

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

JULY 1, 1963

NEW SERIES, VOL. 3, No. 26

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

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EQUAL-TIME SUSPENSION PROSPECTS about same as in 1960, though sentiment is growing gradually for lifting restrictions on campaigns for Senate, House, governorships. No chance for outright repeal (p. 2).

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Consumer Electronics

MOTOROLA'S 23-IN. COLOR makes debut in 8-set line, starting at \$650; low-end 21-inch color line starts with \$449.95 console; good color picture shown on new set, which Motorola hopes to sell 'in tens of thousands' this year (p. 7).

VHF SETS ELIMINATED from large part of Sears' Silvertone line; new catalog shows only 10 sets available without uhf, 26 sold with all-channel tuner only; prices start at \$109.95 for 19-in. vhf set (p. 8).

ROUND-CORNER PICTURE TUBES fade away periodically—and come back. New lines show 27-in sets in only 4 major lines, vs. 8 last year; but majors are still offering 17-, 21- & 24-in. sets (p. 9).

'PRICING CHAOS' hit by Motorola's Taylor, who endorses Quality Stabilization bill; warns of 'explosive' situation created by 11-in., but sees little market for 16-in. (p. 10).

NEW LINES: Du Mont extends color tube warranty to 2 years, introduces lower-priced sets; Westinghouse expands 'Instant-On' to most TV models; Motorola b&w line emphasizes consoles (p. 10).

PILOT INTO COLOR TV? New plant geared to make color chassis for stereo combos; output could begin this year (p. 11).

PLANT SHUTDOWNS FOR VACATION begin this week for many TV-radio-electronics firms. Vacation dates listed for set, tube, semiconductor & components manufacturers (p. 11).

NAB VOWS ALL-OUT FIGHT AGAINST GOVT.: An aroused NAB board, led by Pres. Collins astride an anti-FCC cause he could ride—proposed ceiling on commercials—went all-out in its semi-annual meeting in Washington last week. Among actions:

(1) Outlined comprehensive & far-reaching plan—developed by Paul Comstock, govt. vp, & John Couric, public relations dir.—to oppose FCC's proposal on commercials, said it was "aghast" at Commission action, stated if federal agency can be given such power it would have "stranglehold" over private business. Plan calls for stepped-up contacts with FCC, Congress, possible legal steps, help from members & state associations, major public relations program (appeals to editorial writers, syndicated columnists, liaison with business-public service-charitable groups), cooperation from advertising community (TvB, RAB, ad groups).

(2) Adopted resolution to alert Congress & public to "undue encroachment" by govt. in broadcasting and of "mounting danger" of further govt. control. Resolution was proposed by John J. Coyle, KVIL Dallas, modified by joint board. Committee of broadcasters, representative of each state, is to carry out program.

(3) Created an Executive Committee to initiate & interpret policy. It will be composed of chairman, plus chairmen & vice chairmen of TV & radio boards. First job: Oppose govt. control.

Elected to one-year term as chairman of joint boards: William B. Quarton, WMT-TV Cedar Rapids, succeeding Clair R. McCollough. James D. Russell, KKTU Colorado Springs, was chosen TV board chairman, succeeded as vice chairman by Glenn Marshall, WJXT Jacksonville. Among other actions:

(1) TV Board adopted new Code commercial standards for prime time limits computed in percentages rather than minutes—17.2% for each of 3 prime evening hours specified by station. Board declined to adopt

percentage changes for non-prime time. Previous limitation was 5 min. & 10 sec. per 30 min. Percentage method is said to produce greater flexibility, though amount of time per hour is same.

(2) Radio Board declined to adopt commercial standards proposed by Radio Code Board.

(3) Joint boards approved Pres. Collins's proposal to donate up to \$15,000 to help reduce illiteracy in Dominican Republic.

(4) Proposal to set up a Program Dept. was deferred for more study, new report next Jan.

(5) Convention dates approved: April 5-8, 1964, Chicago; March 21-25, 1965, Washington; March 27-30, 1966, and April 2-5, 1967, Chicago.

VHF DROP-IN PLEADERS NEVER SAY DIE: Vhf drop-ins refuse to remain dead, despite 4-3 FCC vote just before Chmn. Minow left Commission, voting reluctantly with majority (Vol. 3:22 p2). New Comr. Loevinger raised hopes of drop-in proponents during his confirmation hearing, when he stressed need for more competition in TV, said he'd give subject thorough study (Vol. 3:23 p2).

Powerful Sen. Pastore (D-R.I.), chmn. of Communications Subcommittee, last week gave Commission another nudge, during FCC Chmn. Henry's testimony on equal time (see below). Said Pastore:

"It would be very wonderful if we could have the 3 networks operating in every locality . . . I think the drop-ins would accomplish [that] purpose . . . I hope you would consider it in your reconsideration . . . that this will be the final march up the hill." Sen. Hartke (D-Ind.) observed that some candidates are at disadvantage because 3rd network (ABC-TV) doesn't reach as many homes as other 2, said the drop-in markets represent about 5 million people. He asked Henry whether denial of drop-ins means FCC "denial" of its responsibilities. Henry assured him Commission will give "full consideration" to petitions for reconsideration. Hartke wasn't satisfied: "I know what that means, but I don't know what it implies."

Unusual angle in petition for reconsideration was offered last week by Megacity TV Inc., potential Dayton, O. vhf applicant. It argued to Commission that vote against drop-ins fosters monopoly—encouraging uhf filings by "absentee multiple owners" such as Kaiser & United Artists which can use "tax dollars" to finance uhf losses over long period. Megacity suggested that vhf's be dropped in, that grantees use them for 6 years to depreciate equipment—then be required to switch to uhf. Megacity said local groups are expected to file similar petitions for other 6 markets: Jacksonville, Baton Rouge, Birmingham, Knoxville, Charlotte, Johnstown. It urged FCC to set subject for oral argument.

EQUAL-TIME SUSPENSION PROSPECTS: Greater journalistic freedom in political broadcasting doesn't seem in cards for 1964 campaigns. Though there's growing sentiment for it, as indicated during hearings by Sen. Pastore's (D-R.I.) Communications Subcommittee last week, Congress as a whole is still leery.

Lifting of equal-time restrictions for Presidential & Vice Presidential campaigns is assured—same as in 1960. But similar easing for candidates for Senate, House and governorships is believed to have only minor chance of success. As for complete repeal of Sec. 315—giving broadcasters same freedom enjoyed by their print brethren—not a chance.

Pastore himself would at least temporarily extend suspension to Senate, House & gubernatorial campaigns, noting that it worked "beautifully" for Presidential & Vice Presidential races in 1960. But Pastore said he doubted Senate would vote for it, echoing GOP National Chmn. Rep. Miller (R-N.Y.) who testified that House isn't likely to buy it. Miller said that "networks are entitled to great credit" for 1960 Great Debates—having allotted some \$6 million in free time.

Miller was concerned about extending broadcasters' freedom into more campaigns because abuses might develop in local campaigns—and these would be hard to "monitor," compared with national network politicasts. Democratic National Chmn. John Bailey also favored 1960-style suspension.

Sen. Hartke (D-Ind.) plumped for complete repeal of equal-time Sec. 315. "If we can trust [broadcasters] for President & Vice President," he said, "we can trust them" for coverage of other offices. Pastore, Scott (R-Pa.) & Morton (R-Ky.) gave him some support, but Pastore said Congress wouldn't go for it: "You can't do it all in one bite." He also said some members of Congress resist expansion of equal-time suspension because they don't want political unknowns among opponents to get too much exposure.

Sen. Thurmond (D-S.C.) said he'd go for suspension extension to the 3 other kinds of offices, that stations in his area have been fair, but that: "Networks have presented biased, one-sided picture of civil rights. Now will they do that for candidates? That's why I don't favor repeal." He later got into shouting match with Pastore & CBS Pres. Stanton, over his charges that networks are "following the NAACP line" in coverage of racial incidents. One observer termed it "most rugged" exchange he'd seen on Hill.

Pastore was irked with FCC, when Chmn. Henry testified that Commission favors suspension for President & Vice President only, saying that FCC believes more experience is necessary. Pastore said 1960 results should be enough proof; "Why do you need 2 bites of the cherry?" he asked.

Henry reported that FCC's recent survey (Vol. 3:24 p5) showed that equal-time law seemed to present no hardships in Senatorial campaigns during 1960. But, said Pastore, FCC figures show nothing about the many stations which refuse to sell or give any campaign time at all. Henry also said that "fairness doctrine" presents more problems than equal time, said FCC hopes to produce new editorializing policy in time for House hearings July 15.

NBC Chmn. Sarnoff favored complete repeal of equal time rule. He said NBC has already received 1964 equal-time demand from Lar Daly, who said he's "Republican" candidate; Daly used to call himself "America First" party candidate. Sarnoff said that recognized 3rd parties would be given full attention, that fringe parties would get "appropriate" coverage. He said that stations should have right to editorialize but that networks shouldn't do so because views would be aired through affiliates who should make their own judgments.

CBS Pres. Stanton favored repeal of equal time, or at least expansion of suspension. However, if neither can be achieved now, he said, following should be considered: Lift equal-time rule for free time, retain it for paid time. This, he said, would allow broadcaster to "perform fully his journalistic function."

ABC Pres. Goldenson sent statement asking for permanent suspension of equal time for President & Vice President only.

Telegrams from nearly a dozen governors—plus appearance by Kansas Gov. Anderson—supported extension of suspension to other offices, including their own; no governor expressed opposition to suspension.

Attorney Paul Porter reported that President's Commission on Campaign Costs recommends complete repeal. He gave personal view that he'd like to see how suspension works for 3 other offices.

NAB Exec. Vp Vincent Wasilewski testified that broadcasters prefer complete repeal of 315, but would also support measure to widen suspension to the 3 other offices.

COMBINATION RATES BUBBLING IN GOVT.: Quietly kicking around FCC is question of "combination rates." Last Feb. (Vol. 3:5 p5), after receiving complaints from some stations, Commission issued general public notice stating that certain kinds of combinations raise serious anti-trust questions, are against public interest, must be stopped. Now, Commission faces requests for declaratory rulings in 2 cases, in which broadcasters are uncertain.

Commission named no names last Feb., because alleged culprits had never been told practice is questionable, and FCC believed they shouldn't be ambushed. What happened originally was that rep Meeker Co., following what it sincerely considered imaginative selling, went into some overpopulated radio markets, secured agreements to sell 2 or more lesser-rated stations in each city as a group, using combination rates & discounts. Upon complaints of competitors, FCC issued its Feb. ruling. Though it wasn't announced, Phoenix was city precipitating action.

As everyone knows, both TV & radio are chock full of all kinds of group buys, with combination rates as incentives. Commission staff is now puzzling over "unfair competition" and "anti-public interest" aspects.

We've checked with Station Representatives Assn., FTC, FCC, private attorneys, to find current consensus, if any. Here's what we've learned:

"As long as there's no overlap among stations in combination buy, there's no problem," stated Lawrence Webb, managing dir., Station Representatives Assn. He referred to Phoenix situation where station "network" in same city was an obvious violation of statutes.

Other issues are involved, however. Kernel of matter, as explained by an FCC official, is whether stations in any group plan gain unfair competitive advantage over any competing individual station.

Commission is inclined to rule first on easily defined issues. Phoenix situation was open-shut case. Next in order is likely to be decision on whether certain multiple ownership combination discounts unfairly affect individual stations in competing markets. After that, there will likely be decisions concerning the simplest—and seemingly least objectionable—plans whereby independently-owned stations in scattered markets sell themselves as a group.

