BUILDUP FOR NAB EDITORIAL POW-WOW:** NAB "Public Affairs-Editorializing Conference" in Washington March 1-2, first session of its kind, is beginning to shape up as one of most significant developments in some time.

It's notable that FCC Comr. Ford, when he was chairman, began the regulation-tightening process still going on—but at same time pounded away at broadcasters, urging them to express themselves through editorials. Chmn. Minow has continued Ford concepts on both fronts.

NAB Pres. Collins has corralled Secretary of State Rusk and other top State Dept. officials to brief broadcasters on international affairs. Minow will address first-day luncheon, 2nd-day luncheon speaker to be announced later. Richard Charles Lee, New Haven mayor, will discuss broadcasters' potential for leadership in attacking local problems. William L. Slayton, U.S. Comr. of Urban Renewal, will join discussion.

In addition to general industry turnout at conference, presidents of state associations of broadcasters will be in town, joining meetings.

Chairman of Editorializing Committee is Daniel W. Kops, WAVZ New Haven & WTRY Troy. NAB industry affairs vp Howard H. Bell is supervising arrangements.

## CURRENT CAPSULES

Speculation about Ch. 3 Philadelphia was renewed last week when Ford filed amendment to Philco's application before FCC—which seeks comparative hearing with NBC's WRCV-TV. Amendment reflects Ford's takeover of Philco. Ford counsel William Gossett told us: "It was filed to comply with FCC rules. Since the matter is pending before the Commission, we don't propose to discuss it publicly."

FCC wants full story on Miami Ch. 6, last week ordered cancellation of initial decision favoring South Fla. Amusement Co. and a further hearing to explore "faked letter" and "log concealment" charges against applicant's Pres. Sherwin Grossman (Vol. 1:5 pl, et seq.). Commission said it couldn't conclude, from written responses, either that Grossman faked letters to FCC, as charged by competitor Coral TV Corp., or that he had nothing to do with them, as he has told Commission. Letters were from Buffalo civic leaders, urging FCC to shift Grossman's uhf WBUF-TV to Ch. 8. "Log concealment" charge is that Grossman falsely testified in Miami hearing that he had turned WBUF-TV logs over to NBC when he sold station to network.

View of TV-radio's freedom-of-speech position, as seen by Wall St. Journal Pres. Bernard Kilgore (Vol. 1:9 pl), is "short-sighted," according to NBC Chmn. Robert W. Sarnoff in one of his memos to TV-radio editors. Kilgore had said: "We are going to get the issue of freedom of the press obscured dangerously if we try to stretch it to fit the radio & TV industries that operate and apparently must operate for some time in the future under govt. licenses." Said Sarnoff: "American newspapers face no threat to their freedom today; nobody is dreaming of licensing them. They would have nothing to gain but a bad precedent if the govt. were permitted to infringe the freedom of broadcasters." He said, however, he continues to believe that FCC has right to hold broadcasters "reasonably accountable" for program promises.

## Personals

Peter B. Kenney named NBC Washington vp, a position which has been vacant since resignation several years ago of Frank M. (Scoop) Russell who continues as consultant to NBC.

Stanley B. Cohen & Stanley Neustadt advance to partnership in Cohn & Marks, Washington communications law firm. . . . George Moore, WRGP-TV Chattanooga sales mgr., named vp. . . . N. Thomas Eaton, news dir., WTIC-TV & WTIC Hartford, promoted to news vp.

Dr. Gerhart D. Wiebe, former asst. to pres. of CBS, and CBS Radio psychologist 1946-55, leaves Elmo Roper & Associates to become Dean of Boston U. School of Public Relations & Communications. . . . Marvin Lowe appointed Screen Gems North Central Div. sales mgr.

Rupert Copponex, ex-producer-dir., WDSU-TV & WWL-TV New Orleans, leaves own ad agency to rejoin WWL-TV as program dir.

Robert L. Tuttle & Paul S. Watson, both ex-WSFA-TV Montgomery, named sales mgr. & operations dir., respectively, of new WCCB-TV Montgomery, going on air about Feb. 1.

Duncan Miller, ex-Magazine Advertising Bureau promotion dir. & former promotion mgr. of radio WABC N.Y., named TvB sales promotion dir.

James P. Storer, ex-national sales mgr., radio WIBG Philadelphia, named asst. gen. mgr., radio WJW Cleveland; he is son of Storer Bcstg. Chmn. George B. Storer Sr.

Robert C. Doyle, ex-ABC & NBC, and a former dir. of *David Brinkley's Journal*, named National Geographic Society TV Services Div. chief. . . . John Brigham appointed San Francisco TV mgr. of Peters, Griffin, Woodward.

Kenneth Curto, sales mgr., Triangle's WFIL-TV Philadelphia, named gen. mgr. of group's radio KFRE Fresno, succeeding H. George Carroll, assigned to hq staff, Philadelphia. . . . John S. Stewart named Devney-O'Connell N.Y. vp & sales mgr.

Liquor advertising charge against radio KBEA Mission, Kan., was dropped by NAB Code Authority which ruled station did not willfully or grossly violate code in recent ads which caused month's loss-of-license for a Shawnee, Kan. liquor store. Tapes of KBEA broadcasts made by code monitors on Nov. 29 & Dec. 6 contained mention of word "liqueur" & use of word "liquor" as part of store name. Code Authority Dir. Robert D. Swezey said broadcasts took place prior to new code ruling that word "liquor" cannot be used even in store name, and that infractions did not warrant disciplinary action. Kan. liquor laws prohibit advertising of liquor.

Attack on FTC, in Jan. 5 *Wall St. Journal*, belabors agency for inaugurating Congressional-type investigation hearing in St. Regis Paper Co. case (Vol. 2:1 p4). "Now there's nothing necessarily wrong with an open hearing," *Journal* said, "except that in this case the plain and privately admitted intent was to do no small amount of browbeating. The FTC likes the procedure so much it's toying with the idea of investigating not only companies but whole industries in this fashion. And it probably would simplify the agency's work and speed its decisions if it could cow all concerned at one fell swoop."

Application for Ch. 37, Montclair, N.J., is being prepared by N.J. Educational TV Corp., which plans station as first of 6 interconnected educational stations in state. Station is scheduled to be in operation this year, with 500 kw ERP. Orville J. Sather of Teaneck is president of the corporation. Installed last week as members of the board of trustees were 3 N.J. university presidents, including former TV performer (*Herb Shriner Show*) Dr. Mason Gross of Rutgers.

FCC Chmn. Newton Minow has been named one of nation's 10 outstanding young men, in annual selection by U.S. Junior Chamber of Commerce, will receive award at ceremonies in Santa Monica, Cal. Jan. 19-20.

TV-home figures: Census Bureau has released household appliance statistics for Albany, Atlanta, Augusta, Columbus, Macon & Savannah, Ga., & Chattanooga, Tenn. standard metropolitan areas. In addition, figures for following states were issued: Oklahoma, Arkansas, Kansas, Virginia:

Area	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
Albany	19,877	14,208	1,597	4,072
Atlanta	291,405	226,800	36,429	28,168
Augusta	56,698	43,183	5,390	8,116
Chattanooga	82,485	64,266	7,942	10,277
Columbus	55,674	41,514	4,634	9,526
Macon	50,169	38,241	3,974	7,933
Savannah	53,165	40,929	3,908	8,328
Arkansas	523,552	374,030	17,261	132,232
Kansas	672,899	542,723	37,771	92,375
Oklahoma	734,593	576,176	43,283	115,057
Virginia	1,072,840	815,664	70,527	186,637

Repeal of equal time provisions, Sec. 315 of Communications Act, was urged last week by NAB Pres. Collins in letter to Chmn. Alexander Heard of White House Commission on Campaign Costs. NAB chief also "strongly opposed" as "discriminatory" any move that would require TV & radio stations and networks by statute to make free time available to Presidential candidates. He said he was confident outright repeal of Sec. 315 would result in broadcast performance in future campaigns more impressive than ever, would also assist in substantially reducing cost of campaigns.

Boston bookie case—CBS's telecast "Biography of a Bookie Joint" (Vol. 1:13 p6, et seq.)—both produced & quashed subpoenas last week. Attorney for 2 men arrested in raid filmed by CBS obtained subpoenas early in week, calling for production of documents by Attorney General Kennedy, Internal Revenue Service Comr. Caplin, CBS Pres. Stanton and CBS producer Fred Friendly. At end of week, however, Federal Judge Charles Wyzanski Jr. quashed subpoenas, called them "fishing expedition," said CBS's filming was perfectly proper under sound standards of free press and free enterprise.

FCC allocations actions: (1) Proposed shifting Ch. 3 from Sterling, Colo. back to Cheyenne, whence it was taken in 1957; move was requested by Sterling Ch. 3 CP-holder KHQL-TV. (2) Denied petition to add Ch. 25 to Tuscaloosa, Ala. (3) Proposed shifting Ch. 27 from San Diego to Palm Springs as part of earlier proceeding looking toward shifting Ch. 19 from Palm Springs to Indio, Cal. (4) Proposed shifting Ch. 14 from Modesto to San Mateo, Cal., reserving it for ETV.

TV coverage of full sessions of House would be good idea, but committee hearings should remain closed, according to Rules Committee member Rep. Richard Bolling (D-Mo.). In taped interview for Jan. 7 *Mark Evans Show* on WTTG Washington, he said that televising of committee hearings might under some circumstances result in "more of a road show than an attempt to elicit information."

First CATV private microwave, in new business microwave service, has been authorized by FCC to Community TV Systems of Wyoming to feed its system in Casper. Heretofore, all CATV microwaves were common carrier.

Old "WHN" call letters will be used by Storer Bcstg. for radio WMGM N.Y. when sale is consummated—under waiver by FCC. Station used WHN from 1922 to 1948.

Power-height increases, to 480 kw & 1,047 ft., have been granted by FCC to WSBT-TV (Ch. 22) South Bend.

Ford Foundation major ETV grants in fiscal 1961, described in annual report: \$2.1 million for Educational TV for the Metropolitan Area Inc., N.Y., \$2,262,000 for Midwest Program for Airborne TV Instruction, \$518,196 to 17 participating school systems in the National Program for Use of TV in the Public Schools, \$1,882,000 for videotape equipment for National Educational TV & Radio Center. Appropriations approved for future grants & projects included \$1 million for ETV station programming & development and \$450,000 for in-school TV instruction experiments.

Compatible single sideband transmission for AM was denied by FCC last week, as anticipated (Vol. 2:1 p4). Commission said that proposal by Kahn Research Labs didn't make strong enough case, that there isn't much interest in it from public or industry, that there's danger of interference to other stations, that method of modulation doesn't conform to NARBA definition. Kahn's efforts to get approval of another innovation—AM stereo—are due for denial again this week. Commission is scheduled to weigh his petition for reconsideration of earlier denial.

French TV is making slow progress, according to Paris correspondent William Millinship in Jan. 5 *N.Y. Herald Tribune*. Traditional French fondness for outside entertainment is one reason, but low quality of programming also is big factor, he reports. Shortcoming of state-run system, Millinship says, include slack programming with shows running as much as half-hour overtime, biased reporting & excess verbiage. Nation now has about 2.5 million sets.

Canadian rule requiring private TV stations to carry high percentage of Canadian-content programs is unrealistic, should be revised, broadcasting & publishing executive Roy Thomson told Toronto meeting of Radio & TV Executives Club last week. Citing financial problems of new private Canadian stations, he said that it's hard to match high-cost American shows on limited budgets, and that viewers therefore often watch U.S. stations.

Defamation-of-character suit for \$300,000 has been filed against NBC & Pittsburgh Paint Glass Co. in Detroit District Court. Anthony J. Tocco, Grosse Pointe Park, Mich., contended he & his family were "held up to public hatred, shame, contempt, ridicule & disgrace" because of network's Oct. 18 program "Crime Does Pay," in which Grosse Pointe area homes were shown, described as gangster-owned.

CBS's answer to ABC's slow-motion video-tape system (Vol. 1:10 p4): slow-motion kine. Inaugurated at last week's football bowl game, the system permits replaying of highlights of first half in slow motion during half time. Play during first half is taped, highlights re-recorded on hot kine, played back in slow motion from N.Y.

Thirty hours of color are scheduled by NBC-TV Feb. 5, 7 & 10—more than 75% of total output. Programs will include color debuts of *National Velvet*, *Young Dr. Malone*, *Our Five Daughters*, *Here's Hollywood*—plus colorized *Wagon Train*, *Joey Bishop Show*, *NBA Pro Basketball*.

N.Y. state legislature was televised for first time last week at opening of 185th session. Gov. Nelson Rockefeller, delivering "state of the state" message, deferred to cameras by appearing in gray suit, red tie & blue striped shirt; he also cut message to conform to 1-hr. limit.

Eight million circulation mark was topped by a weekly magazine for first time by *TV Guide*, which estimated circulation of 8,073,608 for Dec. 30 issue, 289,861 above previous week.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**'THINKING SMALL'—10- & 14-IN. IMPORTS:** Even as U.S. manufacturers are weighing possibilities of small-screen "personal portable" TV sets (Vol. 2:1 p6), at least one more importer plans to bring out new miniature model—to be marketed here next month.

There's going to be no stampede toward importation of TVs this year—and some importers want no part of them. Nevertheless, Delmonico says its 8-in. 110-volt portable by Japan Victor is in high demand at \$119.95 list, and Sony indicates it sold about 8,000 of its 8-in. battery portables (at \$280) in U.S. last year.

Next to enter U.S. TV field will be Matsushita Electric Corp. of America, which will show 14-in. "bookshelf model" 110-volt set at Chicago this week (Morrison Hotel), and has scheduled retail debut at Macy's in N.Y. next month, with deliveries to other stores beginning about May 1. Price had not been disclosed at press time.

Specifications of Matsushita's Panasonic bookshelf set: Dimensions, 12-in. deep, 13-in. high, 18-in. wide; weight, 33 lb.; 110-degree 14-in. tube; telescoping antenna. The 14-in. tube has been a basic size in Japan for several years.

Now we have 8 & 14. Who'll go for 10? Perhaps Transistor World Corp., U.S. distributor of Toshiba products. Transistor World's Richard Stollmack told us last week his company is considering import of Toshiba's 10-in. portable, recently introduced on domestic Japanese market. "We have made no definite decision," he told us, "but we'll probably know within 90 days. If we do it, we'll probably have to have a source of 10-in. picture tubes in the U.S. We don't think it's practical to import a set with picture tube."

Not only has Transistor World dropped its plan to import Toshiba 8-in. battery TVs, but Toshiba has discontinued production. "The principal problem has been the battery," Stollmack said. "We consider a wet cell undesirable, and we have not been able to find a satisfactory dry battery." Delmonico, however, plans to be in transistor TV field soon on nationwide basis.

Most transistor radio importers have enough headaches without adding TV. Michael Lee, who heads long-time importer Petely Sales, is typical: "As far as 19-in. sets are concerned, I think U.S. prices are lower than Japanese. Service problems can kill you. Importing a TV set isn't like importing a handkerchief—you must know and have confidence in the merchandise. And it's going to have to compete with well-known American brands, whose manufacturers can offer quick replacement parts & service. We're staying in the radio business—ours is plenty good enough without TV."

It seems certain that other importers will put out feelers on small-screen sets at upcoming industry shows. This is at least an area in which there's no competition from U.S.-made sets—yet. But, as we reported last week, U.S. manufacturers are also "thinking small," and we'll probably see at least one American-made 8-in. set this year, and there's private talk of receivers in 10-, 14- & 16-in. sizes.

**1961 TV PRODUCTION—6,161,662:** Final results are in, and here's how 1961 shaped up in TV & radio production: TV broke through the 6-million mark, and radio had its 2nd biggest year, despite fact that auto radio output was nearly a million units lower than 1960.

TV output totaled 6,161,662 compared with 5,708,346 in 1960, total radio 17,342,942 vs. 17,126,518, auto radio 5,571,834 vs. 6,432,212. (The EIA 1961 figures are subject to slight auditing revision.)

Production of TV sets thus exceeds 1961 distributor-to-dealer sales which are estimated at 5.7-5.8 million. The TV output total, though 7% higher than 1960's figure, does not qualify 1961 as one of the "great"

years of TV production. Nevertheless, annual production totals have been lower than 1961 on 4 occasions since TV came of age in 1950. These poorer years were 1951, 1952, 1958 & 1960. Here's lineup of annual TV production since 1947:

1947.....	178,571	1952.....	6,096,280	1957.....	6,399,345
1948.....	975,000	1953.....	7,215,827	1958.....	4,920,428
1949.....	3,000,000	1954.....	7,346,715	1959.....	6,349,380
1950.....	7,463,000	1955.....	7,756,521	1960.....	5,708,346
1951.....	5,384,798	1956.....	7,387,029	1961.....	6,161,662

Total radio unit production of 17,342,942 was slightly higher than 1960's 17,126,518—qualifying 1961 as 2nd best year to date in radio production, exceeded only by boom postwar 1947 with its 20 million units. Radio's production record since World War II (earlier figures rounded):

1946.....	15,955,000	1952.....	10,431,000	1958.....	11,747,000
1947.....	20,000,000	1953.....	12,582,000	1959.....	15,622,357
1948.....	16,500,000	1954.....	10,028,000	1960.....	17,126,518
1949.....	11,400,000	1955.....	14,133,000	1961.....	17,342,942
1950.....	13,468,000	1956.....	13,518,000		
1951.....	11,928,000	1957.....	14,505,000		

With decrease of automobile output in 1961, car radio production declined to 5,571,834 from 6,432,212 in 1960. This drop was offset by increased production of other types of radio—table, clock, portable—which rose more than a million units to 11,771,108 from preceding year's 10,694,306.

Here are EIA's tables of TV-radio production for final 3 weeks of 1961, compared with corresponding 1960 weeks. Figures for weeks ended Dec. 15 & 22 had been delayed because of holiday schedules:

	Dec. 9-15	1960 wk.	Dec. 16-22	1960 wk.	Dec. 23-29	1960 wk.
TV .....	131,569	98,083	122,753	81,762	66,775	31,511
Total radio .....	407,291	347,572	363,543	271,255	252,903	127,045
auto radio .....	158,342	111,712	133,082	91,631	105,122	94,579

**CHICAGO MART'S LAST TV STAND?** Consumer electronics spotlight shifts shakily to Chicago this week for the winter International Home Furnishings Market and the NARDA convention. But there seems to be considerable belief in trade that the winter event at the Merchandise Mart has lost its usefulness in electronics.

Defections from Merchandise Mart this year include Admiral & Motorola, former occupants of large spaces. Others have been talking about giving up their leases, especially now that summer mart has been replaced by Music Industry Trade Show as unveiling place for new electronics lines.

Remaining on Mart's 11th floor are these U.S. consumer electronics manufacturers: GE, Magnavox, Philco, RCA, Stromberg-Carlson, Sylvania, Westinghouse & Zenith. Of these, only GE will show new merchandise for first time—others having already displayed to dealers at distributor showings, or (in the case of Westinghouse), not being ready to show anything yet. Newcomers to 11th floor are the importers—Clairtone, Grundig-Majestic, Demonico International, Uropa International—which, in last year, have snapped up space vacated by U.S. manufacturers.

There will be other consumer electronics exhibits in Chicago away from the Mart this year—Admiral in its new showroom at 643 N. Michigan Blvd., Motorola in a special show at Ambassador West Hotel, Olympic in its usual space at the Pick-Congress, Muntz & Symphonic at the Hilton, V-M at LaSalle & Grand Ave. Among these, Olympic & Symphonic will show new sets, the latter showing complete new TV line. These importers will also be showing in Chicago: Matsushita and Petely at the Morrison, Kane-Mark at the Sheraton-Blackstone, Fonovox (Videola-Erie) at the Pick-Congress.

Among hottest topics in Chicago this week will be Philco ID supermarket tape plan, Motorola's 19-in. portable at \$139.88 and the place of the 27-in. set in the market picture.

A 6th manufacturer will enter 27-in. market this week in Chicago—Olympic, showing contemporary lowboy at \$349.95 & \$359.95—joining Admiral, Du Mont, Magnavox, Motorola & Packard Bell in giant-screen

department. Also to be introduced by Olympic will be 3 color consoles at \$749.95, and 4 open-list leader items in 19- & 23-in. categories.

GE is adding 3 basic TV models to its line: the 19-in. "Century" portable slated to sell in the \$169-179 range; the 19-in. open-list "Golden Celebrity" portable; a 21-in. table priced in the \$199-209 bracket. GE also has a new line of stereo consoles which start at \$149.95—\$10 under the starting price of the predecessor line.

Over at the Edgewater Beach, where NARDA will be having its 18th annual convention, the ID plan and how to cope with it will be Topic A, and it's expected the dealer association will unveil its counter-attack promotional plan. These speakers from consumer electronics industry will be heard during convention: Motorola consumer products marketing vp S. R. (Ted) Herkes on food tape plans, Monday afternoon; Motorola consumer products exec. vp Edward R. Taylor on TV retailing, RCA Sales Corp. marketing vp Raymond W. Saxon on color TV, Zenith hi-fi marketing development mgr. J. B. (Kip) Anger, Tuesday morning; Majestic International vp Sam Jenkins on tape recorders, Tuesday afternoon.

**SOMETHING NEW FOR '62:** Dollar sales volume is slipping, while unit sales rise. In 1961, portables captured larger share of market; console stereo sales were down. What is needed in 1962 to reverse this pattern—to increase profit per sale?

Making the rounds of distributor showings & sales meetings, we've asked merchandisers this question. They agree that "something new" is needed to upgrade sales this year. And, surprisingly, many agree that "something new" is here already, if—

The 2 "new" items in most 1962 lines are color and FM stereo. Although both are now moving well in many areas, many marketers agree they both need same type of push to make them really significant ledger-book items by end of this year. They both need more & better programming.

Ask the question, "What does color need?" and 9 times out of 10 you'll get the answer—"More & better programming." Having seen sample of what color sales can do at present set prices during Christmas season, trade now feels almost unanimously that programming is more important than price.

Color sales appetites have been whetted by recent events—and we can see build-up of clamor for color programming on ABC & CBS this year. Both networks still say they'll program in color when there's sufficient color audience to attract color sponsors. Industryites, meanwhile, insist that color will really catch fire when there's color on air every night on all 3 networks.

FM-stereo situation is somewhat similar. Trade sees multiplexing as important selling point for stereo phono consoles, and as significant means of upgrading sales of consoles (through inclusion of stereo tuners). Biggest complaint in most FM-stereo markets today is that there's still not enough full-time stereo programming. Even in N.Y. area, where WTFM is broadcasting 24 hours a day, most merchandisers would like to have at least 3 stations with full stereo schedule—and full stereo promotions.

Oddly enough, stereo commercials have proven to be good demonstration material in the stores. WTFM broadcasts many of its commercials stereophonically—voices coming from different directions, etc.—and this directional effect has become a surprisingly good customer convincer.

Industry thus enters 1962 with 2 "new" products. It believes that more profit can be brought to both TV & stereo fields if it has more opportunity to demonstrate them, and if consumer has more & better program material available.

## **TOPICS & TRENDS**

Sylvania has created a Home & Commercial Electronics Div. which supplants former Home Electronics Div. and "represents the expansion into many new electronics products fields." Senior vp George C. Connor was appointed gen. mgr. of the new division and chmn. of Sylvania Home Electronics Corp., marketing subsidiary for the new division's TV-radio-phono products. Peter J. Grant is pres. of the marketing subsidiary. Sylvania Pres. Gene K. Beare said the Home & Commercial Electronics Div., in addition to producing electronic products for home use, "also will greatly expand the company's activities in such areas as direct wire TV systems, remote control TV systems for hospital & nursing home patients, hotel & motel TV, and many others . . . Included in the division's activities will be the development & manufacture of electronic products for industry & commerce."

Robert E. Kenoyer has resigned as vp-gen. mgr. of now defunct Sylvania Home Electronics Div. He joined with Arthur P. Gould, pres. of Golden Shield Corp., to head a group which has purchased from Sylvania

its majority interest in Golden Shield. Kenoyer will become exec. vp of the Great Neck, N.Y. distributor of consumer products sold through jewelers & furniture dealers. Among its products: Sylvania TVs. Golden Shield was formed in 1959, now has 7,000 dealers in some 1,500 communities in the U.S.

Capitol Records has divided itself into 2 separate business groups: Records & Phonographs and Mail Order & Electronics. Creative services vp Alan W. Livingston heads Records & Phonographs, which consolidates all activities of Capitol's records, phonos and accessories business. Former administration & finance vp Daniel C. Bonbright heads Mail Order & Electronics, which now embraces all Capitol mail order activities & record clubs and all of its electronics operations and companies owned and to be acquired. Capitol's present electronics subsidiary is EMI (U.S.) Ltd. Bonbright has been in charge of Capitol's electronics activities, and corporate vp of EMI/US, since March 1961 (Vol. 17:11 p19).

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
AT&T	1961—year to Nov. 30	\$8,368,960,000	\$3,367,869,000	\$1,271,086,000	\$5.49	231,593,000
	1960—year to Nov. 30	7,880,384,000	3,148,191,000	1,205,954,000	5.52	218,491,000
	1961—qtr. to Nov. 30	2,150,421,000	871,357,000	329,657,000	1.40	235,864,000
	1960—qtr. to Nov. 30	2,009,775,000	803,615,000	312,155,000	1.40	223,454,000
A. C. Nielsen	1961—qtr. to Nov. 30	—	—	657,830	.38	1,710,000 <sup>1</sup>
	1960—qtr. to Nov. 30	—	—	559,031	.33	570,000

Notes: <sup>1</sup>Reflects 3-for-1 split.