FTC can be called upon for advisory opinion, and it has hair trigger on agreements that smack of price fixing or restraint of trade.

A Washington lawyer close to industry practices said there's definite trend in govt. to "protect single stations." He said current FCC line-up is bound to lean that way.

Cases of completely overlapping contours are, of course, per se violations, he told us. He predicted that overriding combination rate issues—including certain multiple ownership plans, cases of only slightly overlapping contours, basic national rep group plans—will be scrutinized in coming months.

SHAPP BACK AT JERROLD HELM: It will be intriguing to watch Jerrold Corp. for next year or so, now that Chmn. Milton Jerrold Shapp has reassumed presidency & active management, Pres. Sidney Harman resigning and selling his 86,000 shares to Shapp & associates.

About 2 years ago, Harman came in as Shapp began devoting most of his time to Peace Corps, industrial rehabilitation of depressed areas in Pennsylvania and elsewhere, vocational training of Negro & Puerto Rican youth, etc.

But Shapp & Harman finally came to parting, Harman pushing for diversification into areas Shapp considered too remote. Last week Shapp told us: "We will reemphasize the CATV, microwave & instrument business. We intend to maintain our positions in consumer fields, too—hi fi, etc. But we're not going into general diversification. I'm personally looking forward again to active participation in the CATV business and I hope to help solve the industry's problems." There were rumors Jerrold would now dispose of Harman-Kardon hi-fi component business, Pilot receiver production, etc. But, to contrary, firm is expanding in these areas (see p. 11).

Shapp has firm control of company, has 4 of 6 seats on board. Company lost \$104,000 in first 4 months of year, and Shapp aims to reverse trend. Despite 4-month loss, however, Jerrold had record sales of \$24,802,000, up 38%, for fiscal year ended Feb. 28; and record earnings of \$739,617 were up 24% over preceding year.

Needling FCC on clear channel case, Rep. Harris (D-Ark.) noted that July 2 is expiration of one-year moratorium on implementation of FCC's decision. House in 1962 passed H. Res. 714 asking FCC to hold off duplicating 12 clears pending experiments with clears on powers over 50 kw, losses & gains of service with high powers, etc. Harris noted that FCC decision has been appealed by several clear channel stations, suggested that Commission may want to ask court to hand case back pending gathering of foregoing information. FCC isn't likely to vote further moratorium unless it gets another strong Congressional mandate to do so.

Network program procurement—from anti-trust standpoint—is subject of analysis made by FCC's Office of Network Study. It's understood report will be submitted to commissioners soon.

CBS Washington News Bureau will be operating for 5 owned TV stations by Sept. 1. Separate from Washington CBS News, it will have own mgr., exec. asst., cameraman, soundman.

FCC move on Negro hiring by broadcasters may or may not come about in foreseeable future. Report is that White House is studying whether FCC & similar regulatory agencies have power to enforce equal-employment-rights measure. Commission members haven't considered matter. Staff members have discussed it—but they disagree on likelihood of Commission action soon. If FCC were to act, it could institute rule-making, make issue a criterion in comparative hearings, act on complaints, etc.—presumably under broad "public interest" phase of Communications Act.

Horse-racing broadcasting rules proposed by FCC continue to draw strong criticism. Among recent filings, Neil J. Curry, pres. of National Assn. of State Racing Commissioners, urged that "horse racing must not be singled out from our major sports for regulation by the FCC . . . Illegal gambling on other sports exceeds the off-track horse-race gambling." Assn. also submitted long memorandum arguing that FCC lacks legal power to adopt the rules.

Nielsen Drops Local Radio: Nielsen made it official last week—dropping local radio service (Vol. 3:20 p2). Vp John Churchill said company wasn't able to come up with auto & portable listening measurements "at a palatable cost."

Company will stay in network radio as well as in local & national TV. It's now preparing new package to propose to radio networks for fall season. Among other ratings activities:

(1) Documentary on ratings, suggested by Rep. Harris (D-Ark.), is being considered by CBS producer Fred Friendly. Nielsen believes it could be beneficial; Press Relations Dir. Erwin Ephron wrote Friendly that program could help get public to cooperate, participate in samples. Nielsen also will ask NAB to: Promote member spot campaigns to encourage public cooperation; take stand against station promotion "hypoing" during ratings week; urge members not to tamper with surveys.

(2) At NAB board meeting last week, Group W's Don McGannon reported on reform moves (Vol. 3:25 p2), said NAB & RAB are "pledged" to work together on radio methodology study but that he isn't now recommending NAB participation in RAB's proposed Audits & Surveys Co. plan. He also said that NAB Rating Council will seek further representation by advertisers and that AAAA would be invited to become full member instead of liaison.

(3) FTC has started its 2nd ratings field investigation, has men checking station promotion practices.

(4) WAME Miami suit against Nielsen (Vol. 3:17 p1) has been transferred from local circuit court to federal court in Miami on Nielsen's petition—but move to Chicago was denied. Court also asked WAME to spell out damages more clearly.



TvB signs 19 U.S. TV stations & one British firm: WAVE-TV Louisville, KTVT Ft. Worth, KVOS-TV Bellingham, KLIK-TV Twin Falls, WPTA Ft. Wayne, WKBW-TV Buffalo, KCRG-TV Cedar Rapids, WBTV Charlotte, WABI-TV Bangor, WAGM-TV Presque Isle, WBEN-TV Buffalo, KCPX-TV Salt Lake City, WICS Springfield, WTVO Rockford, WHNB-TV Hartford, KTHV Little Rock, KOAT-TV Albuquerque, KVOA-TV Tucson, KSYD-TV Wichita Falls, and Southern Television, England.

National & regional spot TV for first quarter was up 20% to \$219,771,000 from \$182,098,000 for 1962's first quarter, according to TvB. Alberto-Culver ranked 7th, showed dramatic increase from \$1,998,400 to \$4,194,400. Bristol-Myers had biggest jump, moved from 5th to 3rd place, spending \$6,681,500 compared with last year's \$3,324,600. First place belongs to P&G with \$16,954,900.

Advertising Council's special TV drive for "good citizenship" is getting full support from TV networks, their owned stations plus Metromedia & Group W, all members of Council's board. Drive runs through July 4, is keyed to 28-page booklet "Challenge to Americans," available free to public.

CBS will ask FCC to reconsider its decision outlawing "incentive compensation plan" and option time. CBS doesn't expect Commission to change mind, but attorneys say prudent legal strategy requires that pitch to FCC be made before appeal to courts is taken.

Cost of TV is spiralling for advertisers & agencies, adman Arthur Tatham (chmn. of Tatham-Laird & 4A's) told Advertising Federation of America convention in Atlanta recently, pointing to some choice examples: Model's hand used in commercial 5 years ago cost \$26; today, due to AFTRA-SAG scales, price would be \$70 plus \$55 in lieu of "use fees" for total of \$125. Large ad agency producing \$700,000 worth of TV commercials annually faces more than double tab—\$1.5 million—in talent fees. Production isn't far behind; commercials costing \$7,500 apiece 12 years ago cost \$15,000 today. On other AFA fronts: J. Paul Austin, Coca-Cola pres., told AFA that overseas ad revenues of U.S. advertisers are needed to help finance growth of communications (including TV) to level where there are at least 2 TV sets for every 100 people in world. New AFA officers: George W. Head (ad mgr., National Cash Register Co.) named chmn.; Melvin S. Hattwick (ad dir., Continental Oil), first vice-chmn.; Lee Fondren, mgr. KLZ Denver, 2nd vice chmn.

More than 60 stations will be involved in production of *What America Thinks*, planned 15-min. man-on-the-street show due soon from TV Affiliates Corp., offshoot of Trans-Lux. Rotating group of 10 stations will each film 90 seconds worth of *vox populi* reaction to major news events each week, will forward footage to N.Y. where TAC will assemble it into show for use by TAC member stations. Program was proposed and adopted at organization's recent Chicago meeting.

Russia has about 9 million TV sets, with 5,000 added daily, *N.Y. Times* reports. Quoting *Pravda* article by TV-radio chief Mikhail Kharlamov, *Times* states TV audience is estimated at 35-40 million, served by 130 basic TV stations & 220 relays serving 60 major cities. Originating stations carry 850 program hours daily, compared with 150 hours 5 years ago. Soviet programming can be seen in 23 countries through red bloc Intervision & Eurovision.

"Television U.S.A.: 13 Seasons" has been published by Museum of Modern Art, N.Y., annotating recent 54-program "TV retrospective" at the museum. The 40-p. book (\$1.25) describes programs selected to represent TV's 1948-61 achievements and contains essays by Richard Griffith, curator of museum's film library; Gilbert Seldes, dean of Annenberg School of Communications, U. of Pa., and Jac Venza, guest dir. for TV project.

New rep: WHNB-TV New Britain-Hartford to Adam Young, from George P. Hollingbery. Through agreement between Select Station Reps and Bomar Lowrance Assoc., latter takes over representation in Atlanta, St. Louis & Dallas for WXEX-TV Richmond; WHTN-TV Huntington-Charleston & WHIS-TV Bluefield, W. Va.; KTTS-TV Springfield, Mo.

First "National Broadcast Editorial Conference," sponsored by U. of Ga. and Ga. Assn. of Bcstrs., at Athens July 25-27, will feature keynoter Howard K. Smith, Rep. Harris (D-Ark.), FCC Comr. Cox, Washington attorney W. Theodore Pierson, NAB's Dr. Mary Ann Cusack—plus sessions with top station newsmen.

Hartford's pay-TV experiment adds 2 special programs: "Joan Sutherland Show," through Charles Michelson Inc.; David Ross production of "Hedda Gabler," through International Telemeter. Celebrating first anniversary, RKO General-Zenith Radio report that nearly 3,000 families now can receive 30 hours of pay-TV weekly.

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Ch. 2 Terre Haute must be opened to comparative hearing for new applicants, Court of Appeals ruled last week. It decided that FCC was reasonable in decision taking Ch. 2 from Springfield, Ill. and assigning it to St. Louis & Terre Haute. But it held that Commission erred in failing to invite new Terre Haute applications after a 1961 court ruling. WTHI-TV operates on Ch. 10 there, holds initial decision to move to Ch. 2. Appellant was Ft. Harrison Telecasting Corp., which presumably may now apply for Ch. 2—along with anyone else. FCC is expected to insist that all applicants agree to an interim operation, to activate channel quickly.

Cigarette firms which stopped college publication ads were commended by Sen. Moss (D-Utah) last week, but he repeated his stand that TV commercials must lessen their appeal to youth (Vol. 3:18 p5). He called their action "limited, but significant," urged that an end be put to ads that "associate manliness, popularity and maturity to the use of tobacco."

Capsulized history of broadcasting, from early problems of licensing to future wall screen pictures & "talk-back" circuits, is outlined by Lawrence H. Rogers II, Taft Bestg. exec. vp, in 24-page booklet, "The Business of Broadcasting." It was prepared originally as address to N.Y. Society of Security Analysts.

NBC TV's "Peacock Studio," 10,000-sq.-ft. former Studio 8H in Rockefeller Center, was officially opened last week as 7th NBC studio in N.Y. equipped for colorcasting. Among unique features is mechanically retractible seating for use when studio audience is required, which can be stored in wall to allow full use of floor space.