**REVIEWS & FORECASTS:** In his first public address as Philco's new president (Vol. 1:14 p10), Charles E. Beck last week forecast a 5% sales gain in 1962 for the home electronics industry. Speaking at the Philadelphia Chamber of Commerce's 15th annual forecasting conference, Beck predicted 1962 sales of 6.1 million b&w TVs, 250,000 color sets, 12 million radios, 4.6 million phonos.

Beck also took note of increasing competition from Japan & Eastern Europe, called upon American industry to meet the challenge by counterattacking. "There is tremendous potential in world markets, potential for growth in payrolls & profits at home if we compete instead of trying to hide behind a protective guard," he said. "If we are to succeed in world markets, we will have to put a high premium on U.S. industrial capacity." Beck emphasized that Philco, in addition to working for a larger share of the U.S. electronics & appliance markets in 1962, will strive for more business in foreign markets.

\* \* \*

Philco's new management is squarely behind the controversial "Instant Dividend" merchandising promotion initiated by its predecessor (Vol. 1:8 p9 et seq.), Pres. Charles E. Beck made clear last week. In a letter to Victor P. Joerndt, pres. of National Appliance & Radio-TV Dealers Assn., he declared in part: "We believe the Philco 'Instant Dividend Plan' will bring both immediate & long-range sales gains to independent Philco dealers & distributors, will result in added consumer product enjoyment at reduced cash cost to our customers, and finally will add new strength to the whole appliance industry and to all appliance dealers since, we believe, it will stimulate interest—and sales—for other dealers as well."

Beck also noted that "because so many confusing charges have been made about the plan in Pittsburgh, we

are publishing there, at our expense, a statement which we hope will clarify the situation for our customers."

The statement makes these points, among others: (1) The ID plan "is nothing more than an extension of the old fashioned stamp plan in use today at almost all supermarkets." With stamps you get a future bonus; with ID, "for the first time," you get an instant bonus "on your food purchases." (2) "You may find it true that if your food purchases are small, the ID plan is not for you. But statistics show that the average family of 4 buys about \$30 a week in food. On that basis, a \$300 contract is paid off with a cash outlay of only \$85.50."

In his letter to Joerndt, he termed "groundless" fears that "repossessed merchandise in volume will be dumped into the market" as a result of the tape-register plan. "Our experience to date in every test area," he noted, "indicates that the repossession rate is far below normal." The Philco president also noted that a customer "may transfer her ID plan membership to another participating supermarket if she moves;" that "if she decides at any time during her contract period to pay her balance in full in cash, she receives the appropriate rebate."

Emerson has added three 8-transistor portable radios, including the \$29.88 Titan (Model 888) which also plays on house current and features rechargeable batteries. Emerson sales dir. Leo W. Hahn described the Titan as "the first such American-made unit," said it features a Power King jack for operation on AC current, for recharging ordinary penlight cells, and for obtaining up to 10,000 hours playing from nickel cadmium rechargeable batteries. The 2 other transistor radios are listed at \$34.88 (Model 808 Ensemble) and \$49.88 (Model 880 Ensemble).

Jerrold is "misrepresenting" its antenna-like "TV Receptor" for home receivers, according to FTC complaint filed last week. Complaint says that "the TV receptor is

not superior to 'rabbit ear' indoor TV antennas and neither is equal to nor outperforms outdoor or roof-top antennas in many locations, as claimed on the concern's cartons and in advertisements in nationally circulated magazines." In addition, FTC said device: (1) Is not an antenna. (2) Is not adjustable and has no tuning device. (3) "Does not utilize the entire wiring system of a home or apartment as an antenna," as claimed.

Another discovery by Dr. Leo Esaki, inventor of the tunnel diode, now working at IBM Research Center, Yorktown Heights, N.Y.: A new electrical characteristic in bismuth, a semiconductor, which could lead to a new class of high-speed amplifiers & switches. Dr. Esaki reported that bismuth behaves differently from other semiconductors when strong magnetic & electric fields are applied at right angles to each other at temperatures close to absolute zero. As the fields reach a certain strength, changes suddenly occur in the characteristic conduction of the material.

Philco TV receivers will be distributed in France by Societe Franco-Amerique Pour L'Electronique (Soframel) under new licensing agreement between Philco International Corp. & Schneider Radio Television of France, concluded through Philco Organization S.A., Fribourg, Switzerland.

Five-fold increase in Washington area's electronics business by 1970 is predicted by production engineer Gordon Frederick Shea in his George Washington U. master's thesis. He said plants in area should gross more than \$1.25 billion annually in next 9 years.

West African TV-radio-air conditioner factory, first in region, has been opened in Apapa, Nigeria, by Nigerian Electronics Ltd. Plans were developed by Auriema Group, N.Y. consultants & exporters, under sponsorship of Rockefeller Bros. Fund. First product is 3-band trans-oceanic radio, made under technical-assistance license from Westinghouse.

## Trade Personals

L. F. Holleran, ex-pres., RCA Victor Distributing Corp., named RCA staff vp, distributor & commercial relations, central region; J. F. O'Brien, ex-mktg. vp, named pres. RCA Victor Distributing Corp.; Paul J. Pfohl, former western area mgr., RCA patents & licensing, named to new post of staff vp, RCA Sales Corp.; all headquartering in Chicago.

Hershner Cross, GE Radio & TV Div. gen. mgr., elected a vp; also elected vps: International GE Co. Div. gen. mgr. Charles V. Schelke and Chemical & Metallurgical Div. gen. mgr. Dr. Charles E. Reed.

Delbert L. Mills, gen. mgr., RCA Home Instruments Div., elected RCA vp.

A. R. Baggs, previously Magnavox & RCA marketing executive and ex-Trans American Import Export Corp. mktg. vp, has joined Symphonic Electronic as mktg. & product development dir., a new post.

Joseph M. Hertzberg, ex-Philco & RCA, rejoins RCA as division vp, defense mktg. . . . Earl C. Janson named Beckman Instruments mfg. vp, a new post . . . Marshall Petros appointed exec. vp of Pentron Electronics' Tape Recorder Div. . . . William A. Gross, ex-IBM, named Ampex research dept. dir.

G. E. Jones elected exec. vp of IBM subsidiary IBM World Trade Corp., succeeding J. E. Brent, elected pres. & chief exec. officer of World Trade subsidiary IBM Ltd., Canada.

Frank B. O'Brien elected Seeburg pres., succeeding Delbert W. Coleman who continues as chmn. . . . James M. Starke named vp-gen. mgr. of Republic Corp.'s subsidiary Utility Appliance Corp., succeeding Herbert S. Leo, resigned.

Frank R. Demchok, ex-Magnavox, named dir., Sales & Service Div., GPL.

Arthur Gaines appointed national mgr., Clairtone Sound's U.S. operations . . . Peter Fabri resigns Jan. 31 as mktg. & sales dir. of Thompson Ramo Wooldridge's Bel Canto Div. . . . Carl Jennings appointed northern district sales mgr., Packard Bell Home Products Div., a new post.

Carl R. Rollert, ex-sales mgr., Communication Accessories Co., Collins Radio's components div., named mgr., Collins broadcast product line . . . Robert S. Ziehm promoted to Southern area district sales mgr. Atlanta, for GE closed-circuit TV equipment.

Mary E. McDonnell, ex-PR dir., radio WNYC N.Y. & Martin Steel Corp., named to similar post with International Sound Fair, 333 E. 46th St., N.Y. (Coleman Finkel pres., Hal B. Cook exec. dir.). Its first hi-fi fair is set for July 25-29 in Detroit.

Dr. H. William Welch Jr. named gen. mgr. of new Motorola Solid State Systems Div., which now has equal status with Military Electronics, Communications and Semiconductor Divs., all headquartered in Phoenix.

Robert A. Bos, sales mgr. of Erie Resistor's Distributor Sales Div., has been recalled to active duty by U.S. Air Force; he's succeeded by Fred J. Rich, advanced from district sales mgr., N.Y. office.

Gough Industries Inc., 819 East First Street, Los Angeles, has been named Motorola distributor for San Diego & Phoenix areas, succeeding Merchandising Distributors of San Diego and Black & Ryan of Phoenix. Phillip G. Gough Jr. is pres. of Gough Industries.

Wometco Enterprises will show net profit after taxes of at least \$1.30 per share in 1961 compared with 1960's \$1.01, Pres. Mitchell Wolfson predicts. He told meeting of N.Y. Society of Security Analysts recently that 1961 gross income of the diversified company (4 TV stations, 2 radio, vending operations, Miami Seaquarium, etc.) should be about \$15.3 million, compared with last year's \$12.7 million. With cash on hand and marketable securities totaling approximately \$2,633,000, Wometco's current assets to current liabilities ratio is about 3 to 1, he noted. Net profit before taxes on gross TV sales in 1960 was 25.2%, compared with 19.2% for average U.S. TV station. Wolfson said KVOS-TV Bellingham, Wash., bought in June 1961, has produced gross & net "considerably above expectations." Earnings from 47½% interest in WFGA-TV Jacksonville should approximate \$200,000, he reported.

Packard Bell opened its 1962 fiscal year Oct. 1 with a \$1.5 million working capital deficit and a retained earnings deficit of \$5.6 million. Pres. Robert S. Bell estimated a need for \$3.5-5 million in new working capital to finance higher sales anticipated for the year. "We'll have made up our minds about the type of financing [to raise the money] within 6 months," he said. PB's stockholders meet Jan. 19. Among business to be considered is proposal to increase the authorized common stock to 2 million shares from current 1.2 million. Proxy statement disclosed these salaries paid during 1961 fiscal year: Chmn.-Pres. Bell, \$60,000; exec. vp-treas. Lowell R. Day, \$40,000.

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**

**QUARRY OF TRANSGRESSION HUNTERS** includes renewed govt. investigation of double billing, unauthorized station transfers, payola, program-rating "bribery" charges, etc. (p. 1).

**FCC PRESSES FOR UHF-VHF RECEIVER BILL**, Minow warning National Press Club alternative may be to shift all TV to uhf (p. 2).

**STRAW IN FCC 'SEEK-OUT-NEEDS' WIND** shows applicants can satisfy Commission with modest showing on knowledge of community (p. 3).

**'EXPLOSIVE GROWTH' OF ETV FORECAST** by special educator-industry committee which recommends channel reservations, public & private support (p. 3).

**Consumer Electronics**

**BRIGHT NEW MARKET** beginning for FM stereo, already upgrading phono consoles. Table stereo radio influx due this year (p. 7).

**CONTROVERSY IN CHICAGO** over just about everything—even color. Motorola to enter color market this year, but not without blast at RCA in impromptu debate (p. 8).

**'ID' GETS MUCH TALK**, no action at Chicago. NARDA membership split on pros & cons of tape-register plans (p. 9).

**WHAT ELSE IS NEW?** Magnavox full-year parts-&-labor warranty; 27-in. 110-degree tube; Symphonic entering quality TV market; Motorola draws enthusiasm with "Decorator" collection (p. 9).

**\$139 PORTABLES NOW, \$99 later?** Rest of majors expected to match Motorola price with new simplified circuits, while they work on small-screen units aimed at \$100 market. Imported tubes & components in U.S.-made set (p. 10).

**BOWES BOWS OUT AT PHILCO:** ID sparkplug Henry E. Bowes is latest of Old Guard Philco management to resign; will join ITT (p. 12).

**QUARRY OF TRANSGRESSION HUNTERS:** Scouting around Washington last week, we've uncovered several areas of possible govt. action against broadcasters, things to be alert to over next weeks and months:

(1) Double billing. This old practice, a common device in all media—not only TV-radio—is getting new attention, from Post Office, FCC, FTC, Justice Dept. Double billing is this: Manufacturer agrees to pay part, say half, of local retailer's advertising of his product. Advertising medium quietly sends local man 2 bills, for a radio spot, for example, one for \$2, other for \$4. Retailer sends bill for \$4 to manufacturer, who pays \$2 of it. Thus, retailer gets spot for nothing. In some cases, price gap gets wider and retailer actually makes money on his advertising.

From Post Office & Justice standpoint, this is "fraud by mail"; to FCC, it may be "bad character" of licensee; to FTC, it may be "unfair competition." At any rate, there's renewed govt. interest in practice.

(2) Unauthorized station transfers. FCC sources say they've uncovered at least dozen fishy cases in which man claims to have "management contract" but actually controls station, as far as Commission's concerned. Look for FCC action here—all in small-radio-station field.

(3) Payola. Still rampant, but with ante raised because of clear illegality under new law. FCC & FTC poking into subject further.

(4) Program-rating abuses. FCC & FTC investigating charges of stations bribing to get advance word of rating periods and of stations' positions in market—to aid in negotiating with advertisers. In some cases, state govts. are investigating, seeking infractions of "commercial bribery" laws.

Ever since quiz-payola scandals, there's been rising level of complaints to Congressmen and agencies—many from disgruntled employes who say: "You ought to look at what's going on here."

What makes it so tough for TV-radio to take is that even slightest transgression can bring ponderous weight of federal govt. down broadcasters' necks while other businesses carry on similar ancient practices which are legal or winked at by state & local agencies.

**FCC PRESSES FOR UHF-VHF RECEIVER BILL:** FCC Chmn. Minow "went to the people" last week in effort to get support for Commission's proposed all-channel-set legislation. He spoke at National Press Club, said "most painless" method of expanding TV through uhf is by gradual replacement of existing receivers with sets that can get all channels, predicting that substantial nationwide conversion would be achieved in 5-7 years. He said the bill is FCC's prime legislative target this session.

With so much demand for vhf spectrum from non-broadcast services, Minow warned, all TV may have to be shifted to uhf—unless the set legislation is enacted. Though telecasters, including vhfs, endorse legislation, it faces strong opposition from manufacturers who don't want govt. telling them what kind of sets to make, who don't want to add to price of sets for those viewers who may have no need for uhf, and who argue that measure would be unconstitutional. Minow said his attorneys have made exhaustive studies satisfying him that law would be constitutional.

Further seeking telecaster support, Minow stated: "Surely the broadcasters who are most sensitive to what they regard as tightening regulation should welcome this growth and should be willing to accept this competition [from implementation of uhf]. A wider field means a rich variety of services for many tastes—and more voices to share the resistance to govt. . . . The TV industry in the long run faces one result or another: more competition or more regulation. My own vote is for more competition."

Minow produced statistics to show need for more choice of stations: Of nation's 272 markets, 132 are one-station, 69 two-station, 54 three-station, 17 four-station or more. He noted, however, that 56% of population has a choice of 4 or more signals.

Minow sought to illustrate what scarcity of local outlets means: "If you are a candidate for local office in Allentown, or a proponent of a local school bond issue in Atlantic City, or a local advertiser in Battle Creek—you could no longer turn to a local TV station." And, working one of his favorite fields, he said that vhf simply can't meet ETV's needs.

To demonstrate uhf conversion problems, Minow described 4 receivers on stage, while his asst. Ted Meyers tuned them: (1) Vhf-only. (2) Single-strip conversion—"a minor cure." (3) All-channel converter—"a major cure." (4) All-channel set—"born complete to serve every station in every market." Converted sets showed school-science program in progress from WETA (Ch. 26).

Another illustrative device used was attachment of whole U.S. allocation table to copies of speech—enabling newsmen to report which uhf channels are unused in their home towns. In question period, Minow made these points:

(1) "If I were a set manufacturer, I'd go for the legislation. It would mean more service, more demands for sets."

(2) CATV isn't answer to TV expansion—because "it's costly and programs are non-local."

(3) FCC isn't censoring when a station makes promises in order to win a hearing and Commission holds him to his promises. "I'd like to see argument to the contrary tested in court. I'm sure it would be rejected."

(4) If an Administration fails to carry out promises made during a campaign, he was asked, why should broadcasters be penalized for same thing? Minow replied that electorate weighs an elected official's performance every 2, 4 or 6 years—and that broadcasters should be willing to go through same every 3 years, at license renewal time.

(5) Rumors of federal judgeship for him? "I'm going to continue what I'm doing. I believe that many broadcasters, though they won't say it publicly, agree with what I'm doing."

(5) Pay TV? "The people will decide. It's that simple."

(6) How about FTC's "sandpaper" decision against Colgate (Vol. 2:2 p2)? "I've got enough troubles of my own without worrying about the FTC."

Asked about FCC's N.Y. experimental uhf station, Minow called on Comr. Lee, who described program. "When they get the measurements," Lee said, "they'll feed them into one of those egghead machines, and I hope it won't come out and say 'Lee is nuts.'"

Minow had full house, including most Washington TV-radio attorneys. Surprise guest was U.N. Ambassador Adlai Stevenson, Minow's former law partner. Also on hand were another ex-law partner, Postmaster General J. Edward Day, Sen. Pastore (D-R.I.) & Chmn. Harris (D-Ark.) of Senate & House Commerce Committees, the other FCC commissioners.

**STRAW IN FCC 'SEEK-OUT-NEEDS' WIND:** Little-noticed but quite significant, according to best-informed FCC sources, was Commission action last week in small radio case. In it, FCC gave inkling of nature of "seek out needs" concept—keystone of its programming policy and of proposed new program form. Briefly, Commission indicated it isn't asking for the moon.

Occasion was comparative case involving, among others, application of Wilbur J. Meyer (Peter-Mark Bcstg. Corp.) for Vandalia, Ill. and Progressive Bcstg. Corp. for Highland, Ill.

Progressive asked FCC to include as issue in hearing "what efforts were made by Meyer to ascertain the programming needs of Vandalia . . . and the manner in which he proposes to meet such needs." Progressive pointed out that 28 out of 35 of Meyer's proposed program titles for Vandalia were same as those he used in original 1957 application for his WJBM Jerseyville, Ill.

Meyer responded by saying that the 2 communities are similar and that (1) He lived in Vandalia all his life. (2) He had broadcasting experience in 3 adjoining counties. (3) He's thoroughly familiar with area. (4) Before filing Vandalia application, he investigated programming needs of area. (5) Though many Jerseyville & Vandalia titles are same, program contents differ.

Said Commission: Progressive is suspicious solely because of program-title similarity and "since Meyer in his opposition has made an uncontradicted showing that his program proposals were based upon his acquaintance with Vandalia's needs, no basis exists for the requested issue."

Thus, FCC doesn't necessarily expect applicants to file encyclopedias to show they have studied communities' programming needs. Of course, in major cases, where wily & active opponents are involved, story could be different.

**'EXPLOSIVE GROWTH' OF ETV FORECAST:** Five major recommendations to foster development of ETV were offered to govt. last week by 9-man industry-educator committee which has worked on project for year.

The 13-page report to U.S. Commissioner of Education Dr. Sterling M. McMurrin—"A National Policy for Educational TV"—goes through ETV potential in broad terms, sees enormous possible contributions. Recommendations:

(1) Adequate channel reservations for ETV.

(2) Public & private support of national effort on part of everyone to encourage production of better ETV programs.

(3) Nationwide program of research & evaluation.

(4) Nationwide talent search & training.

(5) Financial support, public & private, at local, state and national levels.

Committee is curiously conservative in its estimate of ETV station growth—predicting mere doubling of present 60-odd stations in 10 years, after noting that "at least 40 new stations are in some stage of preparation." Report states that 200-300 closed-circuit systems are in use, says several hundred more are in works. Also reported: (1) Nearly dozen more states planning statewide networks. (2) Midwest & New England working on regionals. (3) National live network "may not be far in the future." (4) ETV satellites are "a foreseeable reality."

Report estimates capital costs of 56 ETV stations at \$29 million, annual operating at \$15 million. National Educational TV & Radio Center (NET), program producing agency, has budget of \$3.6 million. The 200-300 closed-circuit installations had capital costs of \$11 million, annual operation of \$4 million. In next 10 years, additional stations are expected to cost \$30 million, annual operating \$15 million.

Committee members: Cyril M. Braum, engineering consultant to NET; NAB Pres. Collins; Leland Hazard, Pittsburgh Plate Glass vp-gen. counsel; Richard B. Hull, dir., Telecommunication Center, Ohio State U.; Dr. Herold C. Hunt, Harvard prof. of education; Dr. Kenneth E. Oberholtzer, Denver supt. of schools; Dr. John R. Richards, dir., Coordinating Council for Higher Education, Cal.; William E. Spaulding, pres., Houghton Mifflin; Graham T. Winslow, chmn., Mass. Council for the Public Schools.

Clampdown on CATV, sought by WBOY-TV Clarksburg, W. Va. in petition to FCC (Vol. 1:12 p5), was opposed in brief filed last week by NCTA which asserted: (1) FCC itself says it lacks power to require stations to forbid use of their signals by CATV. (2) Even if Commission had such authority, WBOY-TV's proposals are "unworkable, arbitrary." (3) Commission has already said that Congress must decide policy in this area.

## CURRENT CAPSULES

Preparing for allocations comments, AMST last year asked FCC dozens of questions, seeking detailed facts & figures about bases for Commission's proposals. It's understood that current thinking at Commission is to tell AMST that some material is available in public files, some is unnecessary for purposes of preparing comments. However, Commission is considering telling how it calculated vhf & uhf service areas in deintermixture cases. It may also suggest uhf channel groupings to promote efficiency—apparently believing that its proposal to abandon allocation table, letting applicants rush for low uhfs, may produce great waste of spectrum.

FCC's network programming hearing, now set to start Jan. 24, instead of Jan. 23, is popularly being misconstrued as a forum for networks' answer to Chmn. Minow's "vast wasteland" speech and networks' opportunity to contest regulatory efforts of Commission. Though networks may well offer views on foregoing, hearing is designed primarily to explore network ownership of programs, network-talent agency and network-sponsor relationships, program-selection process, use of ratings, consultation with affiliates, etc. (Vol. 1:10 p2). NBC will video tape proceedings under pool arrangement. Shift in starting date was at request of CBS which noted conflict with Jan. 23 space shoot. For first week at least, hearings will be in ICC Hearing Room B.

With an experimental TV-relaying satellite due to orbit this summer, networks are joining forces to produce best show they can muster for the unique event. At meeting of Academy of TV Arts & Sciences in N.Y. last week, NBC vp Julian Goodman said that network news chiefs—ABC's James Hagerty, CBS's Richard Salant and NBC's William McAndrew—"have agreed to assign top creative production staff to assemble a live program which will be truly representative of the American scene on the date of this first international transmission and one which will do justice to the historic nature of the occasion." Bell Labs' satellite expert John Pierce said satellite will be non-synchronous "Telestar," with single transmitter & receiver. He reported intense interest in Europe, Australia and Japan.

CBS will televise all National Football League games under terms of 2-year \$9.3-million contract signed last week. Contract will bring each of the 14 NFL clubs about \$320,000 per year, was similar to one negotiated last April but later nullified by federal judge who ruled it anti-trust violation.

Bill introduced by Rep. Emanuel Celler (D-N.Y.) & signed by President Kennedy in Oct., exempting pro football, baseball, basketball & hockey leagues from anti-trust laws in areas of single network TV contracts, opened way to precedent-setting deal. Under old agreement, each team made separate TV deals.

CBS will televise all games each Sun. on regional basis. Network also will telecast nationally on Thanksgiving Day, Sat. after close of college season & any Conference playoffs. League championship game, however, remains with NBC for at least another year under existing \$615,000 contract.

Newspaper ownership of TV, particularly in one-station cities, definitely will be subject of hearings, we're told by Rep. Celler (D-N.Y.), chmn. of Judiciary **Committee** and its **Anti-trust Subcommittee**. Though staff had been studying subject for some time, he said, catalyst moving him now is demise of 2 Los Angeles dailies—Examiner and Mirror—leaving city with only 2.

He said he intends to find out: (1) Whether anti-trust laws are violated in cities where more than one paper is controlled by single owner or where paper controls TV. (2) Extent to which newspaper control of sole TV outlet results in "one-sided" news coverage and editorials. "There are quite a number of cities from which we have received complaints about newspapers controlling stations," he told us; he wouldn't identify them.

Misrepresentation-of-TV-promotion complaint has been leveled by FTC at an appliance maker, Dormeyer Corp. and its ad agency North Advertising. They're charged with running magazine ads claiming company products were featured as gifts or shown on 12 network giveaway shows. Complaint said that advertising falsely implied arrangements were made whereby Dormeyer products would be used on the shows or company would sponsor the programs.

FCC moved fast to maintain service in radio WIOS Tawas City, Mich. license revocation case (Vol. 1:15 p2). It granted Superior Bcstg. Co. temporary authority to take over and operate station Jan. 14-April 14, put its application at top of AM processing line. Commission had taken license from Roger S. Underhill, on grounds of misrepresentations and attempts to block another applicant,

Noted British historian Dr. Arnold J. Toynbee still finds little good in advertising but he recognizes its power sufficiently to urge that it be kept out of govt.'s hands. His remedy, however, is scarcely what industry has in mind: "We should reduce the amount spent on advertising and diminish the importance and power of advertising, so as to make the control of this business a less valuable prize than it now is." Previous word about advertising from Dr. Toynbee was this:

"The destiny of Western civilization turns on the issue of our struggle with all that Madison Avenue stands for more than it turns on the issue of our struggle with communism."

Dr. Toynbee's latest views were obtained by Peter Bart, N.Y. Times' industrious & imaginative new advertising columnist. (Bart recently discovered & interviewed Ted Bates, of agency bearing his name. Many people thought there was no such man. Bart found him as personally retiring as some of his commercials are not.) Dr. Toynbee wrote Bart that he still believes advertising encourages overconsumption in prosperous countries, keeping goods & capital from underdeveloped nations.

## Personals

Julius Barnathan ABC-TV vp for affiliated stations, named pres. of ABC o-&o TV stations, Stephen Riddleberger, vp for o-&o's, appointed pres. of o-&o radios. In Chicago, Donald H. Peterson, from WBKB, named ABC Central Div. & WBKB dir. of advertising, promotion, press information. He succeeds James M. Ascher who joins USIA in a foreign service post.

Frank J. Shakespeare, vp & gen. mgr., WCBS-TV N.Y., promoted to asst. to pres. of CBS-TV, succeeded by Norman E. Walt Jr. who advances from gen. sales mgr. . . . Marc Merson, former WNTA-TV N.Y. producer-dir., named general program executive, CBS-TV program dept. . . . G. Edward Hamilton, ABC engineering operations dir., resigns to become chief engineer, Educational TV for the Metropolitan Area, N.Y.

Robert E. Kintner, NBC pres., receives VFW Commander-in-Chief's Gold Medal Award for "outstanding achievements in the field of news & public affairs programming." . . . Thomas E. Ervin, NBC vp & general attorney, named an NBC board member.

Merryle S. (Bud) Rukeyser Jr., from NBC N.Y., named NBC Washington news information dir. . . . Alan Baker promoted to NBC press dept. business & trade publicity mgr. in N.Y. . . . Robert Bollen, ex-WDTV (now KDKA-TV) Pittsburgh & Du Mont Labs, named field engineering supervisor, Visual Electronics, N.Y. . . . Milton D. Friedland, gen. mgr. of WICS Springfield, WCHU Champaign-Urbana & WICD Danville, Ill., named vp of parent Plains TV Corp.

John L. McClay, WJZ-TV Baltimore gen. mgr., named asst. to Pres. Donald McGannon of Westinghouse Bestg., succeeded by Herbert B. Cahan, ex-program mgr., WBZ-TV Boston. George Moynihan, WBZ-TV producer, assumes program mgr. post. Winthrop P. Baker, ex-WBZ-TV, named WJZ-TV program mgr.

Glen H. Lahman promoted to WJZ-TV Baltimore chief engineer, replacing Ben Wolfe, who moves to similar post at KPIX San Francisco.

Robert M. Weitman, MGM vp for TV production and former ABC & CBS vp, promoted to MGM vp & studio administrator, succeeding Sol Siegel, resigned. . . . George Stevens Jr., Hollywood film producer & dir. and former dir. of *Alfred Hitchcock Presents* & *Peter Gunn* TV series, appointed USIA Motion Picture Service dir., succeeding Turner B. Shelton, transferred to State Dept.

William E. Hegarty, David Ingraham, Denis G. McInerney & J. Bernard Quigley advance to partnerships in law firm of Cahill, Gordon, Reindel & Ohl. . . . Jeff Davis named pub. affairs dir., WOOD-TV & WOOD Grand Rapids.

Herbert N. Maletz, ex-chief counsel, House Anti-trust Subcommittee, appointed a commissioner of U.S. Court of Claims, Washington. Successor is Stuart H. Johnson Jr., formerly with N.Y. law firm of Breed, Abbott & Morgan.

Sheldon Smerling, a dir. of National Telefilm Assoc., elected pres., succeeding Leonard Davis who remains chmn. . . . Donald H. Richards, ex-Advertising Time Sales research & promotion chief, named Blair TV research head.

Leavenworth (Bud) Wheeler promoted to gen. mgr., KIVA Yuma, replacing Roger Van Duzer, appointed mgr. of new KCRL Reno.

William L. Wright, ex-radio WIBG Philadelphia, appointed Storer Bestg. Co. national radio sales mgr. . . . James W. Frey promoted to general sales mgr., WSAU-TV & WSAU Wausau, Wis. . . . Gene Accas, ex-Grey Advertising programming vp, named network relations vp, Leo Burnett Co.

Federal Communications Bar Assn. elects: pres., Harold Mott, first vp, Donald Beelar; 2nd vp, Thomas Wilson; secy., Warren Baker; asst. secy., Philip Bergson; treas., Marcus Cohn; members of executive committee, Maurice Jansky, Frederick Walton.

New address: Washington law firm, Arent, Fox, Kintner, Plotkin & Kahn, has moved to 1000 Federal Bar Bldg., 1815 H St., N.W. (District 7-8500).

## Obituary

Ellis A. Yost, 89, chief examiner of pre-FCC Federal Radio Commission, died Jan. 8 at Takoma Park, Md. Among his more important recommendations to FRC was authorization of 50-kw AM stations. His widow & son survive.

TV is doing very well, considering its youth and enormous demand for program material, according to Benton & Bowles senior vp Lee R. Rich. In speech before Washington Ad Club last week—where head table guests included FCC Comrs. Hyde & Bartley—he called TV "an intellectual haste-land" because of intense pressures for program production. Rich compared today's TV offerings with those of 1950, insisted quality has improved and "our direction is the right one." He said that each group interested in TV has different objectives and that these can be balanced: "The advertiser to seek customers, if he intends to stay in business; the viewer to seek the best TV fare, regardless of whether he defines that to be a Western or Shakespeare; and the govt. to protect its citizens."

FCC & FTC will share space in old nearby *Washington Star* Bldg., leased last week for use by 5 agencies for 5 years. FCC will get 35,000 sq. ft., FTC 20,000.

Submachine guns & pistols stacked in office of Juvenile Delinquency Subcommittee headed by Sen. Dodd (D-Conn.) may figure in upcoming hearings on impact of TV on juvenile delinquency (Vol. 17:36 p2). Subcommittee is getting ready to resume sessions following FCC network hearing which begins Jan. 24. Staffers revealed that miniature arsenal, which includes 45-cal. submachine gun, 32-cal. revolver and "zip-guns," was ordered through mail. Earlier this month, several Hollywood telefilmmers, including Screen Gems, Warner Bros. and 20th Century, were subpoenaed by Subcommittee to provide records, prints & scripts.

Some 60,000 Illini have signed petitions urging retention of WCIA's Ch. 3 in Champaign. Huge stack of documents arrived at FCC last week. It's part of steady flow of letters, petitions, resolutions, etc. from thousands of individuals & organizations objecting to the 8 proposed deintermixtures. There's almost no mail from those favoring FCC plan.

Ch. 7 is being shifted back to Calais, Me. from Bangor, FCC concluding that Calais needs its first local vhf service and there's likelihood it will be used, noting that WABI-TV Bangor has already applied for it. Commission decided not to reserve it for ETV, saying that ETV group can compete for it.

Doubled Arbitron sample, to more than 400 homes, is planned by ARB for metropolitan N.Y., completion expected within about a year. ARB Dir. James Seiler said that costs heretofore precluded use of samples larger than 200—but that "a dramatic new technical breakthrough" allows the expansion at reasonable cost, most of which ARB will assume.

West German TV set owners total estimated 6 million, N.Y. Times reports. Production in 1961 was held to 1.7 million after 1960 record output of 2.3 million surpassed demand; home sales totaled 1.4 million in both years. Post-war production by end of 1961 reached 9.4 million, of which 20% was exported.

CATV system in Bonham, Tex.—Better TV Inc.—has been sold for \$75,000 by Neil Shirley & Charles Johnson, to Vumore Co., subsidiary of RKO-General. It serves 300 subscribers. Broker: Daniels & Assoc.

Franchises for CATV systems in Vincennes, Washington and Lawrenceville, Ind. have been awarded Vincennes U., which also hopes to build a uhf station.

Closed-circuit telecasts of trials from courtroom in Ann Arbor will instruct U. of Mich. law students.

Washington's high-dome Cosmos Club, which invites those noted for intellectual achievement, barred Carl Rowan, Deputy Asst. Secy. of State for Public Affairs, a Negro, and precipitated: Withdrawal of President Kennedy's application by member John K. Galbraith, Ambassador to India, who resigned; resignations of USIA Dir. Edward R. Murrow, Voice of America commentator Raymond Swing, ABC-TV newsman Howard K. Smith. Rowan said he'd make no issue of case.

Biloxi, Miss. Ch. 13 decision, 4½ years old, was reversed last week, after FCC examined case following remand by Court of Appeals. Decision takes CP from WVMI-TV (Radio Associates) and gives it to WLOX Bcstg. Co. Commission decided that WVMI-TV principal Edward Ball has operational control, that new comparison of applicants gives WLOX great relative improvement in local residence, civic participation, broadcast experience, integration of ownership & management. Also granted last week: uncontested Ch. 29 application of Automated Electronics, Dallas.

"Radio . . . The Sound Citizen" is NAB's theme for National Radio Month in May. John M. Couric, NAB public relations mgr., reported that series of musical announcements produced by Scott-Textor Productions, N.Y., will reflect "the soundness of radio's services as well as the good sounds which emanate from radio." All members will get promotion kit.

Rigged TV quiz show winners will be tried, starting Jan. 17, in Special Sessions Court in N.Y. Justice Edward F. Breslin also revoked parole of Charles Van Doren, Neil Wolf and Mrs. Terry Curtis. He ordered trial after Asst. District Attorney Joseph Stone told court it was "time we disposed of this thing." Defendants are charged with lying to grand jury in saying they had received no help on quiz shows. First to be tried will be David Mayer, who won \$47,500 on *Twenty-One*.

U.S. TV is "fantastic," according to Yugoslav cultural TV program chief Joseph Grubisic, presently touring this country studying TV techniques. Interviewed on KHOU-TV Houston, he said Yugoslav TV is on air only 5 hours daily, with all commercials in one 15-min. block. Grubisic called French TV "creative," particularly in news & documentaries, Italian TV excellent in entertainment. His U.S. preferences: live dramatic shows & documentaries.

FCC turned down AM stereo again, as expected (Vol. 2:2 p5), denying petitions for reconsideration from Kahn Research and radio KVOO Tulsa.

## 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
Beckman Instruments	1961—6 mo. to Dec. 31 <sup>1</sup>	\$34,500,000	—	\$2,000,000	\$1.35	1,458,689
	1960—6 mo. to Dec. 31	31,423,505	—	1,586,010	1.15	1,423,363
Walt Disney Productions	1961—year to Sept. 30	70,247,772	\$9,787,486	4,465,486	2.75	1,626,023
	1960—year to Oct. 1	46,409,572	(2,642,037)	(1,342,037) <sup>2</sup>	—	1,626,023
General Instrument	1961—9 mo. to Nov. 30	63,605,646 <sup>3</sup>	—	938,942	.38	2,482,973
	1960—9 mo. to Nov. 30	57,643,265	—	2,309,717	.93	2,470,460
	1961—qtr. to Nov. 30	23,534,666	—	183,167	.07	2,482,973
	1960—qtr. to Nov. 30	21,991,915	—	1,044,211	.42	2,470,460
Hewlett-Packard	1961—year to Oct. 31	85,590,236	—	5,873,872	.52	10,530,698
	1960—year to Oct. 31	76,809,369	—	4,991,739	.44	10,473,259
Stanley Warner	1961—13 wks. to Nov. 25	35,283,450	2,437,720	1,312,720	.65	2,027,724
	1960—13 wks. to Nov. 25	33,351,153	2,670,615	1,470,615	.73	2,025,374

Notes: <sup>1</sup>Preliminary. <sup>2</sup>After \$1.3-million tax credit. <sup>3</sup>Record.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**FM STEREO—BRIGHT NEW MARKET:** FM stereo finally is beginning to add to sales & profit of phono consoles—and some time this year mass marketing of stereo table radios will be started by many major manufacturers. This view was expressed by manufacturers at last week's Chicago market and related sideshows.

So far, table stereo units are being sold by GE (at \$175), Granco (various 2-piece models) and Zenith (\$99.95 "Multiplexer," for use with conventional FM set) among domestic manufacturers. Almost everybody else is now designing some version of table FM stereo, and there are indications most favor approach adopted by GE—one-piece unit with detachable speaker "wings."

Delmonico showed first imported table radio designed specially for FM stereo. It's 26-in.-wide wood-cabinet AM-FM set, looking like bookshelf speaker, which "can be promoted at \$79.95." Directional speakers are at either end, with adjustable deflectors.

FM stereo is "brightest segment of the total phonograph picture," NARDA convention was told by Zenith Sales Corp. marketing development mgr. J. D. (Kip) Anger. He urged dealers to get into FM-stereo swim to boost sales of tuners in phono consoles.

Trend already is toward FM-AM tuners in stereo consoles, he pointed out: In 1961, some 55% of all phono consoles sold contained tuners, up from 45% in 1960. He said FM stereo also provided opportunity to increase sales of TV-stereo combos, which in 4th quarter 1961 represented 5.1% of total TV sales.

He urged dealers to set aside money for sponsorship of FM-stereo programming. "Get to know the station manager. Get his literature. Get his card; put it in your window. Mention his call letters in your ads." He said 56 stations are now stereocasting—with total of 3,512 hours weekly in areas representing 60-65% of total phono market. He predicted 194 stereo stations on air by April 1, 225 by June 1, and 260 by year's end.

Note: FM stereo will officially be called "FM stereo" in foreseeable future. EIA's radio & phono sections met last week in Chicago and voted down proposal to standardize on term "multiplex" as recommended by San Francisco's KPEN. Majority view was that new term would create consumer confusion, especially in light of prior use of word to describe storecasting, telephone transmission techniques, etc. Phono section elected Philco's Armin Allen as its chairman, succeeding L. M. Sandwick, who begins today as EIA's staff director for consumer products.

**CHICAGO—COLD, COLOR, CONTROVERSY:** Those who braved snow, sub-zero temperatures and disruptions in airline schedules to go to Chicago last week for Home Furnishings Market & NARDA convention got in on some of most acrimonious disputes in history of TV business.

Controversies—as anticipated—principally concerned \$140 portables, supermarket tape plans. And there were Dutch-uncle talks to industry urging upgrading of sales methods to get larger portion of consumer's spending money. There was excitement over potential of FM stereo, some new products, new warranty plans. These topics are treated elsewhere in this issue.

Even color became controversial again—at one highly charged NARDA session. And it became obvious, in our talks with manufacturers & dealers, that color in its present form will be accepted & pushed by everyone in industry this year—even those who will do so grudgingly for sake of "having full line."

Last 2 major holdouts against color-now are due to offer color sets by fall—Motorola & Westinghouse. Motorola consumer products exec. vp Edward R. Taylor confirmed to us his company will field line of its own-made color sets by fall, even if it has to use RCA tube (which it will). For record, Westinghouse is still non-committal, but 1963 color line seems in the cards—again, for sake of "full line."

Unscheduled bout between 2 dynamic industry leaders with almost opposite viewpoints spiced Mon-

day morning NARDA meeting. At speaker's table were Motorola consumer products exec. vp Edward R. Taylor and RCA Sales Corp. marketing vp Raymond W. Saxon.

Taking offensive on issue of "upgrading industry," Taylor's hard-hitting prepared address accused industry of "succumbing to gimmicks, weak-kneed price selling and lack of creativity & aggressiveness." He said industry has failed to get adequate share of consumer's discretionary dollar, is "taking a licking from smarter promoters and better merchandisers."

Taylor refused to accept 6-million-set plateau theory and stated that good, sound merchandising practices could push annual TV sales to 7-10 million sets, beginning this year. He also challenged concept that industry must swing to low-end portables & table models, away from more profitable consoles. This just isn't so, he said, and public can be sold on higher-priced, better sets by sound, aggressive merchandising techniques.

Then it was Saxon's turn. And speech by RCA's astute marketing chief expressed many opinions diametrically opposed to those of Taylor. RCA forecasts, he said, indicate TV sales "will stick close to the 6-million-set figure for the next 5 years." And what's more, portables will account for increasing percentage of market—at least 58% this year, 65% next year, 72% in 1964, 76% in 1965 and 80% by 1966.

Color TV offers opportunity for stable, high-profit selling, as opposed to \$5-&\$10 "cash-&carry" portable business, Saxon said. He pointed to "transition of color TV to the role of everybody's rich uncle in the short space of a year," citing reports showing distributor-to-dealer sales of RCA color sets 101% ahead of 1960 in 3-week 1961 pre-Christmas period and 51% over 1960 for year as whole.



Then the action started. In impromptu question period, Taylor arose to compliment RCA & NBC for "really pushing what they believe in." Then he said he had some questions, "as a customer of RCA."

"We like color, we believe in it," said Taylor. "But we didn't go into it because we didn't believe it was right in its present form. The public doesn't believe in it either—because they're staying away from it. We say color sales in 1961 amounted to 175,000 sets. And if anybody wants to dispute this, just say what the figure was.

"As a customer of RCA, let us tell you what we want to buy. We want a 23-in. 110-degree color tube which can be put in a streamlined set which looks as good as a black-&-white set." As to Saxon's prediction for future of black-&-white TV, Taylor snapped: "If 80% of TV is to be portable, the picture looks bleak and I say anyone who believes this ought to get the hell out of the business."

Saxon stood by his percentage-increase figures (RCA's policy bars release of unit sales figures). However, he predicted sales of half-million color sets for 1962 by entire industry. Then he turned to Taylor and cracked: "You'd better hurry up—you'll be all alone."

Up rose NARDA Chairman Mort Farr, big Upper Darby, Pa. retailer. "Thirty percent of my volume is in color TV right now," he said. "In December alone, I sold seventeen \$1,500 color combinations. I like that kind of sale—and, believe me, I don't like those \$139 portables."



After debate was cut off by meeting chairman Billy Yates, we talked with Taylor. Will Motorola go color? "Yes," was the reply. "We'll have color this year. We hope it will be with our tube." He conceded, however, that no manufacturer has agreed to produce Motorola-developed 23-in. rectangular color tube, and indication is that RCA tube will have to be used. Taylor added: "Our color set will be Motorola-engineered, designed & produced. We will not buy off the end of RCA's production line. Even though we're going color in the fall, we're not going to drop any black-&-white. I seriously doubt whether color will ever amount to more than 25-30% of TV unit volume. There'll always be room for high-end black-&-white."

As if to underscore Saxon's prediction of 500,000 color sales this year, RCA announced at week's end a \$1.5-million expansion of its color picture tube plant at Lancaster, Pa. "to meet an anticipated 250% increase in industry demand this year." RCA tube vp D. Y. Smith said expansion backs up RCA's "confidence in the present shadow-mask color tube."



NARDA backed up its own confidence in color as hypo for economy in general & TV-appliance dealer in particular with resolution urging advertisers to use color-TV medium. It petitioned ABC & CBS to begin colorcasting. It petitioned FCC to use its power to generate more widespread broadcasting of color. It peti-

tioned Commerce Secy. Hodges to cooperate in urging more color to provide spark of new business which can uplift entire economy.

One more make of color set went on market, meanwhile, as Liberty Music Co. opened sales of Delmonico's \$595 color-AM-FM-stereo combo, made by Japan Victor, using RCA tube. Event was launched with full-page ad in Jan. 7 Sunday N.Y. Times.

**'ID' GETS MUCH TALK, NO ACTION AT CHICAGO:** Tape-register plans were much like weather in frigid Chicago last week. Everybody talked about 'em—but nothing was done. National Appliance & Radio-TV Dealers Assn. came to Winter Mart loaded for bear on ID question, but wound up firing only popgun. After several days of heated discussions, NARDA decided to fall back on previously announced resolution which slapped ID's wrists for being unfair to consumers. Heralded counter-attacking promotion programs failed to materialize.

Chicago convention did clarify this much about tape-register plans: good many dealers are talking out of both sides of their stores. Some of ID's fiercest protesters are really protesting against being left out of what they believe is a sales bonanza. Other dealers are belting tape plans, but believe they must participate to meet competition. Others publicly favor plans and want in. So long as there is this division, especially in NARDA, it seems unlikely that any coordinated counter-attack against tape plans will develop. NARDA's division over tape plans extends to its executive staff as well as throughout membership. Executive committee Chmn. Harry Price, for example described plans as "great," is waiting for opening in his Norfolk, Va. trading area.

Philco's competition is more unified & outspoken than dealers on ID question. At various sessions at Winter Mart last week such statements as these were heard:

RCA Sales Corp. mktg. vp Raymond W. Saxon stressed that "color can't be sold with a can of soup." He told NARDA members: RCA "does not believe that the ID plan, and/or a similar approach through the supermarket, fits our way of business, or for that matter, your way of business."

Motorola consumer products exec. vp Edward R. Taylor differed with Saxon on virtually every other subject during Mart (see p. 7) but joined forces in an attack on ID in his NARDA speech. Said Taylor: "We have completely abdicated preaching the benefits of our products when we allow them to be used as premiums in supermarkets where the selling & merchandising are presided over by grocery clerks."

Perhaps most enlightened remark about Chicago's ID talkathon came unrelatedly from Philco Pres. Charles E. Beck. In Atlanta, to address 450 appliance dealers, he reaffirmed new Philco management's faith in & support of ID program—said free publicity & attention given program were far & away ahead of anything company could have conceived.

Meanwhile, noted economist Leo Cherne reversed his field last week, changed earlier opinions about success of tape plans, forecast Congressional investigation because "there will be abuses." Speaking at Super Market Institute in Bal Harbour, Fla., he had predicted rapid success of tape plans but changed prediction after hearing experiences of various participating supermarkets. "I now take seriously the significant reservations about results many of you have," Cherne said, after telling audience that participating retailers advised him, during coffee break, that they were not getting anticipated gains in volume & customers.



Philco ID sparkplug Henry E. Bowes last week became latest of Old Guard Philco management to resign, following fast on departure of Robert G. Urban, James M. Skinner and Larry Hardy. Bowes was continued as vp-gen. mgr. of Consumer Products Div. when Ford took over. For more on Bowes, see p. 12.

**SO WHAT ELSE IS NEW?** Although spotlight was stolen at Chicago winter market by debates over \$139 portables and corridor discussions of supermarket tape plans, several new products were shown and couple of warranty policy changes enunciated. To us, these were most significant:

Magnavox, which always makes heavy use of Chicago markets, told its dealers of new extended warranty policies. Its "Gold Seal" warranty (generally on items \$249 & up) now covers one full year parts & labor (formerly one year on parts, 90 days on labor). "Silver Seal" warranty (everything else except some portable phonos) covers one year parts, 90 days labor (formerly 90 days parts & labor). New transistorized portable stereo has 2-year parts, one-year labor warranty.

Westinghouse also has new warranty gimmick—to stress reliability of its etched-circuit boards: If

board fails within one year, entire TV set is replaced. Westinghouse's 90-day parts-&labor warranty on all TV & stereo is continued.

One new picture tube made its debut in Chicago—27-in. 110-degree, replacing 90-degree tube in high-end Magnavox model. Glass for new tube is from Corning. Magnavox will gradually change over all its 27-in. merchandise to new tube, cutting down doghouse in back of set. Among other Magnavox innovations: "Magnalux" electric-eye gadget (photo-sensitive resistor), which adjusts brightness & contrast to room lighting, is now in all sets, including portables, from \$189.50 up, except for 23-in. leader table model. Magnavox line, due to new drop-ins, now puts even heavier emphasis on 24- & 27-in. models.

Main innovation in Magnavox phono line is all-transistor 10-watt amplifier, featured in all portable stereo units from \$125 up. Magnavox, which is aiming at 45% sales increase in 1962, also announced prices for its annual sale (Feb. 22 through March), including stereo console at \$149.50 (\$199.50 with AM-FM) and TV combos at \$399.50 & \$499.50.

One of next to join 27-in. trend will be Muntz, which has one penciled in for June market. Muntz also has re-entered stereo market, now makes own sets at its new Wheeling, Ill. plant, features one portable, 2 consoles.

Westinghouse has put 2 of its unique features into single 19-in. portable—Instant-On & Mobil-Sound—at \$219.95. Mobil-Sound permits use of AM radio anywhere in room as remote TV speaker, previously was introduced last June in single \$199.95 portable.

Symphonic heralded effort to become important factor in TV when it showed samples (unpriced) of forthcoming TV line utilizing former Hoffman TV chassis. New line will have portable (not the \$139 variety), 23-in. upright console, lowboy & 2 combinations—each of latter 3 categories in 3 furniture styles. Furniture models displayed were attractive, tasteful. This new higher-priced line will be in addition to updated version of Symphonic's lower-end line, shown last year.

That Symphonic is serious in its upgrading programming is indicated by large number of new faces in organization—marketing & product development dir. A. R. Baggs, ex-Magnavox & RCA; national service mgr. George Freedman, ex-Decca; new chief engineer, to be announced soon. Symphonic has retained industrial designer Robert W. Hain Associates.

Big splash was made by Motorola with its deluxe Decorator & Designer collection—group of custom-designed TV & stereo furniture pieces to match lines of Drexel, Heritage & Morganton (Vol. 2:1 p7). Group included such items as table models with doors (\$400-\$475), wall-hanging early American console, hexagonal coffee-table stereo (\$600); 19-in. TV in mahogany serving cart (\$575), and other items priced up to \$1,175. Although display was designed to test dealer reaction, Motorola said reception was so good that at least some of units will be placed on market.

Prices made news in stereo & radio, too. Most major-brand stereo consoles now start at \$149.95—and GE was latest to go along with trend, dropping its Westport series \$10. GE also introduced U.S.-made 6-transistor radio at \$16.95—\$3 below previous leader model. At same \$16.95 price, GE added 5-transistor horizontal portable and 3-tube clock radio.