RKO General Bestg. hq & National Sales Div. moves to 1290 Avenue of Americas.

Personals

Richard Berman, ex-NBC International facilities mgr., appointed Screen Gems international operations administrator . . . Charles L. Howell, KTBC-TV Austin sales mgr., adds duties as mgr.; O. P. Bobbitt, TV-radio sales vp, adds job as radio KTBC mgr.

Bill Small, CBS News Washington Bureau news dir., promoted to bureau mgr. & news dir., succeeding as mgr. Bob Allison who was named producer-director for Europe.

Alan Carter, special asst. to USIA deputy dir., appointed TV service dir., succeeding Charles N. Hill, who joins Paul Rosen Assoc., N.Y. TV production firm.

Charles H. Tower, Corinthian Bestg. admin. vp, elected exec. vp . . . Frank W. Crane, Broadcast Clearing House western mgr., elected exec. vp.

Edward S. Clammer, ex-RCA broadcast field sales engineer, named Visual Electronics govt. sales mgr., Washington . . . Chester M. Carr, ex-Lockheed Missiles & Space Co., appointed Bauer Electronics gen. mgr.

ETV WQED Pittsburgh promotions: Gregory Heimer, operations & programming dir., to asst. gen. mgr.; Jay Rayvid, production mgr., to program mgr., succeeded by Sam Silberman.

Chester R. Simmons elected vp & gen. mgr., Sports Programs, AB-PT subsidiary; Roone Arledge elected vp & exec. producer . . . Robert M. Weitman, MGM production vp, Culver City, elected to board.

National Community TV Assn. executive committee: Fred Stevenson, national chmn.; Archer Taylor, national vice chmn.; Jack Crosby, secy.; R. L. Stoner, treas.; Glenn Flinn, recent national chmn.; J. Leonard Reinsch & Franklin Valentine Jr., board members.

Curtis L. Pierce promoted to WNBQ-WMAQ Chicago technical operations supervisor, succeeding Theodor Schreyer, retiring . . . Sid Fruchter, ex-WNCN (FM) N.Y. mgr., appointed exec. asst. to Promotional Services Pres. Sidney K. Halpern.

Jay Grill, KOGO-TV San Diego gen. sales mgr., named station mgr. . . . Manny Sternfeld, NBC-TV sales pricing admin., named business mgr., WRC-TV-AM Washington.

Herbert W. Hobler, Videotape Center production operations dir., elected vp . . . Charles Fritz, ex-Blair Radio vp & Detroit mgr., appointed WXYZ vp & gen. mgr.

High-definition light-valve TV projector, with scanning rate of 1,029 lines, providing 800 lines horizontal resolution on 20-mc bandwidth, has been sold by GE's Technical Products Operation to Boeing's Aero Space Div. for space vehicle flight simulation, at cost of \$86,000.

Need of ETV for college programs of academic study to train personnel outlined in 45-page report by National Assn. of Educational Bestrs. It's based on study financed by HEW grant.

British Marconi has been appointed sole global agent for CONRAC products of Giannini Controls Corp., Glendora, Cal., including line of TV monitors.

CBS-TV has ordered 44 Marconi 4½-in. image orthicon cameras, 29 of them for new N.Y. Broadcast Center, in what British Marconi described as largest single order for 4½-in. cameras ever placed in U.S.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

FACTS ON MOTOROLA'S 2-SIZE COLOR LINE: "We've done it," Motorola announced proudly last Tue. (June 25), as it demonstrated culmination of its 2-year color program—a line of 8 sets with 23-in. rectangular tubes (starting at \$650) and 3 with 21-in. round tubes (\$449.95-\$529.95).

By any yardstick, it was major accomplishment against heavy odds. New sets were shown at simultaneous news conferences in N.Y. & Chicago, at same moment as RCA was announcing \$11.6-million tube expansion program, including new color engineering lab, to press in Lancaster, Pa. RCA's reaction to Motorola's announcement was predictable: "The 21-in. 70-degree round RCA color tube [is] the only one that currently meets our rigid standards. . ."

Here are the facts, as we saw them & heard them, at N.Y. showing:

Motorola did what many thought it wouldn't do—showed rectangular & round-tube color sets side-by-side. In color, picture quality on both sets appeared virtually identical. Color picture on 23-in. tube was good right out to critical corner areas. Black-&-white picture on both sets was completely acceptable. With picture turned off, new Motorola 23-in. sets look identical to 23-in. black-&-white receivers; in fact, it was something of a shock to see color pictures on them.

The 23-in. line features handsome cabinets throughout, with regular step-ups to \$900 (Drexel cabinets at \$825, \$850, \$875 & \$900), topped by Drexel combination at \$1,650. Low-end 21-in. set is vinyl-covered hard-board console, with first 21-in. console at \$499.95. Motorola Consumer Products Pres. Edward R. Taylor said factory price of leader 21-in. is identical to that of Admiral's \$399.95-list color set.

New 23-in. 92-degree rectangular picture tube resembles b&w tube (it uses same bulb), measures nearly 5½-in. shorter from front to back, nearly 4½-in. shorter from top to bottom than 21-in. round 70-degree.

Production of tube by National Video is still "limited," according to Taylor, but large-scale shipments will be under way between Labor Day and mid-Sept.

Motorola is aiming at total sales of "50,000 to 100,000" color sets this year. As to 21-in., Taylor said company hoped to make "between 24,000 & 40,000 of them—as many as we can get tubes for." RCA's color tubes are on allocation, and Taylor expressed hope that Motorola might be able to buy some from Sylvania and/or Rauland later this year. He said company plans to make more 23-in. sets than 21s, and will sell them "in the tens of thousands this year."

Motorola's total expenditure on development of color tube & set is "more than \$4 million," but Taylor expects this to be recovered in about year from now. Motorola supplied tools & new plant for National Video, which makes the tubes, purchased equipment for Dearborn Glass Co., which sags the b&w bulbs and re-forms them to color's more exacting tolerances, and tools for Northern Metals, which makes shadow mask. Taylor conceded that reject rate on tubes was about 50% during early pilot runs in May, but said improvement had been steady since.

The 21- & 23-in. sets have different circuitry, both of Motorola design. Unique feature in both is color indicator light (keyed by color-killer circuit in set) which indicates when color is being broadcast. Yoke for 23-in. set is made by Advance Ross Electronics, first production color yoke to be made by any company but RCA. The 21-in. sets have no power transformer, new demodulation circuit.

The 23-in. tube is considered only interim step by Motorola. All production tools & fixtures can accommodate new 25-in. bulb now being developed by Corning (and scheduled to be ready in about year). Taylor said existing 23-in. circuit can accommodate 25-in. as direct replacement, either by changing mask or using same mask (resulting in picture slightly smaller than viewing area of 25-in. tube).

Motorola will earmark \$1 million additional for advertising color from Labor Day to year's end. "Our advertising will be restrained," said Taylor. "We will assume the posture of a leader."

Impact of new shape, size & deflection of Motorola tube on industry will be significant—how significant nobody knows yet. National Video will sell the tube to other manufacturers—but, said Taylor, "only after we get all we want, and our 23-in. sets will be on allocation as far ahead as I can see."

Motorola's competitors are waiting to see how public receives 23-in. set at \$650 up. They're watching to see whether quality control can be maintained in mass production. (Both Corning & RCA have opposed use of "soft" black-&white-type glass for color tubes.) After he had reiterated that "we have found no tube that comes up to the quality of our 21-in. round," we asked RCA Electronic Components & Devices Vp Douglas Y. Smith how long it would take RCA to convert if 23-in. proved to be what the public wanted.

"It would take us about a year," he replied. "We wouldn't be starting from scratch, of course, because we know basically what the rectangular tube is all about." He said that conversion would cut into production of 21-in. round tube and put RCA's tube customers in a bind. "You can't shut down a line and re-tool for new production without seriously affecting output. And with our tubes currently on allocation, shortages would develop."

RCA's plans now are unknown—as to new color tube developments. Industry recently has been swept with rumors—flatly denied by both RCA & Corning—that 25-in. rectangular bulb will be ready considerably before implied target date of Summer 1964. Whether RCA will now skip its proposed 90-degree round tube & concentrate on moving directly to 25-in. rectangular is still deep mystery.

Group Exec. Vp W. Walter Watts, in brief luncheon address at Lancaster, summed up RCA's official view of rectangular vs. round color tubes this way: "There's many a girl with an ugly face who gets by on the strength & appeal of her other specifications."

(For RCA's expansion plans, see p. 9; for Motorola b&w line, see p. 10; for Taylor's views on state of industry, see p. 10.)

ALL-CHANNEL INBOARD IN MOST SEARS SETS: Jumping the gun on all-channel law, Sears' Silvertone last week became first major TV brand to eliminate vhf-only sets from large part of its line. New Fall-Winter 1963 catalog (Philadelphia warehouse edition) displays 36 basic color and black-&white TVs, 26 of which are available in all-channel versions only.

Only 10 lower-end sets are advertised in vhf-only or with uhf options (\$20 extra). In 19-in. merchandise, all-channel is standard equipment beginning at \$164.95—five 19-in. sets have all-channel priced inboard; leader sets have option. In 23-in. category, all sets beginning at \$229.95 (8 sets) are all-channel, while 6 lower-priced sets are available in v-only or all-channel. Leader color table model is vhf-only, at \$429.95; all-channel sets begin with console at \$459.95, and 9 of the 10 color sets in line are all-channel.

Sears' 19-in. prices begin at \$109.95 for vhf portable, with first step-up at \$134.95, and remote-control 2-speaker all-channel set at \$209.95. Consoles begin at \$169.95 (vhf), 4 combos (all-channel) at \$359.95 & \$449.95. Color sets in veneer cabinets are \$499.95 & \$559.95 (all-channel)—first time color sets have been listed in Sears' catalog.

No 16-in. or tinyvision sets are listed in catalog, although Sears is reported to have placed initial order for 10,000 plug-in 10-in. sets from Toshiba. Sears officials have declined comment about this report and about inboard pricing of all-channel sets, but it's believed its movement toward 82-channel-sets-exclusively is nationwide.

Although Sears devotes 2 catalog pages to color sets, it states that it cannot accept direct mail orders for them. They must be ordered at catalog sales office or retail store catalog sales dept. Color prices include installation (hook-up to present antenna), 90-day home-service parts-&labor warranty.

Sears' radio line starts at \$6.99 for 6-transistor radio, \$8.50 for 4-tube table set, has plug-in 5-transistor clock radio for \$27.95, single-cabinet FM-stereo-AM table radio at \$75, 2-cabinet unit at \$124.95. Sears' catalog prices should not be confused with prices charged in its retail stores—which vary regionally, and often are lower than catalog prices in special promotions.

WHERE ARE THE OLD-SIZE PICTURE TUBES? Round-corner picture tube sets don't die. They just fade away—and keep coming back.

Consumer can still buy new sets with 17-, 21-, 24- & 27-in. picture tubes, but they're becoming scarcer. Take last year's big revival of 27-in., in the new 110-degree deflection angle. Last year it was available in new lines of 8 different major TV brands. This year it shows up in exactly 4. At least 2 of these are holdover models.

One year ago, this was line-up of major-brand 27-in. sets: Admiral had 7 basic models, Du Mont 3, Emerson 1, Magnavox 13, Motorola 4, Packard Bell 1. Montgomery Ward's Airline brand also offered 27-in. sets. In new lines announced so far, Du Mont has 2 holdover combinations in 27-in., Emerson has holdover console, Magnavox has 11 consoles & combos, and 27s still appear in Montgomery Ward stores.