**PORTABLES—\$139 NOW, \$99 LATER?** Most of industry has adopted official "watchful waiting" policy before trying to match Motorola's 19-in. portable at \$139.88. This was obvious from our talks with manufacturers at Chicago mart last week. Although some major set makers—notably Admiral & Westinghouse—have introduced promotional \$139 versions of their existing portables, there's general realization that this isn't real answer. Meanwhile, revival of 17-in. as price-leader competition is in works.

Yes, other majors will match Motorola price. But probably not with reductions on existing models. Fact is, stripped-down \$160 portable can't be sold profitably at \$140. Motorola's set is brand-new circuit, and competitors' labs are working overtime analyzing & testing it. One rather telling quip heard at mart: "Motorola's first run on the new portable is sold out—to other manufacturers."

We don't think battle of portables will end at \$139. We know at least 2 major set makers have \$99 set as goal—but not 19-in. They're not sure it can be done, but they're exploring simplified circuits and small picture tubes in their "think-small" campaigns (Vol. 2:1-2).

Rumors floating around mart and at NARDA convention last week labeled Motorola set as "import." This isn't true—it's U.S.-made, as we reported 2 weeks ago (Vol. 2:1 p7). More appropriate is label of "United Nations set" pinned on it by one industryite, since it does make use of imported parts (although Motorola says large majority of parts are domestic).

Set has complement of 14 tubes plus U.S.-made picture tube. Only one of circuit tubes is currently

being bought 100% from U.S. manufacturers. Two tubes are being bought exclusively in Holland, where frame-grid tube originated; 2 are purchased exclusively in Japan; remaining 9 have dual supply sources—some of each type being bought in Japan or Holland, some in U.S. Some other components are Japanese—including some, but not all, speakers.

There's no gainsaying that \$139 set created stir. Westinghouse last week joined Admiral in offering version of its higher-priced portable which "can be advertised as low as \$139.95." It's power-transformer set, no handle or antenna. GE appeared to be teetering for while, then left \$159.95 price on its new portable. However, both GE & Sylvania have promotional offer of free stand with \$159.95 sets.

Revival of 17-in. is one answer to low-end price competition—but probably temporary one. Emerson last week introduced 17-in. portable listing at \$129.88. RCA says its 17-in. portable at \$149.95—which has been produced right along—is real big seller which it has no intention of discontinuing. Smaller producers, such as Trav-Ler, have also had continuing success with 17-in. price leaders sold by mass merchandisers as low as \$99.95. As matter of fact, it's something of mystery why Philco has just dropped 17-in. from line.

Emerson also has 19-in. "which can be sold almost as low" as \$139, Pres. Benjamin Abrams told us last week—apparently referring to newly introduced portable with \$158 list. "We're selling all the portables we can make now," he told us, adding that "we may bring out a set with a smaller picture tube." As to 16-in., "we're looking at it, but it can't be produced immediately."



There's increasing number of sets selling already at around \$100 level. In Chicago last week, we took first look at Muntz's 19-in. set at \$99.95, which uses only 8 circuit tubes (most of which are GE's multi-purpose Compactrons) and low-drive picture tube. Muntz is ready to go, and vp Jack Simberg said first production run of 5,000 will start in about 4 weeks—and most of all this has already been ordered by big dept. store chain (presumably Allied Purchasing Corp., for its Ambassador label).

Muntz Metropolitan set is pleasing in appearance, with all-plastic cabinet, power transformer. Step-up model, at \$114-\$119, has handle, antenna & tinted safety glass.

Delmonico's new space in Merchandise Mart drew heavy traffic, nearly everyone stopping to at least chuck cute 8-in. portable under the chin. This Victor set, which lists at \$119.95, can be sold with good margin at \$100. Exec. vp Herbert Kabat told us he estimates market for 8-in. set at about 200,000 a year. How about other small-screen sets? "We may add a 10-in., but I think 14-in. would be too expensive." He also reported good sales on Delmonico's 19-in. portables, which range from "can be promoted at \$99.95" to about \$139.95—in fact, "we're back-ordered on all TVs, haven't had one in stock since last July."

Matsushita showed its good-looking 14-in. Panasonic bookshelf TV, with carrying handle & antenna, and put \$139.95 list on it. It's expected to be priced normally at around \$119, however.

**TV-RADIO PRODUCTION:** EIA statistics for week ended Jan. 5 (1st week of 1962):

	Dec. 30-Jan. 5	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	81,108	66,775	52,062	81,108	52,062
Total radio .....	280,636	252,903	201,484	280,636	201,484
auto radio .....	117,358	105,122	89,080	117,358	89,080

**TOPICS & TRENDS**

Four makers of TV components, and 2 officials, were among 10 manufacturers & 9 officers indicated by a Dayton, O. grand jury last week on charges of fixing prices for electronic parts. Accused of conspiring to fix prices of soft ferrite cores used in TV sets were Ailen-Bradley Co. (and Electronics Div. chief engineer William W. Garstang), Aerovox, Indiana General (and exec. vp John Bouwmeester), and Stackpole Carbon. Justice Dept. noted that the conspiracy began in 1955 and continued until sometime in 1961. Two other indictments cited price-fixing of carbon & metal-film resistors. Indicated: carbon resistors—Aerovox (Hi-Q Div. sales mgr. James M. Krampf & Distributor & Sales Div. vp Charles Golenpaul), International Resistance, Electra Mfg. (vp Richard Burton), Texas Instruments (resistor dept. mgr. Leonard Maquire), Clarostat Mfg. and Dale Products (Pres. George Risk & vp D. P. Greeding). Metal resistors—Electra, International Resistance and Daystrom (vp Wilbert Steinkamp).



Total of 57 FM stations are now stereocasting, according to our records. In addition to those reported in our table last month (Vol. 1:12 p7) and others reported in Dec. 18 issue (Vol. 1:14 p1), 5 new stations have begun stereo output—KDMI Des Moines (new market), WGPR-FM Detroit (city's 2nd), WFMT Chicago (3rd), KLRO San Diego (2nd) and KWFM Minneapolis (2nd).

**BOWES QUILTS PHILCO:** Latest personnel upheaval at Ford-acquired Philco broke at the weekend with the surprise announcement that Consumer Products Div. vp-gen. mgr. Henry E. Bowes is resigning effective Feb. 1. He will join ITT as govt. relations dir., head-quartering in Washington.

Philco Pres. Charles E. Beck announced at the same time a reorganization of the Division "on a management responsibility basis" rather than on product lines to "let our primary managers give equal attention to all of the Division's products." Appointment of Bowes' successor will be made before Feb. 1.

Bowes' bow out follows quickly the departure of 3 other Old Guard Philco executives: consumer products mktg. vp Robert G. Urban (Vol. 1:11 p1), Pres. James M. Skinner Jr. (Vol. 1:13 p7) and longtime consumer products vp-gen. mgr. & shorttime PR vp Larry F. Hardy (Vol. 1:15 p10). Bowes has been with Philco since 1936.

Bowes told us: "I'm leaving for only one reason. I believe I can make more money, and it's a better job. It has nothing to do with the ID program or with the Ford people, who have been wonderful to me." He pointed out that he had been Philco's govt. sales mgr. in Washington 1950-52. "We loved it there," he said, "and didn't want to leave when I was transferred to Philadelphia. This new post with ITT offers wonderful opportunities for me there."

The reorganized Consumer Products Div. will function with 5 all-product management operations—planning, engineering, manufacturing, sales and marketing—reporting to the general manager. Two Ford executives join the Philco consumer products team: F. J. Meredith, formerly manager of Ford's Sandusky parts plant, will be gen. mfg. mgr.; John Pfann, profit analysis mgr. of Ford's Lincoln-Mercury Div., is controller. Other changes in Consumer Products Div. management: Armin Allen, formerly electronic operations mgr., to product planning mgr.; Charles Haki-mian, from supervisor of branch sales offices to gen. sales & mktg. mgr.; E. S. Brotzman becomes product engineering dir., was in charge of electronic products manufacturing & engineering. Pfann's appointment is effective immediately, the others Feb. 1.

**Trade Personals**

Marion E. Pettegrew, Sylvania senior vp since 1958, has been elected pres. of Erie Resistor, succeeding G. Richard Fryling who moves to new post of chmn. Changes are effective around Feb. 1. Pettegrew's Sylvania responsibilities included the Home Electronics Div. which recently was absorbed into a new Home & Commercial Electronics Div. (Vol. 2:2 p8), headed by senior vp George C. Connor as gen. mgr. Latter has been succeeded as senior vp for mktg. by Alfred C. Viebranz.

Gordon L. Fullerton appointed Sylvania vp & Parts Div. gen. mgr., succeeded as picture tube operations gen. mgr. by Walter A. Weiss, also advanced to vp. Both report to vp Merle W. Kremer, formerly Parts Div. gen. mgr., who also will absorb Weiss's previous post of receiving tube operations gen. mgr.

Samuel M. Boyd, Springfield, Mass., elected National Appliance & Radio-TV Dealers Assn. pres., succeeding Victor Joerndt. Other officers: vps F. Hardy Rickbeil, Worthington, Minn.; G. Gilbert Smith, Fort Lauderdale, Fla.; Richard V. Finch, Medford, Ore.; secy. James Fulford, Washington, D.C. and treas. Earl Holst.

H. A. Shepard named Thompson Ramo Wooldridge pres., succeeding Dean E. Wooldridge, resigned. Shepard had been vp-gen. mgr. Wooldridge will continue on boards of TRW & subsidiary Space Technology Labs.

E. S. Groo appointed European operations vp, IBM World Trade Corp., succeeding Louis Castaldi, named IBM Italy gen. mgr. . . . David C. Gabriel named personnel administration mgr., Sylvania Electronic Systems.

Sidney Sparks & Edwin W. Peterson named exec. vp & a dir. and vp-controller respectively, RCA Communications . . . Edgar A. Williams elected Electronics Specialty Co. vp.

Dugald Black elected Bendix international operations vp . . . William F. Gates elected pres. of Tectron's Dalmo Victor Co. Div., maker of microwave systems, other elec-tronic equipment . . . George C. Isham named Sylvania product mgr. for picture tubes.

Donald F. Kojane named mktg. dir. of Dynamics Corp. of America subsidiary Radio Engineering Labs. . . . George Freedman named Symphonic Electronic national svc. mgr.

Bodie L. Stahlschmidt named to new post of distribu-tion mgr., Admiral Sales Corp., succeeded as Admiral gen. sales mgr. by Clarence B. Flinn.

Richard B. Stollmack, Transistor World pres.-gen. mgr., elected pres. of American Radio Importers Assn., succeeding Samuel Frankel.

Dr. Thomas A. Longo named research & engineering dir., Sylvania Semiconductor Div. . . . William H. Hudson appointed TV product development mgr., Corning Glass.

**Obituary**

Col. Richard H. Ranger, 72, electronics pioneer who is credited with developing the first transoceanic wireless picture transmitter, died Jan. 10 at Newark, N.J. He was active in radar, magnetic recording; won a 1956 "Oscar" and 1957 Samuel L. Warner Award for invention synchro-nizing tape & motion pictures. He was with RCA from 1920 to 1930, later founded and was pres. of Rangertone Inc. Up to his recent illness, he was working on an electronic clock for NBC.

Transistor factory sales in October rose to 18,232,530 units from 12,168,632 in Oct. 1960. Dollar value, how-ever declined to \$24,018,037 from \$25,945,195. October represented 1961's 2nd highest monthly volume, topped by September's 19.4 million units. Year-to-date sales are nearly 52 million units ahead of 1960's Jan.-Oct. pace. Dollar volume, however, was less than \$2.5 million ahead Here are EIA's figures:

	1961		1960	
	Units	Dollars	Units	Dollars
January .....	12,183,931	\$22,955,167	9,606,630	\$24,714,580
February .....	13,270,428	25,699,625	9,627,662	
March .....	15,129,273	29,815,291	12,021,506	
April .....	15,072,064	27,388,278	9,891,236	
May .....	15,128,181	25,113,042	9,046,237	
June .....	17,899,005	26,148,746	10,392,412	
July .....	11,227,388	17,506,011	7,070,884	
August .....	17,193,860	25,155,627	9,732,998	
September .....	19,386,202	27,220,248	12,973,792	
October .....	18,232,530	24,018,037	12,168,632	
TOTAL .....	154,407,230	\$250,620,519	102,431,984	\$248,144,1.

**Common Stock Dividends**

Corporation	Period	Amt.	Payable	Stk. R.
Allied Radio .....	Q	\$0.08	Feb. 27	Feb.
Ford Motor .....	Q	.90	Mar. 1	Jan. 30
Gross Telecasting .....	Q	.40	Feb. 10	Jan. 25
Gross Telecasting "B" .....	Q	.07½	Feb. 10	Jan. 25
Movielab Film Labs "A" .....	Q	.10	Feb. 1	Jan.
Movielab Film Labs "A" .....	Stk.	5%	Feb. 1	Jan.
Sonotone .....	Q	.07	Mar. 31	Mar. 2
20th Century-Fox ....	Stk.	2%	Mar. 31	Mar. 8

# WEEKLY **Television Digest**

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

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**STIRRINGS IN ALLOCATIONS POT:** Delay in comments granted, Harris promises hearings, Allott opposes uhf, FCC answers request for more background on allocations criteria (p. 1).

**HOUSE HEARINGS TO REMAIN DARK,** Speaker McCormack retaining old Rayburn ban after appeal by Rep. Meader (R-Mich.). Industry deplores ruling (p. 2).

**COURT HEARS FREEDOM-OF-SPEECH ARGUMENT** in Suburban Bcstrs. "seek-out-needs" case testing FCC authority (p. 3).

**NAB EDITORIAL CONFAB JELLING,** Marion Folsom and George Ball added speakers. Sessions include "how to do it" and briefings on national & international issues (p. 2).

### **Consumer Electronics**

**COLOR TUBE OUTPUT** explored by Zenith's Rauland, which could become welcome 2nd source for industry. Tooling could take 2 years. Rectangular tube seen for future (p. 7).

**ANTENNA BUSINESS IS HUMMING** & growing, major manufacturers tell us. They see sales gains developing from color TV, FM stereo, electronic antennas, better merchandising. Five firms report 1961 sales gains ranging up to 50% (p. 7).

**STEREO TABLE RADIOS** begin to move. Granco says demand for its \$99.95 unit has outpaced 3 production runs. One out of 3 purchasers of low-end Granco sets buys stereo (p. 9).

**JERROLD BUYS PILOT,** veering increasingly to consumer-products field and becoming one of largest component hi-fi makers in industry (p. 10).

**PHILCO 'QUIT PARADE' CONTINUES:** Frederick D. Ogilby & Robert J. Theis are latest to leave as Ford reshapes consumer products operation (p. 11).

**NOV. PRODUCTION FIGURES** reveal surge in FM table models & uhf-equipped TV sets (p. 12).

### **WE'VE MOVED**

Needing more space, we've shifted headquarters to 911 13th St., N.W., Washington 5, D.C. Please change your records accordingly—and ask your public relations dept. to readdress all Washington-directed releases. Phone same: Sterling 3-1755.

**STIRRINGS IN ALLOCATIONS POT:** Allocations picture continues to warm up. Stuck with enormous chore, Assn. of Federal Communications Consulting Engineers and others late last week persuaded FCC to give them 2 more weeks to prepare comments—shifting deadline from Feb. 5 to Feb. 19, reply comments deadline to March 23.

Chmn. Harris (D-Ark.), House Commerce Committee, said he'd schedule hearings on anti-deintermixing, dates not yet set, after discussing bills with Rep. Mack (D-Ill.) and Ill. State Auditor Michael J. Howlett, ex-chmn. of Ill. Maximum Coverage TV Committee, fighting deintermixture.

Sen. Allott (R-Colo.) sent word to FCC that he's against any move to uhf, particularly because uhf signals might not reach the 208 boosters which relay signals in Colo. He said deintermixture, etc. is premature because FCC's N.Y. uhf experiment is still under way and all-channel-set legislation is yet to be considered by Congress.

Request for more information from FCC, by AMST and others seeking technical & economic bases for allocations proposals, was answered by Commission last week with limited amount of information, as anticipated (Vol. 2:3 p4).

AMST asked for channel numbers of uhf frequencies to be pooled and held in reserve for ETV and vhf's which might be shifted. Commission replied that it's exploring various methods. It said it recognizes that if assignments are made solely on basis of demand that it "can lead to devastating inefficiencies unless some guidance can be provided." Commission noted, for example, that if 12 uhfs are given to one city, only

4 others may be assigned to other cities between 20 & 55 miles away. However, if the city gets 10, 15 may be given to cities between 20 & 55 miles away.

"The efficacy of a plan," FCC said, "to make assignments in particular areas from specific groups of channels will probably require the establishment of a somewhat flexible grid by designating certain key cities or areas in which particular groups may be used."

Commission told how it measured service losses for deintermixture cases. For vhfs, it used Grade B contour, employing F(50,50) charts in rules, plus actual ERP & antenna height. For uhfs, 500 kw and 750-ft. height were assumed. Field strength charts from "Appendix A," which was issued in 1956 then withdrawn, were employed. It was assumed such uhf stations provide acceptable service for 50% of locations 90% of time out to 40 miles.

Commission said that ARB survey of viewing habits showed the area between Grade B contours of an assumed uhf station and an existing vhf station is generally served by other stations.

As for other data sought, FCC said, some is available in Commission files and some requests are "fruitlessly contentious."

**HOUSE HEARINGS TO REMAIN DARK:** Latest round in efforts to introduce TV into House committee hearings failed last week when Speaker McCormack upheld ban imposed by late Speaker Rayburn in 1952.

Hopes that new Speaker might reverse old freeze and allow coverage of hearings for first time since 83rd Congress were killed when McCormack ruled sessions would remain closed to broadcasters "until such time as the House by its own action in amending the rules provides for a different method of proceeding."

This would be very difficult. Rules Committee has been against it. Resolution introduced last year (Vol. 17:9 p11) by Rep. Meader (R-Mich.) to permit individual committee chairman to determine whether TV coverage would be allowed during their hearings was defeated by 8-6 party-line vote, all 8 Democrats supporting Rayburn. House seldom bypasses Rules Committee.

Some believe that McCormack's retention of old Rayburn edict was result of poor timing by proponents of TV & radio. McCormack in past has expressed sympathy for idea of TV in House but apparently wanted to avoid giving impression of reversing the revered Rayburn, whose opposition to hearing broadcasts was extremely strong.

Meader delivered vigorous appeal in long floor speech last week, pleading for public's right to watch Congress in action. After McCormack's ruling he told us: "I don't know how long they can continue to block this thing," but he indicated someone else would have to pick up ball now. "There's only so much I can do from this side of the aisle," the Mich. Republican added.

NAB's Freedom of Information Committee Chmn. Frank P. Fogarty called McCormack action "a great disappointment," plans to continue battling to crack House shell. G. Bennett Larson, producer of new TV series "U.S. Hearing Highlights," weekly coverage of govt. sessions, deplored "the one vital informational gap" remaining in coverage of important hearings. He urged House reconsideration.

**NAB EDITORIAL CONFAB JELLING:** NAB reports fast-growing response to its plans for its March 1-2 conference on public affairs & editorializing (Vol. 2:2 p3). Industry affairs vp Howard Bell said ceiling on registration is 400, and he expects full house. NAB Pres. Collins said last week:

"I believe this will prove one of the most significant meetings ever held by broadcasters. There is a tremendous need for competent leadership in public opinion in our communities by broadcasters. This session will show why and how it can be met. I am heartened by the very fine advance response."

Marion B. Folsom, former Secretary of HEW, and George W. Ball, Undersecretary of State, have been added to speaker list which includes Secretary of State Rusk and FCC Chmn. Minow. Possible additional speakers are Attorney General Robert Kennedy and USIA Dir. Edward R. Murrow.

Dove-tailed with conference is annual meeting of state broadcaster associations Feb. 28-March 1. Sen. Pastore (D-R.I.), chmn. of Commerce Communications Subcommittee, speaks at state group's Feb. 28 luncheon.

Speaking of his hopes for editorial conference, Bell said last week: "To achieve the prestige that publishers have in their communities, broadcasters need to offer editorials and public affairs programs.

"We're worried about irresponsible editorializing. You can't do it off the top of your head. You need capable people to research, and so forth. We aren't limiting the attendance to top management. The news people are invited. We've asked the Radio-TV News Directors Assn. to participate.

"We'll stress: (1) The workshop angle—tracing the development of editorials, how it's done. (2) A view of community problems. (3) The Washington view."

**COURT HEARS FREEDOM-OF-SPEECH ARGUMENT:** Potential legal landmark in old battle over FCC's authority to consider programming, "Suburban" case was argued last week before Appeals Court Judges Bastian, Bazelon and Burger.

Case involves FM application of Suburban Bcstrs. for Elizabeth, N.J. FCC denied application on grounds principals had done nothing to show they'd studied program needs of area. In fact, they proposed same schedule they had for other cities (Vol. 17:27 p1).

Suburban's attorney Robert Heald argued that FCC ruling violated "no censorship" provision of Communications Act and First Amendment guarantees on freedom of speech. He insisted that FCC had exercised "previous scrutiny" of programs—i.e., censorship—hadn't merely asked for "seek-out-needs" showing. Furthermore, he asserted applicant was unfairly caught off balance by new FCC requirement—that Commission had never asked for "needs" study before.

Heald said that Commission could judge only applicants' legal, technical and financial qualifications. In response to question from bench, he said FCC had no jurisdiction even if station broadcast "lady wrestlers" all day.

FCC's Daniel Ohlbaum cited many judicial rulings, including those of U.S. Supreme Court, to support argument that Commission does have authority to consider programming from "public interest" standpoint.

Judges were extremely interested in this fundamental case, congratulated attorneys for presenting issues clearly. If anything can be deduced from judges' questions, observers were inclined to think court will accept FCC view. Whichever way decision goes, appeal to Supreme Court is expected.

## **CURRENT CAPSULES**

FCC juggled dates for network program hearing last week, changing because of network witnesses' desire to work on man-orbit space shoot. With launch changed to Jan. 24, Commission shifted start of hearing back to Jan. 23. If shoot goes off as scheduled, it's assumed no session will be held Jan. 24—but Commission didn't spell that out. Press briefing by Chmn. Minow is set for Jan. 22.

CBS leads off with Pres. Frank Stanton. Other CBS witnesses: James Aubrey, Richard Salant, Oscar Katz, Michael Dann, Guy della Cioppa, William Hylan, W. Spencer Harrison, William Lodge, Joseph Ream, Jay Eliasberg. NBC Chmn. Robert Sarnoff, due to testify starting Jan. 29, will have with him: David Adams, Walter Scott, William McAndrew, Hugh Beville, Mort Werner, James Stabile, Thomas Knode, Carl Watson. With ABC-TV Pres. Oliver Treyz, beginning Feb. 5: Tom Moore, Everett Erlick, James Hagerty, Robert Coe, Grace Johnson.

Because of hearings, Commission has set regular agenda meetings for Jan. 31 & Feb. 6. Dean Roscoe Barrow, Cincinnati U. Law School, who headed network study, will be on hand as consultant. FCC spokesman termed "erroneous" the report that another consultant would be C. Terence Clyne, ex-McCann-Erickson chmn.

FCC sharpens queries: (1) "Good faith" of 2 applicants in Ark. AM hearing was questioned when Commission enlarged hearing issues to explore whether Smackover Radio, seeking new station in Smackover, and KVMA Magnolia, seeking higher power, were really trying to block application of Ouachita Valley Radio in Camden. Comr. Cross dissented. (2) Louisville AM applicant Mainliner Bcstrs. was asked to show, in its comparative hearing, what efforts it has made to determine broadcast needs of its market. No dissenters. (3) Radio KARY Prosser, Wash. was given equivalent of one-year license (remainder of current license period) for failure to program in 3 categories it had previously proposed. Comrs. Hyde & Craven dissented.

Finale, presumably, to one of broadcasting's darkest periods—1959 quiz scandals—came last week when 10 quiz winners pleaded guilty to perjury and received suspended sentences. Justice Edward F. Breslin of N.Y. Special Sessions Court told Charles Van Doren—best known of group: "I see in your eyes as I've seen in the eyes of others who have pleaded in this investigation how humiliated and contrite you are and they were. This is your first offense and you are entitled to a chance."

Big savings in video-tape costs & storage space are heralded by RCA development which permits recording at half former speed without loss of information. RCA has devised new recording head which covers lateral track only 5 mils wide, as compared with present 10 mils, making possible reduction of tape speed from 15 to 7½ inches per second.

Accessory to convert RCA's broadcast & closed-circuit TV tape recorders to 2-speed operation will be available in May at about \$3,500. It permits recording & playback at both new & old speeds—for maximum interchangeability of tapes. Conversion kit consists of new headwheel panel assembly, 2-speed capstan motor and modified circuits.

Increasing sponsorship of public affairs & "hard news" programming was described as "the quiet revolution in TV today" by vp Don Durgin, NBC TV network sales, in Jan. 17 address to Cincinnati Advertisers Club. He cited this evidence: Approximately 50 of NBC News' 61 "actuality" specials scheduled between Oct. & May are sponsored, more than 40 of them on single sponsor basis to more than dozen advertisers. Actuality specials have been sold to more than 20 advertisers, most of whom use shows for product commercials rather than institutional messages, which once constituted bulk of public-affairs sponsorship. In addition, all regular NBC TV news shows are sponsored.