In major lines, 24-in. sets appear only under Magnavox brand—with actual increase in number of basic models (23 vs. 19 last year). Last year GE had promotional 21-in. "portable"; only 21-in. b&w sets this year are Magnavox (4 models). Last year, Du Mont, Emerson & RCA officially listed 17-in. sets; today, none are in official lines, although Admiral is offering promotional 17 in some markets.

Although it seems old round-cornered rectangulars are disappearing, don't count them out. They'll probably continue to keep cropping up. Excellent values often can be offered in these sizes. And after all, 17 is bigger than 16, and 21 is bigger than 19, and 24 is bigger than 23. Those manufacturers who use them sometimes do so with excellent selling results, because these sizes have become almost exclusive with them. Nevertheless, industry today is more square-cornered than it's been at any time in past.

TV-RADIO PRODUCTION: EIA statistics for week ending June 21 (25th week of 1963)

	June 15-21	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	142,777	146,771	132,763	3,304,425	3,160,189
Total radio	339,268	338,147	365,264	8,248,651	8,899,647
Auto Radio.....	151,762	135,681	135,593	3,650,236	3,137,035

RCA is investing \$11.6 million to add 46,000-sq.-ft. color engineering lab (\$2.6 million), 154,000-sq. ft. manufacturing plant (\$9 million) for stepped up production of camera tubes & other image conversion tubes at Lancaster, Pa. (see p. 7). Expansion means no increase in color tube production at Lancaster, reported Vp Douglas Y. Smith. RCA currently uses 400,000 sq. ft. of Lancaster plant for color tube production. Smith told us that conversion of b&w tube production facilities to color is continuing at Marion, Ind. plant. "Approximately 40% of the Marion plant is now in color tube production," he said, "and it is currently producing color tubes at a rate comparable to Lancaster." Conversion has been intensified at Marion during past 6 months, he added, and "more is coming."

Quality Stabilization Bill (HR-3669) was approved July 26 by House Interstate Commerce Committee and is expected to move to the floor within next 2 weeks. Comparable Senate bill (S-774) still is being processed by Commerce Subcommittee. Executive of major industry group opposing quality stabilization legislation told us: "We expect the bill to pass in the House. We don't think it will pass the Senate."

Superior Cable Corp., Hickory, N.C., forms new Systems Equipment Div., under Jules A. Mack, for "design, development & manufacture of products & equipment for communications & signal systems" in phone, TV & other electronics fields.

Magnavox has franchised all 26 stores in N.Y.'s Friendly Frost chain. Five stores will be identified as "Magnavox Home Entertainment Centers" and handle Magnavox products exclusively. Explaining new arrangement, Pres. Frank Freimann said Magnavox is not "changing its philosophy of doing business," that Friendly Frost's acquisition of Magnavox franchise is part of chain's "program to upgrade the image of its stores to one of high quality & stability" and Friendly Frost's new merchandising program "is completely compatible with the Magnavox objectives." Friendly Frost Pres. Gerald O. Kaye said most stores will continue to handle competitive makes, but "we are throwing out lines on which we can't make a fair profit."

Retail phono record sales set all-time high of \$570,250,000 in 1962, increase of 11% over previous peak of \$513 million in 1961, RIAA reported at week's end. LP albums accounted for about 75% of total sales volume, compared with 81% in 1961. Stereo recordings comprised about 40% of LP sales; classical record sales totaled \$25 million, 25% increase over 1961 volume.

GE infringed Servo Corp. of America's basic patent on a railroad hot-box detector, U. S. District Court Judge Ted Dalton has ruled at Roanoke, Va. He found no basis for willful infringement on infrared detection device, declared Servo entitled to no punitive damages, only to actual damages stemming from infringement.

TAYLOR HITS TV PRICING: Motorola's Ed Taylor, in fine fettle, put on virtuoso performance in N.Y. last week at news conference announcing new color line (see p. 7), fielding questions for more than an hour with newsmen at lunch. (Taylor didn't get chance to eat.) Among wide range of subjects covered:

Pricing: "We have never seen such a chaotic pricing situation as characterizes our industry today. It has no rhyme nor reason, no relation to costs." Best answer, he said, lies in Quality Stabilization bill, which Motorola supports. About 20 of Motorola's 92 distributors have inaugurated fair-trade pricing. As to whether Motorola will attempt to meet new price cuts in 19-in. portables, he said: "We can't afford to drop the price. We don't do very well at \$139.88—and we won't cut margins." Admiral's color set at \$399.95 "makes no sense at all."

16-in. & tinyvision: Motorola has no plans to introduce 16-in. set (although it has designed one). Taylor said the market is too small, and predicted maximum sales of 500,000. As to GE's 11-in. set at \$99.95: "This can be explosive. We're concerned about it." Referring to industry reports that GE plans to release more than 200,000 sets in this size, he added: "I think it will hurt the black-&-white market. This can create a tremendous market for small-screen sets, and make an opening for the Japanese manufacturers to come in and kick it around."

Predictions: He forecast sales of about 8 million TVs yearly within next 5 years—2 million color plus 6 million b&w.

All-channel: New law will slow TV sales down for a while, he said. Motorola is opposed to turret-tuner-&-channel-strip approach to uhf for remote-control tuning, feels that new uhf tuner must be devised to make remote control applicable. (There are no remote sets in Motorola's new TV line.)

Hand wiring vs. printed circuits: Although Motorola uses "hand wiring" as selling point, "we're ambivalent on this subject," he said. "We're going to stay out of the dispute—but ultimately all TV circuits will be printed or integrated circuits."

EIA board, in addition to other actions reported in our Vol. 3:25 p7 summary of 39th annual convention, approved preliminary plans for construction of EIA-owned hq in Washington, authorized "vigorous opposition" to proposals for 35-hour work week during House hearings, voted to support appropriate legislative efforts to strengthen Anti-Dumping Act, okayed stepped-up campaign to increase EIA membership. Military Products Div. was renamed Govt. Products Div., and preliminary steps were taken to establish Citizens Band Radio Section of Industrial Electronics Div.

Private labeling was roundly blasted by Brand Names Foundation Pres. Albert H. Messer at N.Y. session last week. "Private labels, by their very nature, invite competition purely on the basis of price rather than on the value of the product to the consumer," he said. "Should this price war succeed in the competitive system on which our economy is based, incentive, product development, and quality would give way to meet price competition."

WESTINGHOUSE, MOTOROLA, DU MONT: Last 3 major-manufacturer 1964 lines were officially announced last week.

Westinghouse unveiled longer TV line, with popular Instant-On feature on "virtually all models," greater emphasis on styling, and enlarged collection of furniture bases for 19-in. sets. Lowest-priced Instant-On set is "less than \$160." Many prices are lower than last year.

Ten 19-in. models, including Instant-On, Mobil-Sound, Vue Timer & wireless remote sets, are designed to sell in under-\$140-\$280 bracket. The two 23-in. table models run \$10-\$20 lower than last year at \$190-\$250. Seven basic consoles are \$200-\$235. There are 2 combos at \$360-\$595, compared with last year's range of \$400-750.

Westinghouse's color line is enlarged from 5 to 10 sets (excluding carry-overs) and priced at \$525-\$825—all consoles—compared with last year's table model at \$595 & consoles \$695-\$850.

In stereo, Westinghouse has adopted transistor chassis for 3 models, all priced under \$426. Lowest-priced console includes stereo FM-AM at less than \$200. Innovations in TV designer bases include colonial furniture in such decorator finishes as avocado, Valencia red, Cadiz blue, verdi green.

Motorola's new black-&-white line (for color see p. 7) places renewed emphasis on consoles, which national TV sales mgr. C. P. Lloyd says will represent at least \$500 million in industry-wide distributor billing this year. He said Motorola expects to increase its b&w console sales this fall for 3rd straight year.

Prices in line are relatively unchanged, with 19-in. portables held over at \$139.88 & \$149.95. There are four 19-in. "compacts" (\$159.95-\$189.95); 23-in. table models again start at \$169.95. New "Custom Deluxe" console series starts at \$229.95, includes "Picture Optimizer" (peaking) control. Top of b&w console line is \$329.95, compared with \$475 last year for top Drexel-cabinet set. Only Drexel set announced in new b&w line is top-of-line combo at \$875.

Combo line is expanded to 11 models this year from last year's 8, beginning at \$329.95 without radio, \$429.95 with stereo FM-AM.

New Du Mont color line—expanded to 9 models from last year's 3—carries 2-year warranty on picture tube, begins at \$599 and is topped by \$795 console—same price as low-end set in last year's color line.

Black-&-white line starts with \$159.95 portable (wireless remote version \$199.95), sleep switch model at \$169.95. Two portables, at \$179.95 & \$189.95 are offered only in all-channel versions, with one-window tuning; i.e., vhf channel window shows uhf dial when switched to "U" position. Two consolettes are \$219.95-\$249.95. Other consoles are \$249.95-\$379.95, total of 11 in all, with top end \$20 lower than last year. Four 23-in. combos are \$595 (vs. 5 at \$595-\$795 last year). Two holdover top-of-line 27-in. combos are now \$795, reduction of \$100 from their price last year.

Photo of Sony transistor TV is featured in ad—ad for competing Sharp TV. Trade ad by Hayakawa for its Sharp Micro TV, shows picture of Sony 5½-in. TV (labeled "\$189.99") and Sony's battery (labeled "\$39.95, requires special charging unit") alongside Sharp 6-in. ("\$179.95") and Sharp battery ("\$19.95, uses recharger built into TV"). Ad's message refers to "theirs" and "ours," and says: "Add 'em up."

Plant Shutdowns for Vacation: That time of year is here when most electronics plants close for 2 weeks or more for employe vacations, to fulfill union contracts and/or to gauge inventories. From EIA & other sources, here's our vacation calendar:

Set mfrs.: Admiral (except color production), July 1-15. Bendix Radio Div., July 22-Aug. 4. GE, July 29-Aug. 11. Magnavox, July 1-14. Motorola, July 1-14 (Chicago plants), June 24-July 14 (Franklin Park, Ill.). Packard Bell, July 1-14. Philco, July 15-28. Pilot Radio, July 1-22. RCA, July 15-28. Trav-Ler, July 1-14. Warwick, July 15-28. Waters Conley, July 15-28. Wells-Gardner, July 1-15. Westinghouse, June 24-July 7.

Tubes & semiconductors: Bendix (Red Bank Div.), July 1-7. Clevite (Transistor Div.), July 1-14. General Atronics (Electronic Tube Div.), July 1-14. General Instrument, July 1-14. Kearfott Semiconductor, July 1-14. National Semiconductor (except marketing), July 15-28. National Transistor, July 1-14. Philco (Lansdale Div.), July 15-28. Raytheon (all Mass. locations except Newton & Quincy), July 1-15. Raytheon Semiconductor Div., July 1-22. Sylvania (Ottawa, O. plant), July 15-28, Dec. 23-29. Transitron, July 1-14. Tung-Sol, July 15-28. **Not closing:** Fairchild Semiconductor, Machlett Labs, Texas Instruments, Western Semiconductors.