Double billing investigators in Washington (Vol. 2:3 p1) are scrutinizing 2 radio stations in middle-sized Eastern city; one reportedly settled for \$7,500 with insurance-company sponsor which threatened to sue after discovering it had been billed \$8 for \$4 spots for a year.

Republic Corp. will proceed with plans to acquire America Corp. in wake of federal court rejection of Justice Dept. request for a preliminary injunction to bar proposed acquisition. Govt. opposes merger because it would give Republic 40% of market for processing TV & motion picture film.

## Personals

Merle Worster, ABC Eastern div. engineering dept. mgr. of TV operations, promoted to network TV technical operations dir. . . . Willis C. Beecher, Washington consulting engineer, moves to Trans Lux Bldg., phone remaining 393-5621.

Jerry Danford promoted to gen. sales mgr., WCBS-TV N.Y., succeeding Norman Walt Jr., recently appointed vp & gen. mgr., Bud Hirsch moves up to asst. gen. sales mgr. . . . Gene Walsh promoted to NBC press dept. asst. trade news editor.

Anthony M. Hennig, ex-Sports Network vp & former NBC-TV Live Operations dir., named Intercontinental TV vp in charge of N.Y. office . . . Lon King, Peters, Griffin, Woodward TV promotion & research dir., elected vp . . . Richard S. Burdick, gen. mgr. of educational WHYI-TV (Ch. 31) & WHYI (FM) Philadelphia, named exec. vp of WHYI Inc.

John Sias appointed Westinghouse Bestg. national TV sales mgr. . . . Russell W. McCorkle ex-KDKA-TV & KDKA Pittsburgh bus. mgr., promoted to Westinghouse Bestg. management development dir., N.Y.

William F. Miller leaves CBS N.Y. office to become sales mgr. of new CBS TV Stations National Sales office in St. Louis in KMOX-TV offices, 12th & Cole Sts. . . . Joseph P. Cuff promoted to sales vp, Robert E. Eastman & Co. radio reps . . . John Croft promoted to WFBM-TV Indianapolis local sales mgr.

Roger W. Clipp, Triangle stations vp, receives Temple U.'s Russell H. Conwell award, given annually for contribution by non-alumnus . . . Roy M. Starks, ex-WEEK-TV & WMBD-TV Peoria and WSIV Pekin, Ill., named WREX-TV Rockford, Ill. news dir. replacing Charles Cremer, who assumes similar post at WTHI Terre Haute.

Leroy E. Kilpatrick, ex-WSAZ Inc. Huntington, named Visual Electronics broadcast account supervisor for Ark., Ky., Tenn., part of Mo. . . . Jack I. Moss, free-lance audiovisual presentation writer, forms Jack I. Moss Inc., sales promotion & training consulting firm, 19 W. 44th St., N.Y. . . . John C. Scully, ex-Washington AT&T news mgr., named P. Ballantine & Sons PR mgr.

Ralph N. Harmon, Westinghouse Bestg. engineering vp, gets NAB annual Engineering Achievement Award at convention in Chicago April 4. One of industry's most energetic and genial engineering leaders, he joined Westinghouse in 1928, has participated in countless industry projects, contributed heavily to the literature. He was selected by subcommittee under NAB engineering mgr. George W. Bartlett, including Jack Petrik, KETV Omaha; W. S. Duttera, NBC; W. B. Honeycutt, KRLD-TV Dallas.

"Problems of Mass Communications" session at meeting of Assn. of School Administration in Atlantic City Feb. 21 will feature addresses by FCC Comr. Frederick Ford and Gilbert Seldes, dean of U. of Pa. Annenberg School of Communications. Columnist Drew Pearson will moderate.

On-job TV training for Northwestern U. broadcasting majors has been inaugurated by WBBM-TV Chicago. Three-month programs will include assignments in production, film, operations & public affairs.

Rep. John Flynt (D-Ga.) shifts from Commerce to Appropriations Committee, succeeded by Rep. Horace R. Kornegay (D-N.C.) from Greensboro.

Dave Garroway has been elected chairman of Music Industry Promotions Inc., publisher of *FM Listener's Guide*, in which he has "substantial" interest.

CBC has joined TvB of Canada, bringing membership to 42 stations & reps in addition to CBC networks.

Latin American good-neighbor tour arranged by NAB, running Feb. 3-25, will cover Mexico City, Lima, Santiago, Buenos Aires, Montevideo, Rio de Janeiro, Brasilia. Tour returns visit of Inter-American Assn. of Bcstrs. last year. Travelers: Herbert E. Evans, Peoples Bestg. Corp., Columbus, O., NAB rep to IAAB; Mr. & Mrs. Howard H. Bell, NAB vp; Mr. & Mrs. George C. Hatch, KALL Salt Lake City; Willard Schroeder, WOOD Grand Rapids; Robert T. Mason, WMRN Marion, O.; Mr. & Mrs. Daniel W. Kops, WAVZ New Haven; Mr. & Mrs. Worth Kramer, WJRT Flint; Mr. & Mrs. Philip G. Lasky, Westinghouse; Mr. & Mrs. Thad M. Sandstrom, WIBW Topeka; Mr. & Mrs. John E. Fetzer, Fetzer Bestg.; Mr. & Mrs. Robert W. Ferguson, WTRF-TV Wheeling; Mr. & Mrs. D. L. Provost, Hearst Corp.; Mr. & Mrs. N. Wilbur Kidd, WAYB Waynesboro, Va.; Mr. & Mrs. Rex G. Howell, Howell stations; Mrs. Helen S. Duhamel, Duhamel stations; Mr. & Mrs. Kenneth R. Giddens, WKRC-TV Mobile.

Satellite Communications Corp. capitalized at \$500 million is proposed in bill (HR-9696) introduced by Rep. George Miller (D-Cal.). It would amend National Aeronautics & Space Act to provide for privately-owned corporation to develop U.S. portion of a satellite communications system. Financing would be by stock issue of 5,000 shares at \$100,000 each to firms authorized by FCC. NASA would provide rocket boosters and allied equipment as well as technical advice. Bill is identical to one introduced by Sen. Kerr (D-Okla.) in Nov.

WTSP-TV Inc. won Ch. 10 Tampa-St. Petersburg in final FCC decision last week, Commission agreeing with examiner's recommendation (Vol. 17:6 p13). Comrs. Bartley & Minow dissented, would have given channel to City of St. Petersburg which operates WSUN-TV (Ch. 38). Comr. Lee concurred in decision, said that municipalities and non-profit organizations have unfair advantage over commercial operators who must show profit. Comrs. Hyde & Ford didn't participate.

CP for common carrier microwave in 7050-7075 mc was granted under waiver of rules to 5 Idaho stations, enabling them to received the 3 Salt Lake stations. Normally, bands are reserved to regular common carriers for TV STL's & remotes. Action shows that Commission is eager to help out-of-the-way stations. Microwave will be used by KTVB & KOB-TV Boise, KIFI-TV & KID-TV Idaho Falls, KLIX-TV Twin Falls.

Winners of 4th annual NBC Promotion Mgrs. Awards Campaign for local station support of 1961-62 TV program schedule are Caley Augustine, WIIC Pittsburgh, in "over \$700 rate" category, and James Knight, WTRF-TV Wheeling, in "under \$700 rate." Winners & 4 runners-up will receive one-week trips to Hollywood & Las Vegas.

Closing of USIA information center in Bilbao, Spain, for budgetary reasons was attacked in House by Rep. Bob Wilson (R-Cal.). He said USIA activities should be expanded rather than cut back, particularly in areas such as Bilbao which receive large doses of Spanish-language propaganda broadcast from behind Iron Curtain.

No govt. control of TV programming is desire of 83% of 12,000 residents of Minnesota's 3rd Congressional District, according to opinion poll conducted under direction of Rep. Clark MacGregor (R-Mich.). Of remainder, 12.8% voted for controls, 4.1% didn't respond.

WLBW-TV (Ch. 10) Miami has asked FCC for extension of its operating authority from Feb. 20 to May 21, told Commission it plans to build 1,049-ft. tower, has FAA clearance. It holds CP for 927-ft. structure.

Second vhf channel for Erie, sought by WSEE (Ch. 25), has been denied by FCC.

FCC budget for next fiscal year, submitted by President last week, is \$13.1 million, including \$408,000 for N.Y. uhf project—compared with \$13,648,000 last year, including \$1,140,000 for project. Technical research would go from \$817,000 to \$829,000; broadcast from \$2,944,000 to \$2,987,000; safety & special, \$1,385,000 to \$1,451,000; field engineering & monitoring from \$3,597,000 to \$3,946,000; common carrier from \$1,407,000 to \$1,544,000; executive, staff and service \$2,358,000 to \$2,343,000. U.S. Information Agency seeks \$125,500,000, compared with \$111,487,000 last year. Its broadcasting service would go from \$20,206,000 to \$23,056,000, TV from \$2,043,000 to \$3,783,000. FTC would go from \$10,221,000 to \$11,845,000.

International TV Festival at Monte Carlo gave top award for "exceptional achievement" to U.S. entry, *Casals Master Class*, produced by National Educational TV Center. Other "Gold Nymph" awards went to: U.S., NBC's *Shari Lewis Show*, best variety; USSR, best drama; Czechoslovakia, best comedy; Japan, best children's show; Hungary, best scenario; France, best cultural-scientific-historical program; USSR, best actor. NTA-David Susskind's *Play of the Week* production "Black Monday" took first special mention.

A 2-hour closed-circuit TV program, "The American Pageant of the Arts," will be televised next fall to raise funds for a National Cultural Center in Washington. Roger L. Stevens, chmn. of board of trustees of the Center, announced from White House that top theater, opera, dancing & musical stars have offered to participate. Program will be televised in 20 cities, proceeds to be shared 50-50 between Center and local cultural groups which aid in project.

Business Ethics Advisory Council of Commerce Dept. announced long-range program to help business speed improvement of ethical performance. Council's first report, "A Statement on Business Ethics and a Call to Action," covers compliance with law, conflicts of interest, entertainment, gifts & expenses, customers & suppliers, social responsibilities. BEAC also announced it's developing trade-wide & company-wide codes and standards.

NAB has attacked FCC proposal to make FM band (88-108 mc) available for low-power telemetering devices & wireless microphones. In brief filed with Commission, NAB warned of potential interference to FM operations, claimed sufficient space exists in Industrial, Scientific & Medical (ISM) band for telemetering, and in 10-490 kc, 510-1600 kc & 26.97-27.27 mc bands for wireless microphones.

All 4 New Orleans stations—3 commercial, one ETV—offered same program Sun. Jan. 14, an open-ended "Election Forum" starting 10:30 p.m. Five of 6 District Attorney candidates answered questions from station news directors. Similar arrangement for mayoralty candidates was scheduled for Jan. 21. Elections are Jan. 27.

Filibuster against ETV system for state ended when S.C. State Rep. A. W. (Red) Bethea collapsed from exhaustion following 7½ hour speech. House defeated Bethea's amendment which sought to kill entire ETV program. He's campaigning for Democratic nomination for governor in June primary.

NLRB denied motion of reconsideration filed by radio WCKY Cincinnati in dispute with AFTRA. Board reversed itself late last year and ruled union didn't violate Labor Relations Act in letter it sent accidentally to members warning them not to make transcriptions to be broadcast on WCKY.

Ch. 10 Sault Ste. Marie, Mich. has been granted to Fetzer TV Inc. (WWTW Cadillac, et al.).

Five were killed when private plane crashed into 450-ft. CATV tower in Chippewa Falls, Wis., which State Aeronautics Commission has been seeking to have shortened because of hazards to instrument flying. Plane owned by meat packing firm hit Chippewa Cable Co. tower in fog. Suit brought against company by Commission in 1960 is pending in State Supreme Court. Since 1950, 19 TV tower-plane crashes have occurred, 16 fatal, involving 5 TV & 14 radio towers.

TV tour of White House, conducted by Mrs. Kennedy, will be televised by CBS & NBC 10 p.m. Feb. 14, by ABC 7:30 p.m. Feb. 16. White House asked producer CBS to make film available to other networks after NBC Pres. Robert Kintner told Presidential news secy. Pierre Salinger he thought broadcasts from executive mansion traditionally were handled on pool basis. Kintner pointed out that similar NBC production in 1952 had been offered to other networks.

Spectacular telecast from Thor booster rocket may provide answers to explosion of 135-ft. "Echo" space balloon shortly after launching last week. Observers called pictures among best ever sent from a space vehicle. Balloon was launched from Cape Canaveral on intended sub-orbital flight to test techniques & materials for improved communications satellite.

President Kennedy's interview with Soviet newspaper *Isvestia* was the most important step in field of international communications in 1961, according to White House news secy. Pierre Salinger. He also told the Washington Ad Club that Kennedy-Nixon TV debates were the most important "significant advance" in politics, said the most "alarming" trend in communications was increasing shut-downs of newspapers.

Biscayne TV Corp. (WCKT & WCKR Miami) was within rights in firing 3 news cameramen & demoting 4th, NLRB examiner ruled in supplemental report. Board previously ruled that the 4 were entitled to reinstatement and back pay after being laid off for economic reasons. U.S. Court of Appeals modified Board's decision, remanded case for rehearing.

Third CATV sale in first 2 weeks of Jan. was announced by Daniels & Assoc., which sold Aztec Community TV Inc., Aztec, N.M., to Televents of N.M. for \$136,000. System, which serves approximately 1,000 subscribers, will be managed by Daniels' subsidiary Systems Management Co. Televents is headed by H. J. Griffith, Frontier Theatres, Dallas.

Doubts about airborne ETV—in terms of cost, flexibility, spectrum conservation, time-zone difficulties, etc.—are being expressed by one Lloyd Morris, Elmwood Park, Ill., who has been campaigning in favor of ground-based systems. A school board member, he has been barraging ETV groups with analyses of air & ground systems—copies available from him at 2947 N. 78th Court.

FBI will star in one-hour TV "special" produced by Warner Bros. It will be one of most expensive TV shows ever produced, according to WB Pres. Jack L. Warner, may be released to foreign theatres after TV showings here.

Texas AFL-CIO Pres. Hank Brown offered to pay cost of TV or radio debates between candidates in runoff Congressional elections in 13th & 4th districts, "to help voters become better informed."

No bull: John B. Walton acquires 32% of radio KVKM Monahans, Tex. from his mother for "25 head of white-faced Hereford cows," according to transfer application filed with FCC.

FCC's 27th annual report is available from Govt. Printing Office at 45¢.

International TV Symposium in Montreux, Switzerland, April 30-May 4, will "stress the contribution of TV towards world understanding and the way in which technical improvements will further this object," according to sponsor, International Telecommunications Union. Last year's symposium attracted several U.S. exhibitors—including Ampex, Austin, Corning, Eraser Co., MCA, Raytheon, RCA, Telechrome, Temco—and featured papers by top American technical experts (Vol. 17:28 p13). More information available from: Second International TV Symposium Committee, Box 97, Montreux.

Another commercial British TV network and an ETV network have been recommended by Independent TV Authority to Pilkington Committee, the group studying future of British broadcasting. ITA, which controls country's commercial network, said advertising income can support 2nd commercial network—but not a 3rd. It estimated cost of operating another commercial network at \$112 million annually, said that ETV network couldn't be completely self-supporting. ITA also asserted that program quality has risen since commercial TV started in 1955.

Canadian policies & regulations affecting political & controversial broadcasts, effective Jan. 1, are available in text form from Board of Broadcast Governors, 48 Rideau St., Ottawa. Report covers campaigns, elections, sale or gift of time, fairness, etc.

Taiwan's first commercial TV network is expected to begin operations early this year. Representatives of Taiwan TV Corp. and 4 Japanese firms—Nippon Denki, Hitachi, Toshiba and Fuji—signed contract calling for \$75,000 each from the Japanese companies and \$450,000 from local govt. and private interests.

British TV ad revenues topped all other media in 1960, Institute of Practitioners in Advertising reports. Total was \$868,280,000, up \$140 million from 1959. TV revenues were \$224 million, up \$56 million.

VOA's new mid-Africa relay station near Monrovia, Liberia will be built by Page Communications Engineers, Washington, which submitted low bid of \$7,373,000. Station equipment will include six 250-kw & two 50-kw transmitters. Total cost of facility will be \$13,867,000.

"Forensic Engineering" titles article in Jan. *Broadcast Engineering* magazine, by Washington attorney Quayle B. Smith, describing basic functions of engineers & attorneys in preparing & prosecuting AM applications. Copies available from magazine, 1014 Wyandotte St., Kansas City, Mo.

Sale of WEAU-TV Eau Claire for \$2.1 million cash to *Appleton Post-Crescent*, Appleton, from Central Bestg. (Morgan-Murphy group) negotiated Jan. 19. Broker: Blackburn & Co.

Sale of KXLY-TV Spokane for \$2.6 million to Spokane TV, KXLY-AM-FM for \$650,000 to Spokane Radio—both owned by Morgan Murphy interests—has been approved by FCC.

Ch. 14 for Newark is sought by New Jersey TV Bcstg. Corp., headed by Ed Cooperstein, ex-WNTA-TV N.Y. Petition contests that of Bartell Bests., which asks Ch. 14 for N.Y.

WLWI Indianapolis lost again in effort to keep Ch. 13, FCC last week telling staff to draft decision denying Crosley's petition for reconsideration of decision giving channel to WIBC (Vol. 1:8 p4).

Sacramento's 1,549-ft. tower, owned by KXTV, KOVR & KCRA-TV, went into operation last week. One of 5 tallest man-made structures in world, it cost \$1.5 million.

Reservation of Ch. 30 for ETV in Corning-Elmira, N.Y. is proposed by FCC.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**RAULAND STUDIES COLOR TUBE OUTPUT:** Second source of color picture tubes for TV industry may be Zenith's Rauland Corp. It's open secret that Rauland has been pricing color tube production recently.

We queried Rauland vp-gen. mgr. W. E. Phillips late last week. "We haven't really decided yet," he replied, "and we certainly haven't announced any plans to go into color tube production. Nevertheless, we feel that color is pretty hot right now, but we want to get a little more feel of the market. You can put us down as 'cautiously optimistic;' it's quite likely we'll do something fairly soon."

After decision is made, it would take 18 months to 2 years to get into mass production of color tubes, said Phillips. He feels it would take this long for anybody to get into production, because—aside from RCA—he says "no one in the industry now has facilities for color tube production."

As 2nd biggest producer of color TV, Zenith—which has estimated its 1962 color output & sales at 100,000 sets—is logical candidate to be color-tube maker. It must be somewhat galling to Zenith to have to buy color tubes from RCA. Zenith's Rauland has long been developing and experimenting with various types of color tubes. Of course, 2nd supply source for color tubes would be welcomed by entire industry and provide more stimulation for color; nobody likes to be dependent on single source for anything. RCA recently announced \$1.5-million expansion of its Lancaster, Pa. color tube plant (Vol. 2:3 p8).

Sylvania, which produced color tubes in mid-1950s, says it still hasn't decided whether to set up for production again.

Would Rauland produce 21-in. round shadow-mask tubes if it went into color business? Too early to say, replied Phillips. "However, I do feel that the 90-degree rectangular tube is coming." It's evolutionary process, he explained, and time of changeover to any size or shape may well be determined by level of demand for color tubes in 1962. Public acceptance of color—and high sales rate—would provide biggest incentive to progress into new forms.

**ANTENNA BUSINESS IS HUMMING & GROWING:** Sales & profits are climbing in rarely-heard-from antenna industry, and prospects & trends already in view presage years of rising business & prosperity ahead. That's summation of views of industry leaders with whom we spoke last week.

Last year was good one for makers of TV & FM receiving antennas. Five manufacturers we spoke with reported 1961-over-1960 sales gains ranging up to more than 50%. Three had sizable profit gains. One ran "slightly behind" but did so largely because of costly changeovers in operating methods.

This year is virtually a shoo-in to be better, by far. They forecast sales gains of up to more than 50%. Boom in 1962 and years ahead will stem largely from 4 major factors:

(1) Color TV, all agree, is catching hold, and most already note decided pickup in demand for quality antennas for color reception.

(2) FM & FM stereo have really set antenna people on fire. JFD sales vp Edward Finkel, for example, talks about FM stereo's "exciting potential," said 1961 FM antenna sales shot ahead some 200-300% over JFD's 1960 volume. Channel Master vp Harold Harris told us FM antenna sales jumped 50% in 1961. "This is a field we're watching very closely," he said. Within a month, Channel Master will introduce a new line of FM antennas aimed specifically at stereo market.

(3) Electronic antennas are coming thing, say those manufacturers already making them. Winegard, for example, attributes much of its 52% sales surge in 1961 to introduction of such new products as its Power-tron electronic antenna, and sales mgr. Robert M. Fleming says sales show clearly that public wants and

will pay for quality antennas. Growth of multiple-set TV homes will increase demand for electronic antennas, he said, and Winegard, looking ahead, has just completed new production plant which doubles capacity for power amplifiers and other products & accessories for distribution systems. Channel Master's Harris also told us CM's antenna-mounted transistorized booster "is moving very nicely." JFD's Finkel declared electronic antennas have "tremendous potential," represent "a kind of master antenna system for multiple-set homes which is especially valuable in suburban & fringe areas." JFD calls its transistorized electronic antenna "Transistenna." One dissident vote in this area was cast by Mary Lee, asst. sales mgr. of Trio Mfg. "We haven't gone into boosters & amplifiers," she said, "because we know when you boost the signal you also boost the noise."

(4) Merchandising & promotion are becoming more important in antenna field. Winegard, Fleming told us, is upping its 1962 ad budget 10-15% over 1961's—which was up 20% over 1960's. "We're the only antenna manufacturer with a national ad program for consumers," Fleming said, "and we're convinced of its value." Channel Master's Harris told us: "There's considerable merchandising now going on in the antenna industry. We're out with our Crossfire line which is a series of 6 different models of the same basic antenna—each engineered for different range. This means customer can now walk in and select the given Crossfire model best suited for the given location. This is the first time that has been done in this industry."

Other topics & trends noted in antenna industry:

Consensus is that no trend away from outdoor to indoor TV antennas has been produced by more sensitive TVs and by increasingly popular portables with built-in antennas. "On the contrary," said Channel Master's Harris, "the public seemingly is becoming more aware of the correlation between good picture reception and proper antenna installation." What better sets have done, manufacturers agree, is to push fringe areas further away from big cities—but fringe is still there and still needs quality antennas. Taco, which only makes outdoor antennas, agrees. Pres. H. H. Brown told us "the better sets work well with just built-ins & rabbit ears—but this is only in the primary areas, and these areas haven't been a factor in sales of outdoor antennas for the past 3 or 4 years."

Japanese competition is virtually non-existent. Only evidence came from JFD's Finkel: "We felt some Japanese competition in our OEM antenna business about a year ago," he told us, "but we beat it by going into automation, by shortening our delivery cycle and by lowering our prices as a result of the more efficient production. Today, at best, there's only a 5% price differential between us & Japanese competition—and in return for that differential we offer the OEM market an American source, American quality and American back-up service." He doubts any Japanese encroachment in the replacement market. "It's too rugged. We carry about 72 items in our line and add at the rate of 10-12 a year. Distributors buy mainly in small quantities. It's not an attractive market for foreign competition."

Here's sum-up of comments from antenna leaders:

Channel Master vp Harold Harris: Antenna Div. sales rose 5-10% in 1961 and profits also were up; outlook for 1962 is continued growth. He noted that "claims made for pseudo antennas" hurt the industry in a major way, but have had effect of focusing public attention on importance of good antennas. CM has divided its line into good, better and best categories, is promoting at the top of the line a specially colored & chemically treated E-P-C series—E(enhances)-P(protects)-C(conducts).

JFD sales vp Edward Finkel: 1961 business was "very good." Outdoor antenna sales climbed 18%, indoor sales 30%, and profit in both categories was up sharply. He views increasing popularity of TV portables as boom to both OEM & replacement business. In the replacement field, vast variety of portable styling "precludes slapping on just any replacement" when built-in antenna breaks or goes bad. Looking ahead, he forecast, "for companies that are on the ball, have a broad product line and good distribution—and we're one of those companies—we foresee a business gain of 20-25% over the next 2-3-5 years. Both our OEM & replacement business will benefit particularly as TV portables gain in popularity."

Taco Pres. H. H. Brown: 1961 sales & profits were about the same as 1960's, "but we were negotiating to sell the business and that took much of our time & attention." In the 4th quarter, after Taco's sale to Jerrold, "sales ran 20% ahead of a year earlier and we closed out the year at \$3 million sales. For 1962, I expect at least a 30% gain—and it could go as high as 50%. We're shooting for sales of \$4-4¼ million." Brown also told us "we're going out after a bigger share of the TV market. Heretofore, our TV business has been in the ratio of 1-to-3 with our government & industrial business. The TV end has always been very competitive, and the profit picture was not as good. However, with Jerrold's sales organization now going for us, we're out to get a bigger share of that business." Although it was a small segment of Taco's 1961 business,

FM represented a bright spot. "Our over-all sales averaged out about even with 1960's" he said, "but we had a real gain in FM antenna business—at least 50% ahead of a year ago. This is very definitely a market."

Trio Mfg. asst. sales mgr. Mary Lee: 1961 sales ran some 3% ahead of 1960's, "but profits were down a bit, although we did operate at a profit." A major reason was a change in Trio's operations. "Traditionally, we stockpiled inventories of finished antennas. However, because of the changing nature of the antenna business, we've changed over to stockpiling only subassemblies and producing finished types as required." Miss Lee also noted this change in antenna business: "A few years ago we did 50% of our antenna volume in the Sept.-Oct.-Nov. period. Now business has pretty much leveled off to year-round sales, with not much variation in monthly totals."