Components & others: Advance Ross Electronics, June 24-July 7. Aerovox, July 1-7 (New Bedford Div.), July 1-14, (Hi-Q Div.). American Bosch Arma, July 15-28. Ampex (Magnetic Tape Div.), July 1-7. Blonder-Tongue Labs, July 1-14. Erie Resistor, July 1-14. Hawley Products, July 1-14. ITT Federal Labs, July 1-21 (Ft. Wayne), July 29-Aug. 18 (all other locations). Jerrold (Mfg. Div.), July 29-Aug. 11. Litton (Westrex), Aug. 5-18. Minnesota Mining (tape-making operation), June 24-July 7. Oxford Electric, July 1-14. Reeves Soudercraft, July 22-Aug. 4. Speer Carbon (Jeffers Div.), July 1-7. Stackpole Carbon, July 1-7. Thomson Ramo Wooldridge, July 1-14 (Good-All Capacitors), July 15-28 (Radio Condenser). Western Electric (mfg. only), July 15-28. **Not closing:** Amphenol-Borg Electronics, Capitol Records, Clarostat, Collins Radio, CBS Labs, General Dynamics/Electronics, Globe-Union (Centralab Div.), International Rectifier, ITT (North America hq), ITT Kellogg Telecommunications, Littelfuse, P. R. Mallory (Radio Materials Co.), Speer Carbon (Speer Resistor Div.), Sprague Electric, Stanford Research Institute.

TV set prices declined 3.4%, radio prices 3.2%, in May 1963 compared with year earlier, Bureau of Labor Statistics reported last week in releasing May Consumer Price Index. Robert J. Myers, Deputy Comr. of Labor Statistics, specifically cited Admiral's \$399.95 color set, Emerson's 16-in. at \$99.95 and GE's 11-in. as "3 major jolts" in TV industry contributing to over-all softening of consumer goods prices.

Fairchild-Du Mont has franchised Industrial Video Corp. exclusive distributor & service agency for closed-circuit TV equipment & systems in N.Y. City area. Industrial Video, headquartered at 64-26 68th Ave., Queens, is headed by Pres. Frank L. Wilson. Michael Bonifazio is engineering dir. New distributor will represent Du Mont closed-circuit TV line in the 5 N.Y. burroughs, Westchester County & Long Island.

PILOT EYES COLOR TV: One of first names in TV, Pilot Radio Corp.—now a leader in packaged-component and component hi fi—may return to TV production as early as next winter, depending on wishes of its dealers.

Now established in new \$2-million plant in Yonkers, N.Y., and with new management team firmly ensconced, Pilot is casting glances in direction of color TV home entertainment centers. "Our product planning & design are geared to give the dealer the kind of products he wants," Vp-Gen. Mgr. Roland J. Kalb told us last week. "If he wants color TV phonograph combinations, we are prepared to make them."

If Pilot does return to TV, said Kalb, it will be in color only—and its output would be limited to TV-radio-phono combinations. In such a case, "we would build our own chassis—we owe it to our dealers & customers to provide complete home entertainment centers built to our own quality standards." Pilot had several TV combinations in its line a few years ago, but TV chassis were purchased from others.

Kalb reported Pilot's sales volume has increased 65% in last 9 months compared with same period last year. New 165,000-sq.-ft. Yonkers facility will triple Pilot's manufacturing capacity.

Kalb said Pilot's status as autonomous subsidiary of Jerrold Corp. would not be affected by resignation of Jerrold Pres. Sidney Harman and assumption of duties of chief executive by Chairman Milton J. Shapp (see p. 4). Jerrold also announced it will continue operation of its other hi-fi subsidiary Harman-Kardon.

Trade Personals

J. Erik Jonsson, chairman of Texas Instruments Inc., elected to board of Council for Financial Aid to Education, non-profit agency to stimulate private support of higher education.

Earl Dallam Johnson resigns as General Dynamics vice chmn. & a dir., will continue as consultant.

Bryce S. (Buz) Durant, RCA Sales Corp. product planning & development vp, won first place in June 22 Gold Rush Golf Tournament at Hillcrest Country Club in Indianapolis, scoring 86; team headed by Durant also placed first.

Marcus A. Acheson, leader in electronic tube development for nearly 40 years and developer of 1.4-volt filament line which made portable radio practical, retires July 1 after 29 years with Sylvania.

Stanley Luke elected an ITT vp, named business development dir. for ITT North American Area . . . **S. Leslie Schwartz** named a Howard W. Sams vp.

Nelson G. Spoth, gen. mgr. of Thomson Ramo Wooldridge's Kolcast Industries Div., elected a vp.

Barnett H. Green, pres. of Harvey Radio's subsidiary Federal Electronics, elected a dir. of parent firm.

Gertrude Nelson appointed Institute of High Fidelity exec. secy. . . **Gregory Barkoukis**, Crest Electronics, Akron, elected pres. of newly formed National Electronic Assns., organization of state service groups.

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
Gulton Industries	1963—qtr. to May 31	\$ 6,108,000	\$ 46,000	\$ 21,000	\$0.02	1,139,492
	1962—qtr. to May 31	6,955,000	748,000	364,000	.32	1,130,670
Industrial Electronic Hardware	1963—year to Mar. 31	6,244,883	204,150	146,423	.20	716,307
	1962—year to Mar. 31	4,802,361	336,081	147,456	.22	670,799
Outlet Company (WJAR-TV Providence)	1963—qtr. to Apr. 27	3,619,932	—	124,530	.25	497,100
	1962—qtr. to Apr. 27	3,565,191	—	239,074	.48	497,100
Realtone Electronics	1963—year to Mar. 31	6,827,377 ¹	—	236,582	.28	324,000
	1962—year to Mar. 31	5,489,470	—	255,772	.30	324,000

Notes: ¹ Record

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Lynch Corp.				
(Symphonic)	Stk.	3%	Sept. 20	Aug. 30
MPO Videotronics-A	Q	\$0.10	July 15	July 1
MPO Videotronics-B	—	.001	July 15	July 1
Metromedia	Q	.10	Aug. 1	July 12
Sangamo Electric	Q (omitted)	—	—	—

Reports & comments: Magnavox & International Resistance, comments, Orvis Brothers, 15 Broad St., N.Y. 5 • Schlumberger (Daystrom), report, Carl M. Loeb, Rhoades & Co., 42 Wall St., N.Y. 5 • AT&T, report, Janney, Battles & E. W. Clark, 1401 Walnut St., Phila. 2, Pa. • Zenith & Magnavox, reports, Amott, Baker & Co., 150 Broadway, N.Y. 38 • Magnavox, report, Eastman Dillon, Union Securities & Co., 15 Broad St., N.Y. 5 • RCA, pamphlet report, Hardy & Co., 30 Broad St., N.Y. 4.

General Tire & Rubber's "investment in the entertainment business has worked out profitably," noted June 26 *Financial World*, adding: "The RKO General subsidiary set records in both billings & pre-tax earnings in fiscal 1962. Earnings of this Division likely will be penalized by the costs of a subscription TV experiment in Hartford [but] this test of a potentially important new entertainment concept could have long-range significance." *World* also explored GT&R CATV systems.

RKO General "contributed substantially to the improved results" as parent General Tire & Rubber scored record sales & earnings in the 1963 fiscal first half ended May 31. Pres. M. G. O'Neil said: "General business outlook continues encouraging and we expect the year's results to produce greater sales and better earnings than last year."

Taft Bestg. closed its 1963 fiscal year March 31 (Vol. 3:23 p12) with total current assets of \$6,132,617 (including \$3,083,943 cash) vs. current liabilities of \$4,490,556. This compares with year-earlier assets of \$5,117,631 (\$1,633,551 cash) vs. \$3,379,421 liabilities.

Lynch Corp. board has given final approval to merger of Cox Instruments (Vol. 3:22 p11), in which Lynch now owns some 55% of outstanding stock. Effective: June 28.

Mergers & acquisitions: Tung-Sol & Purolator Products directors have approved merger plan, subject to approval of stockholders of both companies (Vol. 3:19 p11). Proposed merger calls for Purolator to issue one share of \$100 par, 4½% cumulative preferred stock (convertible at \$85 a share) for each 4 shares of Tung-Sol common. Purolator currently owns about 100,000 of Tung-Sol's outstanding 926,826 shares • Minnesota Mining & Mfg. will acquire Dynacolor Corp., maker of photographic film, paper & chemicals, if latter's stockholders approve at special Aug. meeting. Terms: one share of 3M common for each 5 of Dynacolor's outstanding 1,390,440 shares.

RCA has been awarded Presidential "E-for-Export Expansion" for "outstanding contribution to govt.'s export expansion program." Award, presented to RCA Pres. Dr. Elmer W. Engstrom by Commerce Secy. Luther Hodges, noted approximate 25% increase in RCA export sales over past 3 years. RCA's TV export business was cited as example of "conspicuous success" in developing markets abroad for existing products not heretofore exported. Commerce Dept. singled out as example RCA's multi-million contracts for supplying radio & TV equipment to Nigeria.

American TV Inc., which reportedly has reached merger agreement with Wilcox-Gay Corp. (Vol. 3:25 p9), plans to expand out of Chicago area, where it has own local manufacturing-retailing operation. Plans call for manufacturing facilities in Puerto Rico & San Diego. American TV, headed by U. A. Sanabria, recently introduced color TV line starting with set designed to be sold at \$399.95. Also planned by company is "transcolor" set with color chassis and 23-in. b&w tube, which can be replaced later by rectangular color tube.

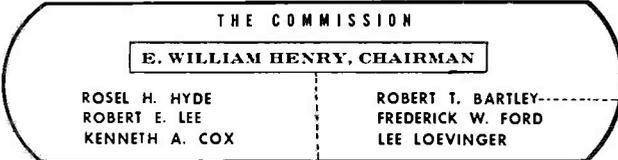
MCA-Technicolor merger rumors were nailed by MCA Pres. Lew Wasserman. "There are no discussions of any kind going on with Technicolor," he said. Technicolor also denied any takeover conversations are in progress.

Distributor Notes: William J. Woody, ex-Webcor, joins Admiral as regional sales mgr. covering distributors in Norfolk, Va., Columbia, S.C., and Charlotte & Raleigh, N.C., with hq in Charlotte • Webcor appoints The Sampson Co. (Robert L. Sampson, pres.), 2244 S. Western Ave., Chicago 8, distributor for phonographs & tape recorders in Chicago, northeastern Illinois & Lake County, Ind.

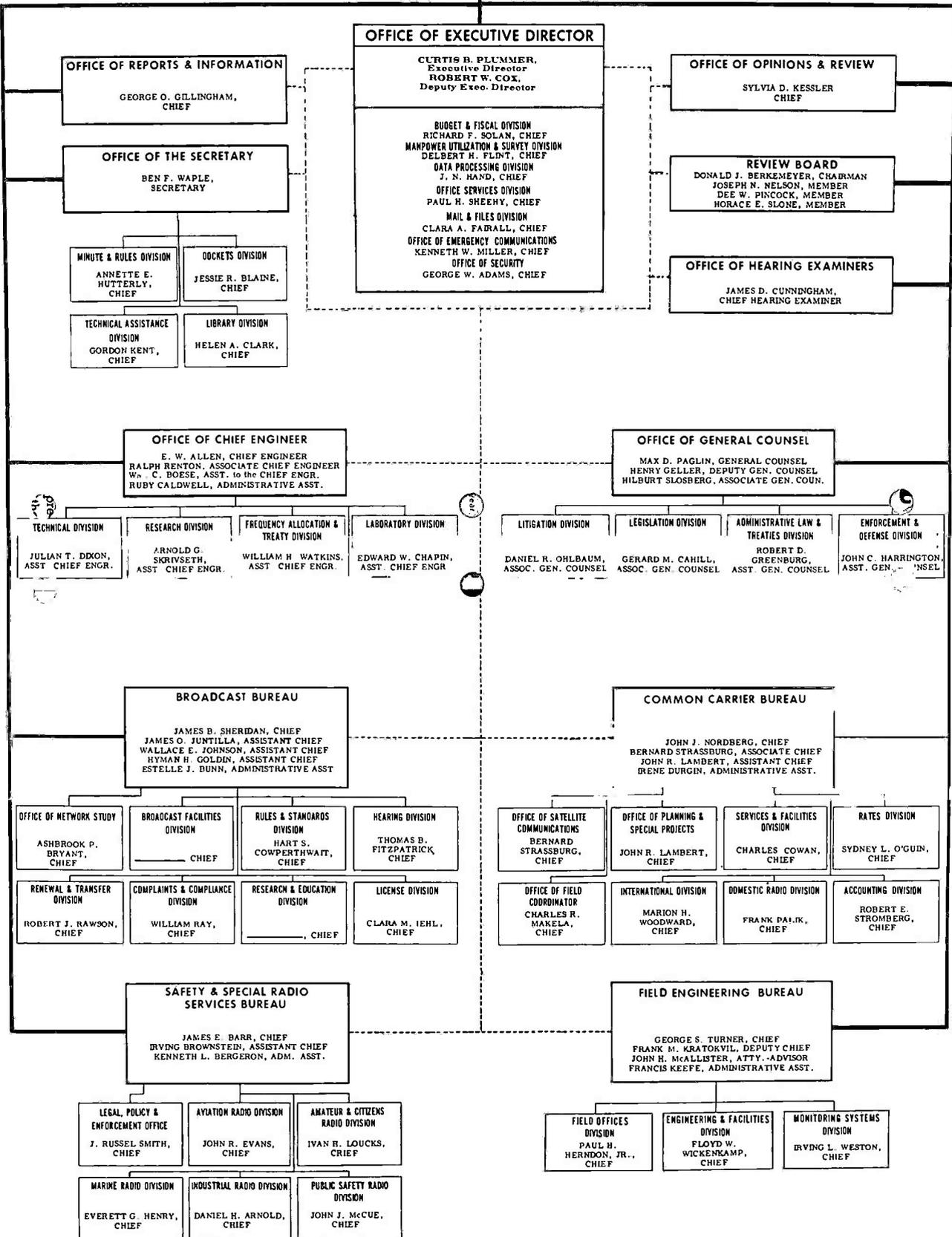
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Washington, D. C.



IN ADDITION TO HIS REGULAR DUTIES AS A COMMISSIONER, COMMISSIONER BARTLEY, AS DEFENSE COMMISSIONER, PROVIDES POLICY GUIDANCE OF THE COMMISSION'S EMERGENCY PREPAREDNESS ACTIVITIES UNDER E.O. 10092 AND ITS DEFENSE COORDINATION AND MOBILIZATION ACTIVITIES.



JUNE 1963

MANAGEMENT ANALYSIS BRANCH
F.C.C. - WASHINGTON, D. C.

— SOLID LINES INDICATE "ADMINISTRATIVE CONTROL"
- - - BROKEN LINES INDICATE "SUPERVISION AND COORDINATION"

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Consumer Electronics . . . (starts page 7)

JULY 8, 1963

NEW SERIES, VOL. 3, No. 27

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

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Broadcast

DELAY IN DROP-IN DECISION until Sept. caused by extension of filing time, FCC study. Loevinger still swing man. Cox flails colleagues. Uhf CP-holders asked to explain why they're dark (p. 1).

CLEAR-CHANNEL DECISION STANDS—unless Congress votes otherwise—FCC tells Harris. Decision is still good, it says, will bring more service to more people. Next move up to Harris (p. 2).

COMMERCIALS NO. 1 TOPIC IN FCC MAIL BAG: Complaints div. getting heaviest mail pull on rule-making placing ceiling on commercials. Stations & Congressmen against it, public for it (p. 2).

RATING AUDIT BY FALL; OTHER MOVES: Rating Council expects audit & accreditation to be operational by then; Harris report on hearings due by end of Aug.; AAAA proposes 3 observers for Council (p. 3).

SARNOFF OVERSEAS-CARRIER proposal faces uphill fight. Congressional hearings not likely this year, White House study possible (p. 4).

ABC'S PLEA FOR OPTION TIME says competitive position vis-a-vis CBS & NBC will worsen, asks longer adjustment period (p. 4).

Consumer Electronics

RCA STANDS PAT on color tube, notifies set makers it has no 'near future' plans for new tube; move sheds little light on future of

shelved 90-degree round tube; F. W. Sickles resumes output of 70-degree color yokes (p. 7).

'WARRANTY WAR' may tarnish brand image, create consumer disbelief, damage retailer, despite some obvious virtues of guarantee as advertising tool, says ad & marketing specialist (p. 7).

SHALLOW SEES DISTRIBUTION UPHEAVAL: 'Day of independent distributor is over,' former Magnavox executive tells us. Forecasts 'radical change in distribution' over next 5 years; John M. Otter, ex-Philco distributor, establishes 'total marketing service' for all industries (p. 8).

TUNNEL DIODE APPEARS in first consumer product—Sony's uhf adaptor for transistor TV; Sony chief says transistor TV price will drop 'ultimately,' sees company making other sizes (p. 10).

MATHES COLOR AT \$399.95 leads off 29-set color line; 23-in. b&w sets offered in same cabinets with privilege of exchanging chassis for color later; another phono manufacturer talks of entering color TV (p. 10).

HOME TV TAPE RECORDER at \$160, to be marketed late this year, promised by British manufacturer, puzzling U.S. industry; tape speed of 120 ips seen as indication that device is speeded-up audio recorder, although 300 lines resolution is claimed (p. 11).

APRIL PHONO SALES by distributors 22% ahead of last year in April, 32% ahead for first 4 months (p. 11).

NEW FCC ORGANIZATION CHART: With FCC making so many changes in recent months, particularly in personnel, we thought you might like to have an up-to-the-minute chart showing who's who and flow of authority. Chart is official, prepared by Commission's Office of Exec. Dir. It's included herewith as Special Supplement to all subscribers—handy for wall or desk pull-out use.

DELAY IN DROP-IN DECISION: Vhf drop-in reconsideration is a pressing matter, FCC Chmn. Henry tells us, but it's now apparent that time is too short for Commission to act on it before Aug. recess. So, Sept. is earliest date. Meanwhile, more time for comments is likely to be given by Commission.

New Comr. Loevinger is still key man, holding crucial vote—since he replaced Chmn. Minow who voted with 4-man majority against drop-ins. It would be extremely surprising if any commissioner changed his previous vote.

Comr. Cox came out with blistering 24-page dissent against colleagues' decision. He said he yields to none in hopes & efforts to make uhf viable, but he insisted that drop-ins wouldn't hurt uhf, but would help ABC-TV in its urgent need for competitive affiliates.

Cox said FCC seemed to believe Congress's vote of all-channel law was also a vote against drop-ins—but he considers that view "completely erroneous." Said he: "I do not understand how a program represented to Congress as a long-range solution to the allocations problem which it is hoped will produce the

essential pre-conditions for uhf success some years from now can be urged as having reversed overnight all the experience of uhf operators faced with competition from 2 vhf stations. It may be argued that nothing should be done which would seem to reflect adversely on the viability of uhf now that the Commission is once again pushing for expansion of uhf operations. This concern is understandable—if a little late. . . .

"The chances of really extensive implementation of the hundreds of idle commercial uhf allocations would seem best at a point some 7 or 8 years hence when the all-channel legislation will have resulted in a substantial percentage of homes being able to receive uhf signals. I cannot see how those chances could be impaired by authorizing 7 interim vhf stations at short spacing, with the requirement that they run a concurrent uhf operation and then shift over to uhf-only at the end of 7 years." Cox used some pretty brusque language on his colleagues; you can get copy of full text from him.

ABC presented many of same arguments Cox used, in its petition for reconsideration—which includes a comprehensive history of allocations. ABC again promised it would give greater compensation to drop-in stations which would operate simultaneously on uhf.

• • • •

FCC meanwhile gave another of its periodic prods to non-operating uhf grantees. It asked 42 commercial & 9 non-commercial grantees to indicate "the present status of your organization, your physical plant, and your plans with respect to future operation of the station." Usually, after such a nudge, several CP-holders decide to return their grants. It will be interesting to see if passage of all-channel bill and ups-&-downs of vhf drop-ins makes a difference.

CLEAR-CHANNEL DECISION STANDS—UNLESS: FCC plans to stick to its clear-channel AM decision—to grant new Class II stations on 13 clear channels—despite Rep. Harris's (D-Ark.) strong hints that it should wait. Only another major Congressional mandate, such as passage of a House resolution again, would persuade Commission to hold off (Vol. 3:26 p4).

FCC last week answered Harris's letter. It's understood that Commission told him it still believes its decision is good, that move will give much-needed service to areas now poorly covered—while cutting out relatively little current coverage.

Harris had asked FCC what it was doing about higher power for clears. Commission noted that WLW Cincinnati has asked for 750 kw and that petitions for rule-making to permit higher power are pending; FCC said it expects to act on them shortly. Harris also wanted to know whether higher power will be possible if channels are duplicated—and Commission told him hikes would be possible on a number of clear channels.

Question now is whether Harris will again seek legislative action to forestall new grants on clears.

COMMERCIALS NO. 1 TOPIC IN FCC MAILS: "Overcommercialization" has taken over top spot in mail attraction at FCC's complaints & compliance div. Commission's proposed rule-making to limit commercials (Vol. 3:20 p6) has displaced cases of Pacifica Foundation & Dr. Carl McIntyre's shortwave station, heaviest mail-pullers in recent months:

(1) Stations are vehement about ceiling, attack proposal as unwarranted move into private enterprise, charge that it's first foothold in program control. Small-market stations are particularly upset, asserting that retailers in their markets can't afford to pay much for spots—so that ceiling would create severe hardship.

(2) Letters from Congressmen, speaking for station constituents, denounce proposal as unjustified govt. intervention.

(3) Most of mail from public favors proposal, stating that industry self-regulation hasn't worked. Some letters, apparently stimulated by station editorials, are critical of FCC. Commission has even heard from class of 11th graders.

RATING AUDIT BY FALL; OTHER MOVES: Audit & accreditation of rating services are expected to be operational by Fall. NAB's Rating Council has decided that use of outside group, such as independent accounting firm, is best way to handle audit—to eliminate possibility of conflict of interest if broadcasters conducted it.

Harris Subcommittee expects to finish report on ratings hearings by end of Aug. It will be fairly brief, 30-40 pages, will contain recommendations, sampling of transcript highlights, background information leading up to investigation & hearings. Report will be critical of NAB & industry for not moving earlier for clean-up; Subcommittee staffer said he hopes NAB plan will be solid by time report is published.

Rating Council questionnaires on raters' methods will serve as basis for accreditation, are being drawn up by: Dr. Lee Arons, TvB (covering ARB), Hugh Beville, NBC (national Nielsen & Sindlinger); Miles David, RAB (Pulse); Mary McKenna, Metromedia (local Nielsen); Melvin Goldberg, NAB (Hooper).