Winegard sales mgr. Robert M. Fleming: 1961 sales jumped about 52% and "profits also were definitely up." For 1962 "we see a 30-to-40% sales increase." Fleming attributes Winegard's sales surge to 2 basic factors: introduction of new products and "cumulative effect of our national consumer ad program." FM is a "big thing with us," he also told us, pointing to a 40% sales increase in 1961, and forecasting sizable gains for this year.

**STEREO TABLE RADIOS BEGIN TO MOVE:** There still aren't many available, but there is little doubt that concept of table or bookshelf FM-stereo radios is beginning to catch public fancy.

Our brief report last week outlined what's available (Vol. 2:3 p7)—GE's \$175 single-piece unit, Zenith's \$99.95 "Multiplexer" (a full FM radio or half a stereo radio), Granco's several units (including single-piece stereo unit, which we neglected to mention last week). Upcoming soon will be Delmonico's Japan-made one-piece unit at \$79.95. Newest unit, introduced at National Housewares Show in Chicago last week, is Arvin's 2-piece set—pushbutton-controlled AM-FM-stereo unit at \$109.95 with matching amplifier-speaker unit at \$49.95.

Granco's single-piece AM-FM-stereo table radio is now in its 4th production run, Pres. Henry Fogel told us last week. At \$99.95, the 20-in.-wide wood-cabinet unit can be played with pull-out speakers in place in ends of cabinet or removed as far as 6 ft.

"This unit is really catching hold," Fogel said. "We can't keep up with demand. And the demand isn't confined only to stereo markets—it's beginning to spread almost everywhere. The FM-stereo radio is now becoming the deluxe radio replacement."

Best stereo markets, said Fogel, are San Francisco & Los Angeles, with Chicago & N.Y. close 2nd, and Philadelphia, Boston & Detroit coming up fast—"but our stereo sets are being distributed nationwide and are selling well regardless of whether there is a lot of stereo broadcasting."

Granco also has variety of 2-piece FM-stereo units, beginning at \$29.95 for table FM set, to which can be added \$19.95 "Stereo Companion" to make it stereo set. Production & sales of these "convertible" FM table sets are about same as for Granco's comparable monophonic FM sets last year—with this exception: "For every 3 basic sets we sell, we're also selling one Stereo Companion."

There's surprising amount of return business, he told us. Many people buy FM table model and "come back quickly after purchase" to buy Companion to convert set to stereo. Fogel credits this to circular packed with each set calling attention to availability of low-cost Companion for reception of stereocasts.

Meanwhile, in San Francisco, hottest FM-stereo market, KPEN officials reported 25,000 FM-stereo receivers & adapters were sold to public during 1961, despite unavailability of many makes until very late in year. Figure is based on reports from set manufacturers, KPEN said, noting that majority of FM-stereo sets in use were made by component-hi-fi manufacturers. In packaged equipment field, Magnavox was No. 1 supplier of FM-stereo equipment, KPEN said, placing sales of FM-stereo-equipped Magnavox sets at 3,000 in area. Station predicted 1962 FM-stereo sales volume at perhaps 100,000 in San Francisco area.

San Francisco area got its 3rd FM-stereo outlet last week when KBAY began stereocasting on 18-hour daily schedule—7 a.m. to 1 a.m. KSJO-FM in nearby San Jose is also on 18-hour schedule, and KPEN plans to increase to 18 hours soon. According to our count, KBAY became nation's 58th stereo station.

**TV-RADIO PRODUCTION:** EIA statistics for week ended Jan. 12 (2nd week of 1962):

	Jan. 6-12	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	133,927	81,108	100,889	215,035	154,994
Total radio .....	213,311	280,636	282,186	375,589	299,806
auto radio .....	136,661	117,358	104,576	254,019	193,295

**JERROLD VEERS TO CONSUMER PRODUCTS:** Jerrold Electronics' purchase last week of Pilot Radio Co. gives that CATV equipment firm further orientation toward consumer products—an orientation which began in 1960 when it acquired Harman-Kardon and continued with last year's acquisition of Technical Appliance Corp. (Taco), which makes, among other things, TV & FM antennas.

Despite fact that Jack Wrather-John L. Loeb group which bought controlling interest in Jerrold in 1959 (Vol. 16:8 p23) had declared that firm would lean toward industrial electronics & instrumentation, consumer-products buys have seemed "too good to resist." Company spokesmen say Jerrold hasn't foresaken quest for instrumentation firms, is still looking for further acquisitions.

Pilot purchase culminated whirlwind courtship lasting only 8 days. Jerrold paid about \$1.5 million cash for 43-year-old consumer electronics firm after 8 days of negotiations. Pilot was put up for sale after death of founder-owner Isidor Goldberg Nov. 23 (Vol. 1:11 p11), and, according to Jerrold Pres. Sidney Harman, "there are few names in the industry that have not been negotiating [with Pilot] in the last few weeks."

As parent of both Pilot & Harman-Kardon, Jerrold becomes one of biggest firms in hi-fi component field. At news conference last week, Pres. Harman said Pilot will be operated as "totally autonomous" firm, "competing in the marketplace with Harman-Kardon & others." Although Harman becomes president of Pilot (as well as of Jerrold), company's present officials & personnel will remain—including secy.-treas. I. W. Wyck-off, gen. sales mgr. Donald A. Ross, plant mgr. Frank Hajek.

Founded in 1919, Pilot was one of pioneers in TV manufacture, leaving field in 1950s to concentrate on hi-fi components & component consoles. Harman said Pilot will probably "give new emphasis" to console business, "but not at the expense of the component line." In response to question, he said it was unlikely Pilot would re-enter TV field.

Sales of Pilot, which had been privately owned, ranged between \$2.5 & \$4 million in last 5 years. Jerrold's revenues for year ended Feb. 28, 1961 totaled \$12.1 million. Jerrold's other subsidiaries are Jerrold-Philadelphia (CATV & distribution equipment, home TV accessories, test equipment), Products for Industry (die-casting), Taco (consumer, commercial & military antennas), Harman-Kardon (hi-fi components, PA systems, data system logic modules).

## **TOPICS & TRENDS**

New battery pack for Sony transistor TV ends spillage & refilling problems caused by wet battery formerly used with the set. It also costs \$10 more than wet battery, bringing battery cost to \$39.95, total list price of TV & battery pack to \$289.80 (from \$279.80). Battery is hermetically sealed rechargeable alkaline unit made by Eveready, can take "scores of rechargings" and will operate TV "for up to 4 hours on a single charge."

Little 8-in. Sony battery portable, meanwhile, continues to mean good business to such plush specialty stores as Abercrombie & Fitch. Lou Skinner, who heads A&F's camera & radio dept., told us last week his N.Y. store sold 200 during Christmas season. Branch stores, he added, registered 200-250% sales increases in radio dept. sales over last year as result of Sony set—which is selling well in Florida branch, but not quite so well on West Coast. He reported surprising demand for one accessory—connector plug to play TV from auto or boat battery.

Emerson formally announced its \$129.95 portable last week (Vol. 2:3 p10). The 17-in. set has step-up at \$139.95. Both sets have power transformer, illuminated channel indicator, front sound, telescoping dipole antenna, carrying handle. Said sales director Leo Hahn: "No stripped-down 19-in. TV sets will be offered just for the sake of meeting competitive give-away prices . . . It is far easier to step up a customer from a 17-in. set to a 19-in. set than to attempt to step him up from a 19-in. low-priced set to another 19-in. set."

General Dynamics was Defense Dept.'s top contractor in fiscal 1961, ended June 30. GD topped prime contractors' list for 4th time in past 5 years with \$1.920 billion awards, or 8.5% of total \$17.301 billion awarded "Top 100" contractors (vs. \$15.410 billion in previous fiscal). Among runners-up: GE, 5th, \$875 million (3.8%); AT&T, 8th, \$551 million (2.5%); Sperry Rand, 9th, \$408 million (1.8%); RCA, 10th, \$392 million (1.7%).

Magnavox & Chrysler quickly quashed merger rumors which circulated recently. "There's nothing to it," said Magnavox. Echoed Chrysler: "There's nothing to it. It doesn't make any sense." Added Pres. Frank Freimann: Magnavox "is not for sale to anyone at any price," but is holding acquisition talks with a "number" of companies whose business "is compatible with our own; none are in the automotive industry."

**PHILCO 'QUIT PARADE' CONTINUES:** Two more longtime career executives parted company with Philco last week, continuing outgoing parade that began with announcement of Ford's takeover. Frederick D. Ogilby, Philco's pre-Ford vp & sales director, and Robert J. Theis, Consumer Products Div. gen. sales mgr., resigned effective Feb. 1, following in footsteps of Messrs. Robert G. Urban, James M. Skinner, Larry F. Hardy, Henry E. Bowes (Vol. 2:3 p12). Other consumer products executives also are still unaccounted for in Ford's reshuffle of Consumer Products Div. and more resignations may be imminent.

Ogilby had been with Philco since 1932, held many key management posts: Consumer Products Div. mktg. vp prior to his last post, and before that TV engineering-mfg.-sales vp, and sales vp of old Philco TV Div. He's announced no future plans, other than a short vacation. Theis joined Philco in 1949 as a sales representative.

Philco's continuing "quit parade," and Ford's recent reorganization of Consumer Products Div. along management rather than traditional product lines (Vol. 2:3 p12), would indicate new owners certainly have distinct new ideas for firm. Ford executives took 2 of 5 management operations in new Consumer Products Div.—gen. mfg. mgr. F. J. Meredith and controller John Pfann—and it's a good bet that other Philco spots, such as one just vacated by Henry Bowes, are likely to go to Ford men. It seems clear that Ford is more concerned with established reputation for good management than with product knowledge, is re-staffing Philco with executives who know how to manage business & men and get most out of both.

Incoming managers, we understand, have pretty much carte blanche in selection of their staffs, and this fact alone is a guarantee that more changes, and very likely resignations, are in wind. Dissolution of old product-oriented Consumer Products Div., with its various parallel staffs & operations for each major product line, has by itself washed out a number of jobs. What with this new job scarcity, and Ford's quickly established policy of selecting executives for their managerial talent, it's not difficult to guess that thinning out of Philco's executive population will continue.

\* \* \* \*

New appointments in Philco's Consumer Products Div. were announced last week. Kenneth Cooper, formerly manager of Philco's St. Louis office, was named gen. sales mgr.; J. A. Winfield, ex-asst. sales dir., becomes special markets mgr.; Gibson B. Kennedy, former merchandising & sales promotion dir., moves up to mktg. mgr.; Rayford E. Nugent continues as accessories & service mgr. All report to gen. sales & mktg. mgr. Charles Hakimian.

Named to Cooper's staff: John J. Kane, TV merchandising mgr.; Bruce Lambert, radio merchandising mgr.; James M. Black, appliance merchandising mgr.; Joseph Lydon, "Instant Dividend Plan" mgr.; Raymond B. George, Firestone sales mgr.

Named to Kennedy's marketing staff: John E. Kelly, ad mgr.; Owen H. Klepper, sales promotion mgr.; William T. Quillan, sales training mgr.; Joseph A. Schiavo, sales analysis mgr.

William Harned & M. A. Diamond were named to Winfield's special markets staff as managers of Telesound, Philco department for sales & service of hotel-motel TV-radio equipment.

## Trade Personals

Neil E. Firestone, ex-GE, elected ITT mfg. vp . . . Dr. Ruben Mettler elected pres., Thompson Ramo Woolridge subsidiary Space Technology Labs, succeeding Dr. Louis G. Dunn who moves into chairman post vacated by Gen. James H. Doolittle, resigned.

Mack C. Johnson appointed commercial vp, Federal Pacific Electric . . . K. A. Waldron named mktg. vp of Amphenol-Borg Electronics' FXR Div.

George F. Mosher, vice chmn. of GE Credit Corp., retires Feb. 1; he's credited with conceiving & developing idea for the credit subsidiary . . . Ernest A. Massa elected Cohu Electronics vp.

Harold S. Geneen, ITT pres., receives Peru's distinguished service award for outstanding contributions to nation's welfare

Ralph H. G. Mathews retires Jan. 26 as Blonder Tongue Labs mktg. dir. after 40 years in electronics industry. An early co-worker with Dr. Lee De Forest, he was a co-founder of predecessor of Zenith, held marketing posts with Magnavox & Westinghouse.

Joseph J. Casale named Admiral radio sales mgr. . . . Edward J. Gay appointed Reeves Soundcraft controller . . . Henry Berwanger named Ravenswood eastern regional sales mgr. for TV-stereo lines . . . Jerome Blau & William Smith named service & parts mgr. and office administrator & credit mgr., respectively, Clairtone Sound's N.Y. office.

## Obituary

Robert K. Johnston, 47, Fairchild Publications field editor in Middle Atlantic & New England area, died Jan. 17 at his Drexel Hill, Pa. home after long illness. He had been with Fairchild since 1947, was manager of Philadelphia bureau 1951-59, city editor of *Home Furnishings Daily*, 1959-60.

John B. Davidson, 48, RCA Home Instruments Div. purchasing agent, died Jan. 10 at Bryn Mawr (Pa.) Hospital. He had been on leave of absence from RCA since April 1961. He joined RCA in 1930, was a 1955 winner of RCA Award of Merit.

Factory sales of TV picture & receiving tubes rose strongly both in units & dollar volume in November from year-earlier month, EIA reported last week. Picture tubes totaled 835,929 units valued at \$16,896,809, compared with Nov.-1960's 732,359 at \$14,625,132. Receiving tubes gained to 32,636,000 units at \$26,561,000 from 30,024,000 at \$25,627,000 in 1960's 11th month. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January .....	707,833	\$14,430,602	26,343,000	\$22,227,000
February .....	728,989	14,395,981	25,803,000	21,865,000
March .....	936,098	18,725,011	36,635,000	30,719,000
April .....	722,110	14,293,375	28,687,000	24,392,000
May .....	673,315	13,238,774	29,823,000	25,308,000
June .....	806,852	15,887,776	31,463,000	25,989,000
July .....	457,181	9,364,364	27,566,000	20,979,000
August .....	870,578	17,239,228	36,907,000	31,347,000
September .....	946,405	18,981,210	37,611,000	30,472,000
October .....	912,281	18,000,957	32,480,000	26,155,000
November .....	835,929	16,896,809	32,636,000	26,561,000
Jan.-Nov. 1961 .....	8,597,571	\$171,454,087	345,954,000	\$286,014,000
Jan.-Nov. 1960 .....	8,481,924	169,789,972	365,989,000	308,171,000

Bistrow Co., 213 S. 11th Ave., Phoenix, appointed distributor for Sylvania TVs, radios & phonos in 13 southwestern Arizona counties; Peerless Electric Supply, 1401 Stadium Drive, Indianapolis for 44 central Indiana counties, one eastern Illinois county.

# 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
Electro-Voice	1961—9 mo. to Nov. 30	\$ 8,903,699	—	\$ 270,660	—	497,332
	1960—9 mo. to Nov. 30	7,415,992	—	8,061	—	473,650
IBM	1961—year to Dec. 31	1,694,295,547 <sup>1</sup>	—	307,227,597 <sup>1</sup>	\$7.52	27,561,531
	1960—year to Dec. 31	1,436,053,085	—	168,180,880	6.12	27,466,431
	1961—qtr. to Dec. 31	449,804,341 <sup>1</sup>	—	54,339,620 <sup>1</sup>	1.97	27,561,531
	1960—qtr. to Dec. 31	395,480,651	—	49,092,823	1.78	27,466,431
Lynch Corp. (Symphonic)	1961—9 mo. to Sept. 30 <sup>2</sup>	16,538,541	—	361,635	.51	713,562
	1960—9 mo. to Sept. 30 <sup>2</sup>	19,286,439	—	40,465	.06	713,562
MGM	1961—12 wks. to Nov. 23	29,362,000	\$ 4,398,000	2,173,000	.85	2,545,229
	1960—12 wks. to Nov. 23	30,092,000	4,902,000	2,177,000	.87	2,506,129
NT&T	1961—year to Sept. 26 <sup>3</sup>	43,849,109	—	(6,863,851) <sup>4</sup>	—	2,818,063
	1960—year to Sept. 26	46,543,910	—	(3,088,693)	—	2,816,247
Pacific Industries	1961—qtr. to Nov. 30	5,476,031	—	229,887	.14	1,627,239
	1960—qtr. to Nov. 30	4,374,023	—	431,663	.29 <sup>7</sup>	1,471,968 <sup>7</sup>
Howard W. Sams	1961—6 mo. to Dec. 31	5,919,474	—	455,131	.90	500,550
	1960—6 mo. to Dec. 31	4,890,525	—	359,020	.71	500,550
Taft Bcstg.	1961—9 mo. to Dec. 31	—	—	1,379,812	.90	1,539,162
	1960—9 mo. to Dec. 31	—	—	1,204,300	.78	1,486,528
	1961—qtr. to Dec. 31	—	—	635,624	.41	1,539,162
	1960—qtr. to Dec. 31	—	—	498,466	.32	1,486,528
Varian Associates	1961—13 wks. to Dec. 30	16,232,466	—	825,347	.22	3,838,373
	1960—13 wks. to Dec. 30	12,747,932	—	865,008	.26	3,374,695
Vornado	1961 qtr. to Nov. 30	28,202,406	—	863,929	.66	1,310,593
	1960—qtr. to Nov. 30	26,957,173	—	704,881	.59	1,191,582
Webcor	1961—6 mo. to Nov. 30	29,278,000	—	1,923,000 <sup>5</sup>	1.95	940,737
	1960—6 mo. to Dec. 31 <sup>6</sup>	16,697,000	—	91,000	.10	650,737

Notes: <sup>1</sup>Record. <sup>2</sup>Revised report. <sup>3</sup>Pamphlet report. <sup>4</sup>After \$7.7 million writeoff of holdings in NTA. <sup>5</sup>After \$1 million tax credit and including operations of Dormeyer Corp., acquired Nov. 1960. <sup>6</sup>Fiscal year

changed to now end May 31 instead of June 30. <sup>7</sup>Adjusted to reflect Dec.-1961 4% stock dividend.

**Nov. Production Figures:** Official EIA production figures for first 11 months of 1961 show TV substantially ahead of 1960, radio slightly ahead. Preliminary figures on full-year 1961 output, as reported here several weeks ago (Vol. 2:2 p6) gave 12-month TV production as 6,161,662, total radio 17,342,942, auto radio 5,571,834.

New figures show November FM radio production at 2-year record high for any month—125,184 sets—although total FM set production for 11 months lagged behind 1960. These figures are for table radios only, don't include sales

of FM tuners in stereo phonos, which are estimated to be more than 20% ahead of 1960. So although 1961 will wind up with slight decline in sales of FM table sets, there's no question that output of FM tuners & radios of all kinds in 1961 set new record.

TV figures show uhf set production for 11 months lagging behind 1960, although output from June through November was ahead of 1960 on month-by-month basis, which may portend bigger year for uhf in 1962.

Here are EIA's official 11-month production figures:

Month	TELEVISION				RADIO					
	Total Production		Uhf Production		Total Production		Auto Radio Production		FM Production	
	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960
January	367,935	526,494	25,270	50,119	1,090,073	1,355,788	387,136	632,461	50,421	33,816
February	444,418	503,453	24,514	43,537	1,115,029	1,442,368	307,973	596,872	41,357	56,515
March	497,458	549,500	21,450	45,411	1,384,052	1,667,550	384,227	633,761	75,044	83,127
April	405,808	422,551	19,095	39,240	1,124,924	1,230,323	375,570	399,963	51,260	68,196
May	470,399	442,176	22,782	32,295	1,196,949	1,277,040	408,875	463,165	49,705	65,438
June	615,118	518,870	34,641	34,245	1,626,263	1,551,451	518,010	596,870	88,808	105,317
July	383,378	268,854	23,233	14,621	1,030,399	890,359	320,128	328,009	48,114	49,707
August	514,674	462,286	33,946	26,829	1,385,101	1,048,406	451,374	340,860	69,090	71,125
September	694,580	678,937	41,253	46,161	2,048,698	1,945,092	591,493	788,961	110,174	111,745
October	620,815	499,999	43,198	38,999	1,796,391	1,727,560	576,529	639,357	95,318	88,596
November	582,952	429,757	42,743	34,381	1,730,761	1,468,847	588,343	596,872	125,184	86,323
<b>TOTAL</b>	<b>5,597,535</b>	<b>5,302,877</b>	<b>332,205</b>	<b>405,838</b>	<b>15,528,640</b>	<b>15,604,784</b>	<b>4,909,658</b>	<b>5,911,305</b>	<b>804,475</b>	<b>852,329</b>

Corporation	Common Stock		Dividends		Stk. of Record
	Period	Amt.	Payable	Record	
Lynch Corp.	Stk.	5%	June 22	June 1	
Taft Bcstg.	Q	\$0.10	Mar. 14	Feb. 15	
Taft Bcstg.	Stk.	2½%	Mar. 14	Feb. 15	
Taft Bcstg.	Ex.	.10	Mar. 14	Feb. 15	
Trans-Lux	Stk.	5%	Apr. 2	Mar. 9	
Wurlitzer	Q	.20	Mar. 1	Feb. 14	

**Conspiracy suit against Webcor Chmn.-Pres. Titus**  
Haffa and various directors in connection with the purchase of Dormeyer Corp. stock was dismissed by U.S. Court of Appeals. Webcor stockholders James J. & Margaret W. Duane had charged Haffa with influencing Webcor to buy at an excessive price Dormeyer stock owned by him & his family.

JAN 29 1962

NAB LETTER

# WEEKLY **Television Digest**

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

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**McLENDON'S UNIQUE MOSCOW RELAY:** 4-min. hourly Radio Moscow newscasts for straight week on 6 stations (p. 2).

**LINES FORM FOR ALL-CHANNEL-SET STRUGGLE,** CBS favoring legislation, NAB considering joining, ABC support expected—NBC possible exception (p. 3).

**SUPREME COURT TO REVIEW BLOCKBOOKING** decision, which Justice Dept. considers too lenient, film distributors regard as too tough (p. 3).

**TREYZ & DODD COLLIDE AT BUS STOP** as ABC-TV chief defends network decision to show controversial "Bus Stop" episode before Senate Juvenile Delinquency Subcommittee (p. 3).

### **Consumer Electronics**

**MYLAR & PPG BONDS** for picture tubes—progress report: Pittsburgh system winning acceptance for color & 27-in. tubes; Mylar improved but has no takers (p. 6).

**5,752,000 TVs SOLD** to dealers in 1961, less than 2% more than 1960; radio sales set 13-year record at 11,283,000 (p. 6).

**IS PORTABLE COLOR SET** behind Sony pact with Paramount for single-gun Chromatron tube & circuits? Production seen starting in 1963 (p. 7).

**3M TAPE-CHANGER** ready for production, will be offered this year by Revere. Cartridge decks reported competitive with open-reel recorders (p. 8).

**NEW MARKETS OPENING** for private label TV. Leaders tell us more dept. & variety chains showing interest in house branded sets; opinions differ on interest in color TV (p. 8).

**PHONO SALES LAGGED** 1960 ten months out of 12 last year, EIA figures indicate (p. 11).

**NETWORK HEARING—CALM GIVE & TAKE:** Anyone looking for excessive violence in FCC's network hearing last week didn't find it. CBS executives testified for 4 solid days, and observers anticipating a "Great Confrontation" between CBS Pres. Stanton and FCC Chmn. Minow were disappointed.

What happened was the calm & consistent expression by Stanton of "drift toward censorship," unwitting, on part of Commission. This was opposed by Commission majority's implication-by-questions (from Minow, Ford, Bartley & Lee) that it's doing nothing of sort.

Fundamental subject remains: FCC has unanimously asked Congress for power to regulate networks, believing affiliates don't participate sufficiently in formation of network programs to be held accountable. Our impression is that quest for legislation may have lost vote or 2—from Hyde, Cross or Craven—but that majority's still there. Stanton suggested that Commission may be satisfied by specifying just how affiliates should be informed.

Real danger of network regulation, according to Stanton, is that an FCC chairman might someday "pick up the phone and ask: 'Why did you put that on?'"

Some of most important exchanges came in last hours. Examples: Ford said it's "incredible" for anyone to term Commission's 1960 program-policy statement "censorship." "It puts all the responsibility on the broadcaster," he said. "We must see that the broadcaster finds the community's needs. There's no inkling of control."

"I'm delighted with that interpretation," said Stanton. "That satisfies me. I'm glad to know I misunderstood it."

Minow offered this philosophical statement: "There's no more precious gift than access to the eyes & ears of the nation for 5 or 6 hours a day. We should search together for solutions."

Stanton tickled Commission with his basic premise—more competition means less need for regulation, so CBS will support FCC's bid for all-channel set legislation to foster growth of uhf. Exactly FCC's thinking.

Said Minow: "Competition is the key to the problem; 90% of the problems would disappear." He said Commission is grateful for CBS's endorsement of legislation. (For growing manufacturer-telecaster tension on that matter, see p. 3.) Stanton called for "a massive technical offensive" to make uhf work, involving FCC, stations, labs, manufacturers.

Stanton's recurrent theme in testimony was that "public demand" is the only criterion for choosing programs, though networks can lead somewhat. Repeatedly, he asserted that most criticism comes from those who watch TV least—who know little about what's available.