AAAA Pres. John Crichton answered NAB's latest invitation for full participation in Council. In letter to Group W's Don McGannon, chmn. of NAB Research Committee, Crichton held to position of "observer" status. Only this time there would be 3 observers, drawn from different AAAA committees: Special Broadcast Policy, concerned with national ratings & network buying; Broadcast Media, local ratings & spot buying; Research, broadcast rating methods. Last-named observer would also have liaison with Advertising Research Foundation.

Crichton said "our basic concern is with the improvement of rating services as an aid to our business in reaching buying decisions . . . We are as concerned with an improvement in the accuracy and validity . . . as we are with an audit of their existing performances." He said if the Rating Council doesn't bring about long-range up-grading "it will not have fulfilled any of the obligations it has undertaken," as AAAA sees it. Crichton also urged Rating Council to work with Advertising Research Foundation on methods improvement.

Action by FTC & FCC to do away with deceptive use of ratings in promotion is receiving applause from some rating companies, whose problem over the years has been station disregard for contract conditions specifying limitations on use of numbers in promotion & selling. One major firm told us that interim objectives of FTC-FCC should be written into NAB's plan.

Beleaguered Pulse has cases in Tucson, Boise & Orlando where stations have "illegally" used reports they didn't subscribe to. Tucson has turned up other problems for Pulse. Stations there are puzzling over differences between March & last October surveys, one station going from 48 to 13 in audience share. Lawyer representing nearly all Tucson stations asked Pulse last week for diagram of area surveyed, number of interviews & data for March survey, names of supervisors & interviewers.

Political parties' TV-radio expenditures for Presidential & Vice Presidential election campaigns would be paid by Treasury Dept. in measure (HR-7282) put forth by Rep. Monagan (D-Conn.). It would reimburse up to \$1 million to parties whose top candidates received 10% or more of total popular vote, or up to \$100,000 to parties whose candidates polled less than 10%, more than 1%. In other political broadcasting actions, Georgia Assn. of Bcstrs., holding National Editorial Conference July 25-27, has asked to testify at House editorializing hearings which start July 15 (Vol. 3:25 p1). FCC Chmn. Henry is scheduled July 16.

Station rate-cutting, especially prevalent in radio, didn't escape ratings investigators Robert Richardson & Rex Sparger when they were touring country for Harris Subcommittee. Without benefit of hearings, here's solution advanced by Richardson: Require stations to file rate cards with FCC; he says this will give printed rates official status, doing away with wheeling & dealing at agency-advertiser levels.

Station sale transactions should allow FCC a chance to consider buyers other than those proposed by seller, FCC outlined in draft of proposed bill to amend Sec. 310(b) of Communications Act. Commission said similar action had been recommended twice by House Legislative Oversight Subcommittee. Measure would allow FCC to examine public interest questions of sale by striking prohibitive language in present section. Comr. Bartley would go further, requiring proposed buyer to demonstrate his superiority over seller, except in pro forma & involuntary cases.

ETV applications accepted by HEW Dept. for federal funds now total \$1.36 million—of the \$1.5 million voted for this year by Congress. Applicants: Chicago Education TV Assn., Ch. 20, \$309,099; Pa. State U., State College, Ch. 69, \$239,580; N.J. Educational TV Corp., Montclair, Ch. 77, \$339,091; S.C. Educational TV Center, Charleston, Ch. 7, \$59,965, and \$285,261 for Ch. 29 Greenville; Hampton Roads Educational TV Assn., Norfolk, studio equipment for WHRO-TV (Ch. 15), \$129,943.

Sarnoff on Overseas Carriers: RCA Chmn. Brig. Gen. David Sarnoff faces uphill fight in his effort to see all international communications combined under Communications Satellite Corp. (Vol. 3:22 p5). He urged "prompt" Congressional hearings on subject, but hearings this year aren't considered likely. However, a study ordered by Pres. Kennedy is believed possible.

Among powerful forces disagreeing with Sarnoff is AT&T, which likes present setup—AT&T handling voice, other firms handling "record" services.

In letters to Sen. Magnuson (D-Wash.) and Rep. Harris (D-Ark.), Sarnoff blasted ITT Pres. Harold Geneen's suggestion that Congress allow merger of all record companies. He said it's "an exercise in futility" to try to separate voice & record services, because technology has blurred the distinction. Said he: "The customer wishes to talk, transmit & record information at the same time. In other words, he wants complete service. Modern technology makes that possible, but the ITT proposal would make it impossible." Sarnoff stated that a "unified organization" could start with "immediate revenue base" of traffic from existing carriers, which amounted to \$160 million in 1962 and "could deal with equal strength, and on equal terms, with govt. monopolies in foreign countries." As for Geneen's assumption RCA would be willing to sell its communications subsidiary to a merged record carrier group, Sarnoff said it was "frivolous"—"truly . . . the tail wagging the dog."

National Educational TV & Radio Center has decided to concentrate solely on TV. Continuing separate ways, sometime before year's end, will be center's 2 radio arms: Broadcasting Foundation of America, which distributes foreign shows to U.S. commercial & educational stations, and Educational Radio Network, linking 8 stations, Boston to Washington. Reportedly, Ford Foundation expressed desire for TV emphasis. BFA board elected as chmn. George E. Probst, Thomas Alva Edison Foundation exec. dir. ERN Dir. Donald Quayle said group hopes to give public "alternative radio service."

Case of former CBS newsmen, who served as first exec. secy of pro-Castro Fair Play for Cuba Committee, brought warning from Sen. Dodd (D-Conn.) that news media have obligation to check on loyalty of employees. In releasing April 10, 1962, testimony of Robert Taber, Dodd said it's something to "ponder" that his "totally pro-Castro presentations [were] purveyed to the American public." CBS spokesman said Taber left CBS in 1960, that he was one of many newswriters, that CBS had no reason to question his objectivity at the time.

Machtronics' 68-lb. video tape recorder will be distributed to industry via Storer Programs, Inc., under agreement announced by Storer's Terry H. Lee. Recorder was first shown at IEEE & NAB conventions (Vol. 3:13 p6 et seq.). Storer's Hank Davis will put full time on sales. Storer's 5 stations will use units, designated MVR 15. Price is \$12,150.

Demand for more colorcasting in Cleveland, sent to FCC Chmn. Henry by Cleveland Councilman Anthony Pecyk, was answered by Henry with: (1) Color sets are moving now, and stations will have more incentive to colorcast. (2) Suggestion that FCC authorize an "all-color" station in Cleveland isn't practical because most programs aren't available in color.

ABC's Plea for Option Time: "FCC has placed ABC in double jeopardy," network told Commission last week, by rejecting vhf drop-ins and abolishing option time. In petition for reconsideration, ABC said Commission "has done violence to its paramount policy of fostering competition among the networks."

ABC insisted that removal of option time works greater hardship on it than on CBS & NBC, because it has fewer primary affiliates—127 vs. CBS's 191, NBC's 193. ABC said it must pay as much for programming as other 2 networks but must spread cost among fewer stations and get less for time charges.

ABC also requested more time to adjust to abolition of option time than the Sept. 10 date—pointing out that affiliation contracts have up to 2 years to run. It said FCC decision was "unduly harsh & abrupt" and that more "turn around" time should be allowed.

Competition, not regulation, is answer to overcommercialization, according to FCC Comr. Ford. If FCC puts NAB commercial limitations into rules, he said in recent speech, it would "undermine & destroy" incentive for self-regulation. He suggested that new Commission program form can do the job. He'd change form as follows—and Commission is considering it: "I would require an annual estimate of the total time the station involved is on the air in the ensuing year for a typical week; the percentage of that total time which would be devoted to advertising continuity and the percentage which would be devoted to program continuity in each segment of the broadcast day. I would retain the composite week for the purpose of obtaining the same information for the previous year. Although I do not consider either the typical week or the composite week appropriate for program material on a percentage basis, I do consider them appropriate for program-non-program time purposes. I would then make these figures public and let the market place regulate the limitation on advertising and any abuses of overcommercialization. It is my belief that the competitive factors involved would soon level off the percentage of advertising continuity, at a point which the listeners, the sponsors, and the broadcasters would find reasonable."

New starter is KAIT-TV (Ch. 8) Jonesboro, Ark. which received FCC program test authorization July 3. It's an independent. Owner is George T. Hernreich, ex-50% owner of KNAC-TV (Ch. 5) Fort Smith. Equipment came from Visual Electronics. KAIT-TV is 5th new station this year—others being WTEV (Ch. 6) New Bedford, Mass. (serving Providence), which started Jan 1; WOOK-TV (Ch. 14) Washington, March 5; WGSF (Ch. 28 ETV) Newark, O., March 18; KIIX (Ch. 22) Los Angeles, March 25. In addition, WQEX (Ch. 16 ETV) Pittsburgh resumed Jan. 18 after being off since Nov. 1961.

Violation of First Amendment which prohibits censorship is a major argument of several comments filed against FCC's proposed strictures on horse-race broadcasters. The position is taken by NAB, Thoroughbred Racing Assns., and Md.-D.C. Bcstrs. Inc., among others. Comments also assert that Congress hasn't given FCC authority to promulgate such rules, may not be able to under Constitution. In addition, proposal is termed discriminatory—and, finally, will do very little to achieve FCC's aim: Curbing illegal gambling.

New Emergency Broadcast Rules: Old Conelrad system is out, and new Emergency Broadcast System has been adopted by FCC, effective Aug. 5. In new set-up:

(1) System will be used "during a war, threat of war, state of public peril or disaster or other national emergency."

(2) TV & FM stations, plus AMs not holding special authorization, will go silent during emergency. AM stations in emergency system continue on their regular frequencies—640 & 1240 kc no longer used exclusively.

(3) System will transmit only federal govt. messages—closing down other times. All stations in each area will carry same program. Call letters won't be used, but area identification will be employed.

(4) During weather emergency, all stations may transmit warnings.

(5) Official federal govt. messages will be sent to stations via AP & UPI teletype.

(6) Non-network stations in system may be connected to any network during emergency.

Network TV gross time billings for April were 8.8% above April 1962's figure, according to TvB, totaling \$68,913,571 vs. \$63,330,106 year earlier. By network: ABC-TV, \$18,576,083 vs. \$17,237,755, up 7.8%; CBS-TV, \$26,414,025 vs. \$24,193,144, up 9.2%; NBC-TV, \$23,923,463 vs. \$21,899,207, up 9.2%. For year's first 4 months, total billings were \$272,888,865, up 5.8% from \$257,948,482 in same 1962 period. In April, biggest gains were shown in weekday daytime billings, up 24.6%. For first 4 months, Sat.-Sun. daytime was biggest gainer, up 30.6% over same 1962 period.

You can advertise in Russia, apparently, though you can't sell your product there. Visitors to recent Stockholm international TV conference picked up brochure which starts: "What do you know about the possibilities of advertising your client's goods on the vast market of the Soviet Union?" It reports that TV-radio time may be purchased, as well as space in 6 million copies of technical journals, 2.5 million copies of newspapers. Queries are directed to: "Vneshtorgizdat, Orujeiny per., 25a, Moscow, USSR."

FCC is being besieged by groups, such as equipment manufacturers, which seek to use Commission's forthcoming computer system for many projects—estimating markets, etc. But FCC policy, under Exec. Dir. Curtis Plummer, is to shunt aside temporarily virtually all requests—concentrating on setting up system to speed its own processing procedures.