FCC can look into programming only in 2 legitimate ways, according to Stanton: (1) In choosing among competing applications. (2) Comparing licensee's promise with performance, to judge whether he can be entrusted with facility. When commissioners comment on specific programs, he said, they're censoring indirectly—because broadcasters tend to take these observations as do's & don'ts.

Minow pursued a favorite subject: children's shows—why not more & better? CBS-TV Pres. James Aubrey was prepared. He listed "Captain Kangaroo," and "other wholesome shows" with broad family appeal, such as "Lassie," "Dennis the Menace," "Father Knows Best," etc. CBS Pres. Richard Salant reported that 3 pilots are under preparation for children's informational shows, that much research has been done on children's news programs—but problem "is insoluble so far."

Aubrey went through huge mass of material, covering: network organization, program sources, business practices, scheduling—and program-by-program breakdown of full week's evening schedule. His conclusion: Though everything is grist for TV's mill, "let us be clear about one thing . . . the reason why Americans today devote more time to TV than to any other leisure-time activity is because no other medium in history has managed to provide them with such an uninterrupted flow of varied entertainment. . . . And this is as it should be. For it is this very characteristic—entertainment—that has established TV as the greatest medium of mass communication known to man. And the very system that provides entertainment to its vast audiences can also be used to communicate information & ideas."

Salant reported that CBS-TV news & information volume is 40% heavier than last year, running 690 hours, 17% of season's schedule. In addition to plans for children's shows, he said CBS is working on adult series to show people more about each other, through the entertainment they see; special series examining "the two worlds of communism & democracy"; series on "world of newly developed nations."

There was good deal of exchange on sex & violence. CBS witnesses insisted that they never stressed these unduly and that they have less today than year or 2 ago.

Sponsor interference & taboos? "Flyspecks," said Stanton & Aubrey. They asserted that sponsors have little serious influence on major matters and that with increased sharing of sponsorships there is less & less possibility of sponsor control.

"Serious" drama? Stanton said there were "a lot of turkeys" in the so-called "Golden Age" of "Playhouse 90," "Studio One," etc., and that there is substantial amount of "good theater" today, included in such series as "The Defenders" and Westinghouse specials.

And so it went. Stanton, Aubrey, Salant and 8 other top executives stuck to their guns. Regardless of source of criticism—Congress, President's Committee on National Goals, educators, psychologists, et al.—they insisted that public demand is the keystone and that networks must be their own judges of that demand. Next week: NBC.

**McLendon's Unique Moscow Relay:** Radio Moscow English-language newscasts via short wave from U.S.S.R., will be broadcast 4 min. each hour for week beginning Feb. 1 by McLendon stations in unique experiment. Stations are: KLIF Dallas, KABL San Francisco, KILT Houston, KEEL Shreveport, KTSA San Antonio, WYSL Buffalo.

Programs will be broadcast directly as received from Moscow, with no commentary or interpretation, Pres. Gordon McLendon said at news conference in Washington last week. Total of 112 Russian newscasts will replace regular news.

Purpose of experiment, McLendon said, is to enable Americans, who "take a free & truthful press & radio for granted," to be exposed to "controlled Soviet press exactly as the rest of the world hears it."

Asked whether scheme might backfire, since Russians will be aware of plan and could throw monkey wrench by watering down usual broadcast fare, McLendon replied he would have to take the risk "since there's nothing we could do about it."

**LINES FORM FOR ALL-CHANNEL-SET STRUGGLE:** With CBS now plumping for all-channel-set legislation (see p. 1) and more telecaster support for it expected, there's real possibility of harsh manufacturer-vs.-telecaster strife before Congress.

FCC Chmn. Minow has called the measure Commission's most important legislative goal (Vol. 2:3 p2). ETV forces are building up support for it. NAB may well come out for it in Fla. board meeting this week. ABC may join. NBC could be exception—for its parent RCA has consistently gone along with EIA colleagues' opposition. Commerce Secy. Hodges hasn't made up mind yet. He submitted "draft comments" to Budget Bureau, expressing opposition—but they weren't signed. It's assumed he & Minow will talk about it—may bring President Kennedy into act—and there's fair chance Hodges will go along with Commission.

Balance of political power would certainly seem to be on pro-legislation side. Manufacturers are not without friends in Congress, but they're definitely outgunned if broadcasters, FCC & ETV really choose to fight.

EIA's Consumer Products Div. has been unanimously against legislation. Manufacturers find it very dangerous—govt. telling them what to make, raising prices of sets. Said one spokesman: "What's to stop them at TV? Why not follow it with a stereo law—requiring all FM sets to handle stereo? Where would it stop? Broadcasters are all for regulating the other guy. I think they're trying to trade this off to kill network regulation and deintermixture." Said another: "It's hard enough to engineer sets without having a lawyer telling you what to make."

**SUPREME COURT TO REVIEW BLOCKBOOKING:** Old feature-film anti-trust blockbooking case, decided in Dec. 1960 by N.Y. Federal Judge Archie O. Dawson (Vol. 16:50 p5), will be reviewed by U.S. Supreme Court. Film distributors originally hadn't planned to contest Judge Dawson's decision, because it was largely academic. They had been offering stations small packages, pictures individually priced. However, Justice Dept. didn't think decision went far enough, so distributors determined to protect themselves in the high court.

Blockbooking is practice of requiring purchaser to buy all-or-none of a group of pictures. Judge Dawson allowed what has been called "temporary blockbooking." Distributor won't offer individual pictures to a station until station's competitor has opportunity to buy whole package. Justice Dept. claimed that this retained anti-trust taint. Distributors involved: Loew's (now MGM), C&C Super (now TV Industries), Screen Gems, Associated Artists Productions (now in UAA), NTA and United Artists.

**TREYZ & DODD COLLIDE AT BUS STOP:** ABC-TV Pres. Oliver Treyz declined to budge last week from basic premise that network has both duty & right to determine what to program. Occasion was 2-hour hearing before Sen. Dodd (D-Conn.), chmn. of Juvenile Delinquency Subcommittee. Dodd called hearing suddenly last week, promising to show that network topkicks ordered injection of sex & violence into shows.

Focal point of hearing was controversial Dec. 3 episode of ABC's Bus Stop entitled "A Lion Walks Among Us," starring teen-age idol Fabian. Program cast young singer as itinerant sexual psychotic, included murder, adultery & suicide, aroused so much furor prior to airing that network arranged closed-circuit preview for affiliates, 25 of which refused to carry it.

Dodd's chief inquisitor, Subcommittee consultant Dr. Ralph Garry, Boston U. psychologist, wanted to know why Treyz allowed show to be telecast in view of strong adverse reaction from affiliates, sponsors and NAB Code Board. ABC-TV chief called decision one of hardest he ever had to make, said he could have stopped show but didn't because he "wanted to be very careful and not capriciously use a blue-pencil that would discourage creative people."

Reporters & spectators stacked two deep in small hearing room viewed portions of film in question plus trailer previewing future Bus Stop episodes which included titles such as "Pursuit of Evil." Staff also cited documents subpoenaed from ABC to back up Subcommittee's charge that networks deliberately injected sex & violence into shows. One was script for Bus Stop episode "Summer Lightning" which was returned from network's continuity acceptance dept. with penciled-in notation: "just add violence to the sex."

Subcommittee had little luck gaining any concessions from Treyz that showing of Fabian episode was mistake. Garry asked why cancellation by 25 affiliates had no effect; Treyz said 90 to 100 agreed to carry it. Garry cited letters from stations, ad agencies and viewers, criticizing show; Treyz said they were citing only negative reactions, produced his own letters, one from 8th grade class in Santa Monica which called

show "good, informing and a contribution to realism." About best Subcommittee could get from him was: "I would say the kind of comments you have been talking about [negative] were more numerous than the ones I am referring to."

Making final effort, Subcommittee asked Treyz what he, personally, thought about impact of such a program on children. He replied he couldn't generalize about entire public—some liked it, some didn't. Series has since been cancelled for lack of audience, will go off air about April.

Ex-NBC programming vp David Levy, who was dropped by network last year after his name was mentioned in connection with charge that NBC had demanded addition of sex & violence to *Man and the Challenge* series, sharply criticized 1960-61 TV fare as containing "excessive volume of programs of a violent nature." He said he had been determined to eliminate this on NBC, stressed that network's current schedule has been praised for improved content, described himself as "chief architect" of it.

Final witness, William Capitman, pres. of Center for Research in Marketing, Peekskill, N.Y., testified his organization tested some programs, both projected & on-air, for network which he wouldn't name, said he believed networks are "totally disinterested" in what public wants. He said networks, ad agency executives and sponsors often behave as though ratings should determine programming. Citing example, Capitman stated that after testing viewer reaction to a proposed one-hour show recently, his company informed NBC show was too long & too violent. Network chopped show to half-hour but left in all the violence. Audience reaction was worse, he declared.

Hearings will resume about week of Feb. 12 with CBS & NBC executives to be among witnesses. After end of investigation and issuance of Subcommittee's report, Dodd is likely to introduce legislation to strengthen FCC's control over networks, may also seek funds for long-range study of TV's impact on public.

## **CURRENT CAPSULES**

Some 3,000 TV & radio spots on 33 stations were sponsored by perfume maker Coty in a big 1958 pre-Christmas drive, and FTC wants \$5,000 from Coty for each station.

Civil penalty suit asking \$185,000 was filed by Justice Dept. at FTC's request in Delaware District Court. Commission claims company violated 1939 order forbidding advertising implying U.S.-compounded perfumes are French imports. In addition to the alleged violations on TV & radio, FTC also lists 2 counts of misleading magazine advertising and 2 cases of failing to make disclosures on invoices & price lists. Coty spokesman said company "has made every effort to comply with the 1939 order," would file response.

Technicolor Corp. sold its Brooklyn studios for more than \$1 million, payable over 20 years. Purchaser is Benjamin Gertner, pres. of Biograph Studios of New York City, who will rename the acquisition Mayflower Studios, use it for making TV & theatrical films.

Broadcasting is characterized "more by abundance than significance," FCC Comr. Rosel Hyde told National Religious Bcstrs. convention in Washington last week. Although TV & radio serve very well to amuse & entertain, he said, they haven't done enough to inform & inspire. He criticized Commission policy requiring "burdensome" reports from stations (Vol. 1:4 p3), said it appears broadcasters are required to satisfy FCC rather than public. "The only authority that can determine whether stations are broadcasting in the public service is the public," he stated. NAB Pres. Collins told group it is highly appropriate that "enormous power of TV & radio" is used to expand religious work, said broadcasters have responsibility to use media "wisely & well." At breakfast session, Sen. Mundt (R-S.D.) urged lookout for censorship, said: "Whenever you grant to someone else the right to decide what you are going to hear or to say, it is inevitably a matter of censorship."

Clear channel radio hearing, promised by House Commerce Committee last session after FCC's decision, has been scheduled for Jan. 31-Feb. 2.

FCC Chmn. Minow repeats his views on FCC's role in Feb. 3 *TV Guide*: "Freedom of speech does not mean freedom to propose a carefully spelled-out plan of balanced programming, accommodating both the majority and minority of viewers in an area; and then freedom to toss balance overboard and rush off in frantic pursuit of higher ratings and higher profits. Freedom of speech does not mean freedom to fool the people. That is why we are seeing that the licensee lives up to the terms under which the license was granted." This, he says, is not censorship. "I will continue to speak out," he states, "to nudge, to exhort, to urge those who decide what goes on the air to appeal to our higher as well as our lower tastes."

NBC was the only network to delete controversial reference to 2 State Dept. officials as "well-known security risks" made by reporter Sarah McClendon at President's news conference last week. White House didn't request deletion, but news secy. Pierre Salinger warned use of the names was not privileged—not immune from libel. ABC & CBS carried the names, as did newspapers. Kennedy defended the officials, rebuked Mrs. McClendon.

## Personals

CBS Pres. Frank Stanton unanimously awarded Radio & TV Executives Society 1962 Gold Medal for outstanding contribution to broadcasting & broadcast advertising, presentation set for RTES banquet March 8.

New officers of Broadcasters Club of Washington: Joseph Goodfellow, pres.; Arthur Scharfeld, chmn.; Howard Head, vp; Joseph Sitrick, secy.; Richard Stakes, treas.; Larry Richardson, asst. secy.

J. Norman Nelson, ex-Calumet Publishing vp & ad mgr., named AM Radio Sales Inc. marketing & sales development dir. . . . William D. Walsh, former Edward Petry New England mgr., joins WNAC-TV Boston sales staff.

Dr. Robert C. Anderson, Auburn U. exec. vp, elected 1962 chmn. of Joint Council on Educational Bstg. . . . Miles David, RAB vp & promotion dir., promoted to vp for administration.

John J. McCrory, ex-CBS-TV National Sales, N.Y., named KMOX-TV St. Louis asst. sales mgr. . . . Robert Petrie, WTMJ-TV Milwaukee supervising producer-dir., promoted to operations dir.; Bud Reth, staff dir., moves up to production services dir.

John C. Moler, gen. mgr. of Storer's radio WMGM N.Y., promoted to pres., Storer Radio Inc.; Wendell B. Campbell, radio KGBS Los Angeles gen. mgr. & Standard Bstg. vp, named vp of parent Storer Bstg.

Joseph Schackner promoted to asst. to vp, Television Affiliates Corp.

C. P. Jaeger appointed Allied Artists TV Corp. national programming dir. . . . Jack Bolton named mgr. of Katz agency Atlanta office, succeeding Gregory Murphy, resigned.

## Obituary

Sen. Andrew F. Schoepel (R-Kan.), 67, ranking Republican on Senate Commerce Committee and former Kan. governor, died of cancer Jan. 21 at Bethesda Naval Medical Center near Washington. He was serving 3rd term. President Kennedy expressed condolences to his family "and the people of Kansas whom he represented so faithfully." His widow survives.

Robert V. Letterly, 38, KHOL-TV Holdrege, Neb. chief engineer, died Jan. 19 following auto-truck accident in Holdrege. He is survived by widow, son & daughter.

Network TV gross time billings in first 10 months of 1961 rose 9.2% to \$609,247,899, compared with \$557,704,490 in same 1960 period, TvB reports. Oct. 1961 billings totaled \$70,603,534, up from year ago's \$63,350,044. Leading product category in 10-month period was food & food products with 1961 billings of \$114,485,558 vs. \$93,243,677 in 1960. Procter & Gamble led in Oct. company billings with \$3,740,969, top brand advertiser was Anacin Tablets with \$919,905. Starting in 1962, network TV billing estimates will be revised, TvB reports. In computing past figures, LNA-BAR hasn't provided for horizontal contiguity rate structures, wherein single advertiser might obtain lower basic rate through purchase of time across board. Revised 1961 figures will be released later. New method is expected to cut reported network TV billings about 5%.

American Bar Assn. has invited news media to submit more data in support of appeals to lift judicial Canon 35 banning broadcasting & cameras from courtrooms. Testimony may be submitted written or orally in Chicago Feb. 18.

Cable service for pay TV in Little Rock, Ark. can be supplied by Southwestern Bell Telephone Co., Arkansas Circuit Court ruled last week, supporting decision of state Public Service Commission (Vol. 17:29 p9). PSC's decision had been appealed by theater owners. Midwest Video, holding pay-TV franchise from Paramount's Telemeter, has been planning wired toll-TV system. Telemeter predicted that same legal principles will apply in rest of U.S. Theater owners had argued that PSC didn't have power to authorize the pay-TV service because it isn't a utility or telephone service and because FCC has exclusive jurisdiction.

Local TV children's programming is subject of book to be published by TIO in fall. It's based on nationwide survey of children's shows, is intended to provide exchange of ideas & experience among broadcasters to assist in planning & production of children's productions. TIO also announced joint project with National Council for the Social Studies on utilization of TV in social studies in elementary & secondary schools. Six stations have become new TIO sponsors since Oct.: WHAS-TV Louisville, KRNT-TV Des Moines, KAKE-TV Wichita, KGLO-TV, Mason City, Ia., ZBM-TV Hamilton, Bermuda, WTAE Pittsburgh.

Advertising Legislative Conference, 4th annual, sponsored in Washington's Statler-Hilton Feb. 7 by ANA & Advertising Assn. of the West, will include: International trade development, with address by Undersecretary of State George W. Ball; addresses and panel participation by Commerce Secy. Hodges, FTC Chmn. Dixon, FCC Chmn. Minow, Food & Drug Administration consumer programming dir. Mrs. Carla Williams, Rep. Avery (R-Kan.)—joined by many of nation's top ad men. RCA vp Ralston Coffin is conference chairman.

Two of Syracuse's 10 applicants for Ch. 9—W. R. G. Baker Radio & TV Corp. and Salt City Bstg. Corp.—have asked FCC for permission to operate on interim basis. They propose that other applicants be given 30 days to join and have formed Valley Interim TV Corp. for the purpose. Gen. mgr. would be J. Joseph Bernard, ex-WGR-TV Buffalo & KTVI-TV St. Louis. At week's end, other 8 applicants petitioned FCC to dismiss Valley application, saying they weren't notified of plans.

Strong attack on FCC for proposing to deintermix Madison, Wis., removing WISC-TV's Ch. 3, was delivered to Commission last week by Sen. Wiley (R-Wis.). In 8-page letter, he asserted: "The contemplated destruction of Madison's Ch. 3 would be unwarranted, wasteful, extreme, discriminatory and altogether an unconscionable violation of the public interest."

Bangor-Calais vhf channel situation has a happy solution, according to Dirigo Bstg. Inc., seeking Ch. 7 for Bangor—after FCC shifted it back to Calais recently (Vol. 2:3 p6). Dirigo told Commission that Ch. 3 can be given to Calais, complying with all rules & standards.

NAB board meeting in Sarasota, Fla. Jan. 29-Feb. 2 includes among major topics: (1) Progress toward establishing a research & training center. (2) All-channel-set legislation—likely to be endorsed. (3) Board reorganization. (4) Code and Code Board revisions.

License fee of 1% annually on gross receipts of TV & radio stations is proposed in bill (H.R. 9881) introduced by Rep. Joelson (D-N.J.).

USIA Dir. Edward R. Murrow has been added to roster of speakers scheduled for NAB public affairs & editorializing conference March 1-2 (Vol. 2:4 p2).

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**MYLAR & PPG TUBE BONDS—WHERE THEY STAND:** It's been more than year since unveiling of 2 implosion-shield bonding processes as competitors to Corning's molded laminated tube cap—Pittsburgh Plate Glass' bonded plate and Du Pont's Mylar plastic film. Here's brief report on where they stand now:

Pittsburgh's system has found fairly extensive use for tube shapes & sizes for which Corning molded caps aren't available—notably 21-in. round color & 27-in. tubes—although some 19-in. tubes are also being processed with Pittsburgh bonded glass. Pittsburgh officials estimate that probably 75% of all 27-in. tubes now have safety plate glass bonded to them.

Pittsburgh expects deeper penetration of 19-in. market this year, but for the present, 23-in. bonded tubes are exclusively Corning's territory. Special taping machines required for bonding of plate glass to tubes are now in use by RCA, Sylvania, National Video, Rauland and other tube manufacturers.

As to cost comparisons, PPG's Russell A. Whittemore, director of product development dept., told us: "There's no question in our mind that our process is basically & significantly less costly than other processes."

Pittsburgh's principal interest is in selling raw "gray glass" to glass formers for use as TV implosion shields—either in form of flat glass, bent glass or PPG bond. Company claims its TV sales are rising despite Corning's inroads in implosion-plate field. Said Whittemore: "Our sales position has improved considerably in 1961 from the grey glass standpoint." He added: "About 70% of all TV sets made in 1961 used non-bonded tubes."

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Du Pont's Mylar shield system has been improved considerably during past year, is now claimed to be ready for use—but so far there have been no takers in picture tube industry. Among recent improvements: (1) Scratch-resistance has been intensified to point never before achieved in plastic. (2) Tinting has been improved for better resolution. (3) Material is no longer laminated; single .005-in. thickness of Mylar has passed implosion tests on both 17- & 19-in. tubes. Mylar shield adds less than .2 of a lb. to weight of set.

Mylar film is made by Du Pont and offered to tube industry in rolls by Riegel Paper Co. Riegel Industrial Film Div. sales mgr. Earl Houston Jr. told us fabrication problems have been resolved, that vacuum-draping machines are available for bonding 4 tubes per minute. Nevertheless, he concedes that Mylar tube shield concept is currently stalled at "dead center." However, he's hopeful that new trend toward more portable TVs will prompt tube makers to take new look at this lightweight method.

**1961 TV DISTRIBUTOR SALES—5,752,000:** Distributor-to-dealer sales of TV sets in 1961 totaled 5,752,000, less than 2% above 1960's figure of 5,651,000. Distributor sales of radios (excluding auto) set 13-year record of 11,283,000, about 8% higher than 1960's 10,454,000. Phono sales were down sharply from 1960—to about 3.9 million at factory level from 4,304,000.

Consensus of manufacturers' predictions for 1962, as averaged & reported by EIA, indicates anticipation of better year for TV, leveling-off of radio & phono sales. Released last week by Motorola's Edward R. Taylor, chairman of EIA Consumer Products Div., these were average industry predictions of unit factory sales totals for consumer electronic products: TV, 6,201,000 sets, up from last year's 5,896,000 and 1960's 5,541,000. Radio (excluding auto), 11,463,000 vs. 11,381,000 last year and 10,304,000 in 1960. Phono, 3,915,000 vs. 3,900,000

& 4,304,000. Earlier, EIA Pres. L. Berkeley Davis predicted production of about 300,000 color sets in 1962 when he forecast sale of that many color tubes to original-equipment manufacturers (Vol. 2:1 p9).

Here are production & sales figures for calendar 1961 and for December, compared with 1960—along with end-of-year inventory figures:

TELEVISION				
	1961	1960	Dec. 1961	Dec. 1960
Production .....	6,162,000	5,708,000	564,000	405,000
Factory sales .....	5,896,000	5,541,000	539,000	422,000
Distributor sales .....	5,752,000	5,651,000	576,000	560,000
Factory inventory .....	427,000	414,000	—	—
Distributor inventory .....	786,000	642,000	—	—
RADIO (excluding auto)				
Production .....	11,771,000	10,694,000	1,152,000	1,001,000
Factory sales .....	11,381,000	10,304,000	1,099,000	1,049,000
Distributor sales .....	11,283,000	10,454,000	1,676,000	1,651,000
Factory inventory .....	1,012,000	817,000	—	—
Distributor inventory .....	1,193,000	1,094,000	—	—

Figures show that inventories have undergone rather substantial buildup in last few months—combined factory & distributor stocks ending year about 15% ahead of 1960 figure in both TV & radio. TV's combined factory-distributor inventories totaled 1,213,000, radio 2,205,000 on Dec. 31, 1961. Most manufacturers were unconcerned about this situation—since it is occurring on "rising market," but some pointed out that industry is "flying blind" with regard to retail TV movement, since EIA discontinued collecting retail sales statistics last June.

Certainly retail sales figures are missing link in question of just how good a month December was. In distributor sales, it didn't look outstanding (although better than Dec. 1960). Likewise, on industry-wide basis, there's no way of knowing level of inventories in retail stores.

Final 1961 figures show last year was 3rd poorest in unit TV sales from distributor to dealer—only 1951, 1958 & 1960 were lower in 12-year span. Here is table of distributor TV sales since 1950:

#### Distributor TV Sales to Dealers—1950-1961

1950.....	7,078,600	1954.....	7,161,362	1958.....	5,062,000
1951.....	5,179,973	1955.....	7,421,978	1959.....	6,013,000
1952.....	6,174,505	1956.....	7,028,456	1960.....	5,651,000
1953.....	6,656,555	1957.....	6,285,819	1961.....	5,752,000

In radio, last year's sales figure climaxed steady accretion of nearly million additional sets per year for last few years. In 1958, distributor (non-auto) radio sales totaled 8,738,000 sets, climbing to 9,535,000 in 1959, to 10,454,000 in 1960 and to 11,283,000 in 1961.

For 11-month factory phono sales breakdown, see p. 11.

**BEHIND SONY-PARAMOUNT COLOR-TV PACT:** Paramount's single-gun Lawrence color tube moved off dead center last week with announcement that Japan's post-war electronics phenomenon, Sony Corp., had entered into licensing agreement to develop and produce Chromatron tube & set for sale in certain unspecified markets outside U.S.

Paramount has been showing its improved tube & circuits to U.S. tube & set makers for last few months in N.Y., but has signed up no domestic licensees yet.

Although few details of Sony deal have been announced, it's known that Sony is assigning large number of engineers to further development of single-gun tube & simplified color set—and that no production is planned before 1963 at earliest.

Nobody knows for sure what Sony's aim is, but here is our educated guess: That Sony hopes to produce portable color set. Here's our reasoning: (1) Sony made its name in portable consumer electronics, is credited with being first Japanese firm to make transistor radios. (2) Sony entered TV field with 8-in. transistor

black & white set, now being marketed in this country. (3) Chromatron color set circuit is capable of being produced in compact package. (4) In small screen sizes, Chromatron tube already is capable of almost fantastic brightness, which appears to improve its color rendition.

Although basic size of Chromatron being produced experimentally by Paramount Pictures is 22-in. (rectangular, 90 degrees), there's no reason to believe tube can't be produced in much smaller sizes.

Paramount still hopes to license U.S. firms to make & market its single-gun tube & associated sets. Pointedly, however, releases from N.Y. & Tokyo announcing licensing deal did not specify Sony's "territory." Therefore, it's assumed license can be extended to cover U.S. marketing if Paramount gets no U.S. licensee. Sony research facilities and engineering know-how can be big boon to Paramount in further developing & refining tube & circuits.

Announcement from Tokyo said "Sony believes the one gun Chromatron color tube has inherent properties which will enable Sony to make a color TV set available to the public which will be brighter, less bulky, have less service problems and cost less than current sets presently available." Pact is subject to Japanese govt. approval.

**3M TAPE-CHANGER NEAR PRODUCTION:** Minnesota Mining's long-delayed tape cartridge & changer system is now ready for production, and first automatic tape changers will be marketed this year by 3M subsidiary Revere Camera. So we were told last week by Revere vp George J. Wachholz.

Changers to accommodate the tiny tape cartridges will be available first in portable tape recorders under Revere label, but tape-changer decks will also be available to phono console manufacturers. Wachholz says Revere has succeeded in simplifying mechanism originally developed by CBS Labs and shown to engineers & newsmen nearly 2 years ago (Vol. 16:13 p18).

Cartridge tape-changer machines will be "competitive" with present open-reel tape recorders, Wachholz said. Tiny tape cartridges—which look like slightly oversize graham crackers—play up to full hour in stereo and are played & changed automatically just like records. Consumer never touches tape.

Current plans call for use of 3 tracks on pre-recorded stereo tapes—3rd track being "reverb" track containing scientifically recorded reverberation for maximum presence. Although idea of 3M is to make tape as easy to use as disc, tape cartridges probably will cost more than LP records at outset—but Wachholz believes their advantages will make them worth extra money to consumers. Among these are higher fidelity and virtual lack of deterioration.

Can 3M system coexist with RCA's already established cartridge-tape system? Wachholz thinks it can. "There's always room for more than one or 2 people in the field," he said. As to timing, best guess now is that Revere's machine will be on market in fall.

**NEW MARKETS OPENING FOR PRIVATE LABEL TV:** New customers & profits loom for manufacturers of private label TVs as more & more department stores, variety chains, discounters and other volume retailers succumb to profit appeal of higher-margin, house-branded sets. So we were told last week by leaders in tight little world of private-label set makers.

There was a time, not long ago, when you-name-the-brand TV manufacturers were all over the lot and in a host of lofts. Today, number of private-label manufacturers can be counted on one hand, with fingers to spare. Industry's Big 3 private labelers are Wells-Gardner, which puts all of its production into private brands; Trav-Ler, whose private-label business now accounts for 70% of its over-all volume and is increasing; Muntz TV, now doing 20% of its business in other brands, but shooting for "goal of one-third, which we hope to hit within 2 years, by end of 1963," vp Jack Simberg told us.

Symphonic Electronic also is private labeler, but not yet much of a factor. It came into field last year house branding for Boston's Jordan Marsh Dept. Store, but had some production difficulties, turned out few sets. But Symphonic is now definitely in field and "we'll certainly be more active in 1962," spokesman told us. "It's an attractive field. Every time a new chain opens up, you have a customer for 50,000 TV sets." Onetime private labelers Warwick Mfg. & Pacific Mercury, because of their strong Sears Roebuck affiliation, more accurately qualify now as national brand manufacturers. Sylvania, another onetime active private labeler, is now private branding TVs only for its recently divorced affiliate Golden Shield Corp. (jewelry & furniture outlets), will discontinue that private label production when present commitment expires (Vol. 2:2 p8).

We had lengthy discussions with 2 industry leaders last week—Wells-Gardner Pres. Grant Gardner (see p. 10) & Muntz TV vp Jack Simberg, came up with divergent views on nature, status and future of private

label industry. Just about only unanimity we found centered on 1961 business and outlook for 1962. Here are some of their views:

**1961-62 business:** Wells-Gardner's 1961 sales "were about on a par with 1960 and we believe that profit will be about the same," Gardner told us. "We'll know after final accounting. The outlook for 1962 is one of continued growth among our regular accounts, and considerably more business developing among large chains which up till now haven't been in private label." Gardner told us that Wells-Gardner is set up to handle only volume production runs, doesn't go out for business from small chains & independent stores. "We now produce private labels for about 10 different major companies," he said. Among them: Montgomery Ward, W. T. Grant, Western Auto Supply, Gamble-Skogmo.

Muntz TV's 1961 private label business was "up somewhat in both sales & profits," Simberg told us. "We're looking for a 5% increase in the first half of 1962, and a 10% increase in the 2nd half when we'll be heavy in portable business." Muntz's private-brand business is wrapped around giant Allied Purchasing, which has some 80 or more outlets in some 50 markets. "We fill in other areas," Simberg said, "by going after large independent department stores and discount operations that want to participate in an over-all program. That's really our area of growth." Muntz private labels for these independents on a one-to-a-city basis.

**Color TV:** "There is a growing demand for color sets," Gardner told us, "and from all indications from all of our major customers we will be required to furnish color sets by no later than September of this year." He said that Wells-Gardner has made a "few experimental color sets," that its plant is completely equipped to produce color, that "no decision has been made as yet as to whether we'll buy or make our own color chassis."

Muntz finds that "although there has been some conversation in some areas, there are no concrete signs of a color demand." Continued Simberg: "We are seriously looking at color and will move into it again when & if we are convinced that we can make a profit. National brand manufacturers are required to add color to their lines to protect their dealers, even though both may know there's no money in it. The private label manufacturer doesn't have that problem, isn't required to go into color just as a service."

**Set production:** Wells-Gardner produces for its customers 17-in. & 19-in. portables, 23-in. consoles, 3-way home entertainment centers and stereo hi-fi combos. "There has been some little interest in smaller TVs," Gardner noted, "but we are not producing them and have no immediate plans" to make 14-in. & 8-in. sizes.

Muntz "doesn't try to build all the models necessary to satisfy all styling needs." Simberg said "we build only what we call bread & butter sets—models that move in volume. We now carry about 6 models—19-in. & 23-in. sets only."

**Trends:** Wells-Gardner believes that private-label competition has about stabilized, that there is more interest among bigger department stores in handling private label merchandise. Gardner foresees an era of continuing growth. The same interest by more & more stores is also noted by Simberg, who told us that Muntz "right now is negotiating in 15 different markets" to establish private label customers.

"We offer individual styling at national prices, as part of an over-all program," he said, "and we're going after the independent stores that want private label but heretofore couldn't afford it. We try to sell the bigger stores on a 50-50 balance—that is, carry a national brand for brand-conscious customers and to bring shoppers in, but also carry a more competitive & profitable private label line."

## **TOPICS & TRENDS**

Sonora trademark has been sold again—this time by Trav-Ler to its N.Y. distributor Park Radio Service, which will handle national distribution for new Sonora line of home entertainment products. Trav-Ler will manufacture Sonora line for Park Radio—including TVs, stereo phonos, radios & tape recorders. Trav-Ler said Park's initial order for Sonora products totaled more than \$2 million. Park Radio has established new subsidiary, Sonora Corp. of America, headed by Park's national sales mgr. Edwin Antin, to distribute Sonora products. New line will be shown next month in N.Y.

Washington appliance firm, George's Radio, has been ordered by FTC to stop advertising that "manufacturers' suggested list prices" were standard prices charged by other Washington-area stores in contrast to George's much-lower advertised prices. FTC opinion by Chmn. Dixon upheld initial decision of hearing examiner last June, noted that use of term "Mfr's. Sug. List" creates impression that there is usual & customary retail price for product in certain trade area. This was not true of products in question in area served by George's, Commission declared, thus company's ads constituted deceptive pricing & savings claims.

Study of proposed AM-stereo systems will be made by EIA's engineering dept., to determine whether formal proposal to FCC is warranted. Delco Radio's C. J. Votava, chairman of EIA's AM stereo study group, urged companies with interest in AM stereo—or with technical proposals—to submit names of representatives or brief descriptions of their systems to him in care of EIA Engineering Dept., 11 W. 42nd St., N.Y. 36.

Meanwhile, 59th FM-stereo station began operation. It's WBBB-FM Burlington, N.C.

EIA has had to turn down invitation by Japanese EIA to send 4-man delegation to study Japanese industry & discuss mutual problems. Invitation was first accepted last month (Vol. 1:12 p10), but plans were canceled at request of EIA attorneys because of possible anti-trust implications.

Reverb has been added to car radios as \$29.95 accessory by Motorola, which is now offering "Vibronic" attachment, including rear speaker & dash control. Motorola claims reverb is particularly necessary in autos because padding & insulation absorb sound and eliminate normal reflected sound energy.

Transistorized sound system-intercom for builders' market was announced last week by GE. Package includes 10-station master unit with 7-transistor AM radio, 3 indoor remote stations, one outdoor station. Phono, FM radio or tape recorder can be plugged into master unit.

Two new low-cost front-end FM tuners are being offered to industry by F. W. Sickles Div. of General Instrument. The single-tube units are designed to accommodate FM-stereo adapters.

#### **TV-RADIO PRODUCTION:** EIA statistics for week ended Jan. 19 (3rd week of 1962):

	Jan. 13-19	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV .....	129,986	133,927	100,152	345,021	257,112
Total radio .....	343,290	213,311	257,037	972,898	759,455
auto radio .....	132,087	136,661	82,389	386,106	275,399

### **Trade Personals**

Robert S. Alexander named Wells-Gardner Electronics chmn., succeeded as president by exec. vp Grant Gardner. Chairman post had been vacant for some 2 years. Other Wells-Gardner changes: Alan Grant, to sales vp, a new post, from sales mgr.; exec. vp Albert S. Wells Jr. also appointed gen. mgr., a post unfilled for 3 years.

Roger Lewis, Pan American World Airways exec. vp for administration, elected General Dynamics pres. & chief executive officer, succeeding Frank Pace Jr. in latter office. Pres. Earl D. Johnson succeeds Pace as chmn. Pace will resign in April, when Lewis & Johnson appointments become effective.

Irving Rossman resigns as Pentron Electronics pres.; Chmn. Osborne Andreas now also pres. pro tem.; secy. Marshall Peiros named to new post of exec. vp.

Seymour Mintz, Capehart Consumer Products Div. vp, resigns effective Feb. 16; his duties will be assumed by Harold Weiss, appointed eastern division sales mgr., and Gene Gillis, midwest sales mgr., who join Capehart in these new posts from Van Wyck International Corp.

J. A. Rishel Jr., vp-gen. mgr. of Philco's pre-Ford Laundry Div., Robert G. Meinken, laundry products mktg. mgr., and John T. Morgan, associate distributor accounts mgr., Consumer Products Div., have resigned effective Feb. 1.

Joseph J. Bokan, ITT Components Div. pres., also appointed gen. mgr. of ITT's U.S. Components, Cable & Wire Group which embraces ITT Components Div., ITT Distributor Products Div., Royal Electric Corp., Superenant Mfg. Co.

John J. Luttrell, ex-Temple Steel Co., joins Webcor as financial vp . . . John J. Davis, former Sylvania Lighting Products Div. controller, elected vp-controller of Ryder System; succeeded by F. Guy Melanson . . . Chris L. Wannlass, ex-Ford Aeronutronics Div. physical electronics & bionics dir., named Packard Bell Computer research & development vp . . . Leslie M. Maxim named pres. Standard Kollsman subsidiary Stankolls Inc., continues as vp-mktg. dir. of Casco Products.

C. W. Frederick appointed mfg. mgr., Cornell-Dubilier New Bedford, Mass., plant . . . Joseph Stern, former technical rep, promoted to market mgr. Pittsburgh Plate Glass product development dept., specializing in industrial glasses, including TV glass; R. F. Raymond succeeds Stern; Henry Kogel, ex-EIA engineering dept., added to PPG's field staff in step-up of TV activity.

Theodore S. Briskin, Revere Camera vp-gen. mgr., resigns effective March 1 to move to West Coast, succeeded by vp G. J. Wachholz . . . Harold Dittenhoefer, Symphonic Electronic Contract Div. mgr., resigns.

Frederick J. Anderson appointed Sylvania Electronic Systems eastern operation engineering dir., Waltham, Mass.

Edward A. Ravenscroft, Abbott Labs exec. vp, named to board of Television-Electronics Fund.

### **Obituary**

Mrs. Helen Dorfman Avnet, 63, wife of Avnet Electronics vp-treas. Charles Avnet, died Jan. 23 in her N.Y. apartment after a brief illness. She is survived by her husband, 3 sons, a daughter.

**REVIEWS & FORECASTS:** RCA sales & profits should move up this year from last because of rising sales of computers & color TV sets, Chmn. David Sarnoff reported. He also expects profit to register a sharper percentage gain than sales. Sarnoff said that RCA's net income in 1961 did not change "appreciably" from 1960's \$35,117,000 (\$2.10 a share) earned on record \$1,495,000,000 sales.

Although RCA's current data-processing business is operating at a loss, it has become one of the company's "fastest growing major businesses," he said. Gross income this year from all RCA data-processing activities, military and commercial, will probably be "substantially in excess of \$200 million, considerably higher than last year." He added that through rising sales & "more efficient operating procedures, we anticipate a reduction of approximately 50% in 1962 data-processing costs" compared with last year. "We expect the costs in 1963 to be reduced by half again, and we hope to realize a profit in data-processing within 2 or 3 years."

\* \* \*

Packard Bell Electronics earned more than \$450,000 on about \$11-million sales in fiscal-1962's first quarter ended Dec. 31 (Vol. 2:1 p10), Pres. Robert S. Bell told the annual meeting. This compared with a net loss of \$365,969 on \$8.7-million sales a year earlier. Bell forecast fiscal-1962 sales of more than \$46 million (vs. \$31,887,807 in fiscal 1961) but did not predict earnings. Company lost \$9.5 million in fiscal 1961. Bell also confirmed that Consumer Products Div. lost \$400,000 last year on a sales drop to \$12.5 million from \$16.5 million the preceding year. Sales forecast for this year: \$19-million plus. Commenting on company's new policy of franchising exclusive dealers in the East (Vol. 17:9 p15), Bell told stockholders: "We are shooting for the Eastern carriage trade." This could mean an increase of \$2 million to \$3 million in sales outside PB's traditional trading area of 13 Western states "several years from now—and with no overhead." Home Products Div. vp Kenneth R. Johnson said Packard Bell has 30 franchised dealers outside its major area—in the East, Midwest and South. Plans call for an additional 15 markets to be covered by this June.

\* \* \*

Emerson Radio & Phonograph posted a 10% rise in earnings on an 11% sales gain in its 1961 fiscal year ended Oct. 31 (see financial table). Pres. Benjamin Abrams attributed the improved performance to "strong demand, particularly during the last quarter," for Emerson TVs, radios & stereo phono & combos. He also noted "rising consumer interest in color TV receivers" and resultant "markedly increased sales" in 1961. Abrams also said that Emerson's new Emertron subsidiary, in its first fiscal year, earned \$333,499 on \$14,005,269 sales, compared with predecessor Emerson Govt. Electronics Div.'s fiscal-1960 pro forma net loss of \$42,352 on \$10,366,487 sales. At the end of the fiscal year, Emerson's working capital totaled \$28,648,042 (vs. \$27,715,227 on Oct. 31, 1960); long-term debt was reduced by \$575,000 during the year.

\* \* \*

Admiral sales in 1961's final quarter rose 30% from a year earlier and pushed total 1961 sales more than \$3 million ahead of 1960. Exec. vp Vincent Barreca estimated a 4th quarter sales gain to more than \$55 million from \$42.9 million a year earlier, and a total 1961 sales gain to more than \$191 million from \$188 million in 1960. He attributed sales surge largely to popularity of Admiral's TV line, including color, and stereo phonos.

Muntz TV expects "to be free & clear of all pre-re-organization debts a year from now," Chmn. Floyd G. Dana said recently, noting that the \$4.5 million debt left by the predecessor management in 1957 has been reduced to \$900,000. "A very important step in reducing this debt," Dana said, was the acceptance by creditors of 200,000 common shares (at \$6 a share) in exchange for \$1.2 million of Muntz promissory notes. Dana also said that Muntz will now consider a change of name. He also forecast that Muntz will earn about \$336,340 (23¢ a share on 1,409,982 outstanding) on \$3,434,000 sales in its 2nd fiscal quarter ending Feb. 28, said "further gains in retail sales may be foreshadowed by the steady expansion in consumer incomes." Muntz TV sales vp Jack Simberg told us that Muntz' 1961 TV set production totaled about 90,000 sets—or about 1.5% of industry. "Our goal is 180,000 sets, or 3%," he said, adding that Muntz plans to "hold the line to around 2,000 dealers and will stay in those markets where it has identification."

**Phono Sales Breakdown:** Official 11-month tabulation of factory phono sales, released last week by EIA, shows unit sales continued to lag sharply behind 1960 in November. In fact, only in April & May did 1961 monthly unit sales exceed those of 1960.

EIA has already estimated 1961 unit phono sales at about 3.9 million (see p. 7), so it's probable that December sales also fell short of comparable 1960 month (419,000 in 1960 vs. less than 400,000 in 1961). EIA's figures:

Month	1961			1960		
	Mono	Stereo	Total	Mono	Stereo	Total
January .....	80,366	211,383	291,749	118,400	341,329	459,729
February ....	50,710	204,638	255,348	92,648	324,666	417,315
March .....	62,396	227,469	289,865	63,264	242,523	305,787
April .....	53,074	152,974	206,048	30,962	142,409	173,371
May .....	53,887	142,450	196,337	36,793	146,176	182,962
June .....	61,533	197,170	258,703	69,293	198,407	267,700
July .....	70,681	171,331	242,012	70,992	222,559	293,551
August .....	106,157	242,164	348,321	109,321	307,517	410,838
September ...	124,142	328,045	452,187	146,997	384,289	531,286
October .....	151,580	350,254	501,834	143,160	391,821	534,981
November ..	141,083	358,285	499,368	177,786	343,006	520,792
<b>TOTAL .....</b>	<b>953,609</b>	<b>2,536,163</b>	<b>3,541,772</b>	<b>1,059,617</b>	<b>3,044,702</b>	<b>4,104,319</b>

**Distributor Notes:** RCA Distributing Corp., Atlanta, (A. C. Nerness, vp in charge), promotes R. L. Pettit to sales mgr., home instrument sales dept. . . Sylvania appoints Jack R. Staples East Central district mgr., electronic tubes, headquartering in Cleveland area . . . New Sylvania distributors: Acme Commercial Corp. (1806 W. Broad St.), Richmond, Va. (Sam Wurtzel, pres.), for Norfolk area; Air Conditioning Wholesalers (2276A Washington St.), Newton Lower Falls, Mass. (Howard E. Davis Jr., pres.) for Boston area.

Jerrold Electronics Corp. has denied FTC complaint charging misrepresentation of its "TV Receptor," which it no longer makes, and asked Commission to dismiss complaint. Company said its claims that receptor is adjustable, has tuning device, is superior to "rabbit ear" antennas & outperforms roof-top antennas in many locations "are true & correct."

Color TV enthusiast: Richard Matis, young linotype operator at one of our printers, Radnor Graphic Arts, Radnor, Pa., has had RCA color set for 3 years, last week claimed a "first." He took 8-mm movie shot of NBC's peacock, using Kodachrome II film, f1.8 lens, darkened room, asserted "it looks swell." "I'm still fascinated by color," he said. "I can watch it for hours. I can look at a whole game and not know the score."

## 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
Avco	1961—year to Nov. 30	\$323,142,012	\$25,513,052	\$12,982,052 <sup>1</sup>	\$1.24 <sup>2</sup>	10,511,500
	1960—year to Nov. 30	322,744,957	19,300,001	10,021,501	.97 <sup>2</sup>	10,301,956
Emerson Radio Story p. 11.	1961—year to Oct. 31	70,903,466	3,751,344	1,851,684	.84	2,211,492
	1960—year to Oct. 31	63,776,658	3,250,196	1,686,568	.76	2,119,685
Indiana General	1961—9 mo. to Sept. 30	15,799,749 <sup>1</sup>	2,277,340	1,120,250	.97	1,150,002
	1960—9 mo. to Sept. 30	14,616,244	2,045,606	1,004,076	.87	1,150,002
ITT	1961—year to Dec. 31	929,000,000	—	36,000,000	2.18	15,698,524
	1960—year to Dec. 31	869,000,000	—	32,000,000	1.96	15,534,307
Polarad Electronics	1961—6 mo. to Dec. 31 <sup>3</sup>	4,600,000	—	(225,000)	—	1,403,517
	1960—6 mo. to Dec. 31	6,204,676	—	26,773	.02	1,325,692
Raytheon	1961—year to Dec. 31 <sup>3</sup>	562,901,000	—	6,877,000	1.69 <sup>2</sup>	3,891,672
	1960—year to Dec. 31	539,975,000	—	8,105,000 <sup>4</sup>	2.09 <sup>2</sup>	3,728,247
Seeburg	1961—year to Oct. 31	35,277,000	—	1,051,145	.55	1,916,313
	1960—year to Oct. 31	29,934,000	—	1,226,225	.64	1,916,313
Siegler	1961—6 mo. to Dec. 31	58,222,602	4,115,760	2,204,517	.96 <sup>2</sup>	2,261,879
	1960—6 mo. to Dec. 31	49,053,963	3,535,566	1,776,865	.77 <sup>2</sup>	2,261,879
	1961—qtr. to Dec. 31	30,133,052	—	1,168,263	.51 <sup>2</sup>	2,261,879
	1960—qtr. to Dec. 31	24,770,840	—	819,371	.35 <sup>2</sup>	2,261,879
Tung-Sol	1961—year to Dec. 31 <sup>3</sup>	66,500,000	—	1,500,000	—	925,858
	1960—year to Dec. 31	66,471,971	—	1,476,259	1.37	924,521
	1961—qtr. to Dec. 31 <sup>3</sup>	18,400,000	—	550,000	—	925,858
	1960—qtr. to Dec. 31	14,900,000	—	138,000	—	924,521

Notes: <sup>1</sup>Record. <sup>2</sup>After preferred dividends. <sup>3</sup>Preliminary report. <sup>4</sup>Before non-recurring net income of \$3.4 million.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
IBM	Q	\$0.75	Mar. 10	Feb. 9
Maxson Electronics	Q	.05	Mar. 1	Feb. 15
National Video "A"	Q	.12½	Feb. 26	Feb. 5
Paramount Pictures	Q	.50	Mar. 9	Feb. 23
Raytheon	Stk.	3%	Mar. 19	Feb. 23
Siegler	Q	.10	Mar. 1	Feb. 15
Stanley Warner	Q	.30	Feb. 23	Feb. 8
Stewart-Warner	Q	.35	Mar. 10	Feb. 16
Storer Bestg.	Q	.45	Mar. 9	Feb. 23
Storer Bestg. Class B	Q	.12½	Mar. 9	Feb. 23
TV-Electronics Fund	—	.03	Feb. 28	Jan. 26
Wometco Entps. "A"	Q	.17½	Mar. 15	Mar. 1
Wometco Entps. "B"	Q	.06½	Mar. 15	Mar. 1

**Mergers & acquisitions:** Sprague Electric has acquired controlling interest in Telegraph Condenser Co. (Canada) Ltd., Toronto, which will be renamed Sprague-TCC (Canada) Ltd. The Canadian firm manufactures electrolytic & tantalum capacitors, will also sell Sprague products • Daystrom and Schlumberger Ltd. stockholders have approved a merger under terms calling for exchange of one share of Schlumberger common for 2 of Daystrom. Latter's chairman, Thomas Roy Jones, will become vice chmn. of Schlumberger, Houston-based oil & electronics firm. Daystrom Pres. John B. Montgomery will become pres. & chief executive officer of Schlumberger subsidiary which will continue operation of Daystrom • Columbia Pictures subsidiary Screen Gems has purchased for more than \$1 million cash Cellomatic Corp., audio-visual production & equipment firm • Dynamics Corp. of America has established subsidiary Digital Measurements Ltd. in England to design & produce factory automation & data processing equipment & systems for industrial plants in Britain and Western Europe • International Resistance has purchased for cash Frontier Electronics, Cleveland designer & manu-

facturer of industrial & military electronic controls, components and timing devices • Arvin Industries has acquired Westgate Lab, Yellow Springs, O. designer & developer of electronic, communications and optical systems & devices for industrial & military use. Arvin will exchange 7,535 shares for all of Westgate's common stock.

NT&T will be renamed National General Corp. if stockholders approve at the Feb. 20 annual meeting. Explaining need for more representative name, NT&T pointed out that it no longer owns & operates TV or radio stations. It does plan, however, "to enlarge & diversify its scope of activities in addition to a continuation of its theatre exhibition business."

Growth Programs Inc. has been formed in N.Y. (535 Fifth Ave.) to serve as sponsor of plans for the accumulation of shares of Television-Electronics Fund, electronics-oriented mutual fund. Pres. Sidney Shiff said Growth Programs has filed with SEC a registration statement covering accumulation plans to be offered to investors through registered securities dealers here & abroad.

MCA filed registration statement (SEC File 2-19633) for 165,000 shares of common stock, which company proposes to exchange in full or part for 5,000 shares of permanent stock of Columbia Savings & Loan Assn., Denver, owned by Kenneth King & Harold Taft. Latter plan to sell the MCA shares periodically on NYSE. MCA has 4,040,735 common shares outstanding, in addition to preferred. Chmn. Jules C. Stein owns 34.65% of common, Pres. Lew R. Wasserman 17.47%, management officials as a group 69.77%.

Delmonico International reports that 1961 was a record sales year. Exec. vp Herbert Kabat expects a final tally to show more than \$10 million in sales, with a \$2 million backlog.