Add broadcasters into CATV: Robert W. Rounsaville applies for franchise in hometown of Rome, Ga., will apply for 2-3 more in Southeast. He owns 6 radio stations: WFUN Miami, WTMP Tampa, WVOL Nashville, WYLD New Orleans, WLOU Louisville, WCIN Cincinnati. He also holds grant for WATL-TV (Ch. 36) Atlanta, now off air, is selling CP for WTAM-TV (Ch. 41) Louisville to Producers Inc.

CATV in Conn. has go-ahead with recent signing of bill by Gov. Dempsey, giving PUC power to require utilities to lease pole space to groups with CATV franchises. Triangle Publications is an applicant for New Haven, where it operates WNHC-TV.

TV blackout of pro football games was attacked last week by WPSD-TV Paducah & Kentucky Congressman. Station wrote FCC that CBS & the National Football League refuse to let it carry any NFL games on days when St. Louis Cardinals are home, even though WPSD-TV's transmitter is 114 miles from St. Louis. WPSD-TV charged that blackout standard of 75 miles from game city hasn't been adhered to by CBS-NFL, that WPSD-TV has been deprived because its Grade B contour extends to within 35 miles of St. Louis. Rep. Stubblefield (D-Ky.) introduced bill (HR-7365) which, he said, would clarify 1961 anti-trust exemption legislation, specifically banning TV blackout of more than 75 miles from home city for any pro sport.

"Town Meeting of the World," CBS's unusual Telstar II project July 10, will feature instantaneous country-to-country switching for first time. Participants: Eisenhower from Denver, Eden from London, Monnet from Brussels, von Brentano from Cologne. Participants, as well as members of audiences in Denver & London, will ask questions back-&-forth. Program will be carried live 12:15-1:20 p.m., repeated via tape 7:30-8:30.

FCC Chmn. Henry was to appear on ABC-TV's *Issues & Answers* July 7, having taped interview July 3. His next speech is Aug. 14, Chicago, before communications subcommittee of American Bar Assn., devoted primarily to space, common carrier, etc. After speech, he plans 2 weeks in Memphis hometown. He also has Nov. 20 speech scheduled for NAEB Milwaukee convention.

News cribbing from local newspaper without authority is a "violation of a property right." So ruled Pennsylvania Supreme Court last week in case involving *Pottstown Mercury* & radio WPAZ. Station had argued that there is no property right in news, but court held in unanimous decision that there are expertise & resources involved in developing local news.

Switch from Ch. 10 to Ch. 23, by KERO-TV Bakersfield, Cal., under FCC order, was scheduled for July 1. Operation on both channels for 2 months is planned. Station is using GE equipment, delivering 1.76 megawatts, 3,700 ft. above average terrain, from Mt. Breckenridge.

Interest in trade publications *Radio-TV Daily & Film Daily* has been bought by sportscaster-promoter Harry Wismer, who becomes assoc. publisher & exec. vp. Extent of interest wasn't disclosed.

H & B American Corp., CATV system operator, has application pending before FCC to buy stock in Communications Satellite Corp. It speaks of possibility, someday, of using satellite signals to feed CATV.

Deadline for start of Denver pay-TV over KCTO has been extended by FCC from July 3 to Oct. 3, at station's request. Station told Commission it has about 800 subscribers lined up, plus sources of programming.

QXR Network, acquired in April 1962 from N.Y. *Times* by Novo Bcstg., now has 36 radio affiliates in top 50 markets with addition of 6 new affiliates last week.

Short-spaced adjacent-channel move of KATU (Ch. 2) to Portland, Ore., has been granted by FCC which denied AMST opposition—Comrs. Bartley & Lee dissenting.

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Personals

Ernest Lee Jahncke, NBC standards & practices vp, takes over as Broadcast Pioneers pres. . . . Edward P. Lawless, ex-*Readers Digest*, appointed exec. vp, TvB of Canada.

Bernard S. Krause, CBS-TV business affairs dir., will also supervise new business affairs-sales, handling new consolidated contract negotiations; Richard N. Burns & Anthony G. O'Malley promoted to asst. dirs., business affairs-sales.

William Muldoon promoted to commitment admin., NBC-TV participating program sales . . . Leonard Allen, NBC News mgr., promoted to operations dir., Washington.

John F. Box Jr., WIL St. Louis exec. vp & gen. mgr., named chmn., NAB Radio Public Relations Committee . . . Eugene B. Dodson, WTVT Tampa vp & gen. mgr., elected Florida Assn. of Bcstrs. pres.

Richard B. Hull, Ohio State U. telecommunications dir., elected chmn., Ohio ETV Network Commission . . . Arnold Rabin, ex-NBC producer-writer, appointed special projects admin., ETV WNDT N.Y.

Charles R. Kinney, PGW vp, transfers to Los Angeles as West Coast vp . . . Peter R. Allen, Blair Radio sales exec., N.Y., promoted to Detroit mgr.

Albert L. Harmon promoted to WTTG Washington chief engineer.

Walter B. McQuillan promoted by RAB to new post of sales administration mgr., coordinating all sales operations dealing with national accounts.

Merryle S. (Bud) Rukeyser Jr. promoted to NBC dir., press & publicity, succeeding Ellis O. Moore, resigned.

William B. Peavey promoted to eastern TV sales mgr., Adam Young; John M. Slocum succeeds him as West Coast operations mgr.; Earl W. Steil appointed Chicago radio mgr.

Lee Goodman, ex-Filmways exec. vp, appointed Sarra vp in charge of production . . . James G. (Greg) Jackson, ex-asst. to Idaho Gov. Robert Smylie, named news dir., KTVB Boise.

Al Petgen promoted by ARB to newly-created client relations dir. for station groups & reps, continues as N.Y. station services mgr.; Roger Hoeck, account exec., succeeds Petgen as eastern regional mgr., station services.

Ellis Shook, WTTG Washington production mgr., named chapter pres., Academy of TV Arts & Sciences.

Law firm of Molnar & Gammon formed by Lorie M. Molnar & James A. Gammon, 300-305 Edmonds Bldg., Washington 5; phone: 783-6822.

Consulting engineers John H. Mulaney & Assoc., div. of Multronics Inc., move to Multronics Bldg., Rockville, Md.; phone: 427-4666.

Obituary

Arthur Simon, 59, vp & adv. mgr., *Radio-TV Daily*, died July 1 of heart attack in his office. With the publication since 1954, he was former N.Y. chapter pres. of Broadcast Pioneers, current pres. of BP affiliate Broadcasters Foundation Inc. He is survived by wife & daughter.

Fastest gun in the West & nakedest city in the East are causing anxiety problems among youth of Australia. In study of American imports for Australian Bestg. Board of Control, researcher David Martin said anxiety caused by unpredictable endings or close identification with a situation was greater problem than overt violence. He recommended, according to Reuters report, increase in variety & quality in children's programming. "What is at issue are bad or good films, rather than bad or good scenes," he said.

Uhf broadcasting in Mexico will be color only, govt. announced in awarding first uhf grant (XHTO-TV Mexico City). Mexico has not yet established color standards, but engineer Guillermo Gonzalez Camarena has been demonstrating his own 2-color system with low-cost color receivers nightly over his XHGC-TV Mexico City.

Ghana Bestg. has contracted with Marconi for manufacture & installation of TV & sound equipment valued at nearly \$8.4 million: TV stations at Accra, Kumasi, Sekondi-Takoradi; TV studio complex at Accra; radio station at Ejura; microwave link between Accra, Kumasi, Ejura.

NBC's interest in Ch. 9 Buenos Aires—over 25%—has been sold to other stockholders; major owner is Dr. Ildefonso Recalde, an economist. Ch. 13 there is owned by CBS, Time-Life and Goar Mestre (ex-Cuban broadcaster).

RCA broadcast antenna engineering, lab & assembly facilities, formerly housed in 3 locations, will be consolidated at 40-acre Gibbsboro, N.J. test site, where new building will be erected.

Radio New York Worldwide (WRUL), international shortwave station, names Edward Petry & Co. rep.

Singapore's new TV station is now in pilot programming, using Marconi equipment.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

RCA STANDS PAT ON PRESENT COLOR TUBE: Still convinced no other approach can now provide the quality & reliability of its 70-degree round 21-in. color tube, RCA has notified TV manufacturers that it "does not now plan to introduce a new color picture tube in the near future."

Don't try to read too much into this message, which was sent to all set makers by telegram June 28. It doesn't mean that RCA will or will not skip the 90-degree round picture tube and eventually move directly into 25-in. 90-degree rectangular production. It was designed to take a load off set makers' minds, to guide them in their planning.

It was form of progress report. Last Nov. 30, you'll recall, RCA shelved its 90-degree round tube for "approximately 9 to 15 months." With the 9-month inner limit rapidly approaching, RCA sought to give them word on its plans so they could design color chassis, plan production lines, sign off engineering on new sets. RCA considers its report "a necessary commercial requirement" and says timing the same week as Motorola's introduction of 23-in. color set (Vol. 3:26 p7) was "coincidental."

Text of telegram: "In Nov. 1962, the RCA Electron Tube Div. sent you a telegram informing you that the introduction of a 90-degree round picture tube would be deferred for approximately 9-15 months. Since that notification, we have continued extensive product-development work on color picture tubes. RCA does not now plan to introduce a new color picture tube in the near future and is continuing to produce the highly reliable and excellent quality 70-degree round color picture tube. You may be assured that if changes occur in our product plan, we will continue to consider your planning need with regard to set design & tooling, and will inform you in advance to assist you in your planning. Your support of our color picture tube program is sincerely appreciated."

. . . .

Important source of picture-tube yokes for RCA-type 21-in. color tubes has resumed production. General Instrument Corp.'s F. W. Sickles Div. has again started shipping color yokes. In recent years, RCA had been sole source. Sickles has also designed & demonstrated new color yoke design for 90-degree tubes which "eliminates the electronic circuits heretofore necessary to correct raster shape, with resultant savings."

General Instrument Vice Chmn. Monte Cohen took issue last week with our statement that Advance Ross Electronics (which makes yokes for Motorola's 23-in. sets) was first company, aside from RCA, to produce color yokes. We were talking about recent color history, but should have remembered that, as Cohen told us: "The F. W. Sickles Division was in actual production of color yokes from 1954 to 1957, when a steady growth of color was anticipated. Tens of thousands of color yokes made by the Sickles Div. were shipped to RCA, Philco, GE, Westinghouse & CBS."

OBSERVATIONS ON 'WARRANTY WAR': "Today marketing is on a guarantee binge," notes a leading advertising & marketing authority, which sees dangerous pitfalls ahead in use of warranties as competitive weapon.

In view of warranty pandemonium prevailing in consumer electronics industry (Vol. 3:19 p7), these comments might appropriately illustrate one side in current dispute. They are expressed in "Grey Matter," the advertising & marketing newsletter published by Grey Advertising Inc.

The change of warranty's status from an assurance of integrity to a competitive tool, says the newsletter, "poses dangers to which marketers must be alert." It traces history of guarantee from relationship

between retailer & consumer to a responsibility taken over by manufacturer, but with involvement of retailer and repair station as well.

"The principal danger in this 'warranty war' is its effect on the consumer. Unfortunately, advertising is often used to lead the public to expect too much from the promised guarantee; much more than either the manufacturer or the retailer can deliver," says "Grey Matter". "This danger must be avoided if the guarantee is to maintain its value as a builder of faith in a brand and as an added buying incentive.

"There is a danger, too, of increasing fear among retailers that the consumer will hold them responsible for failure to make good on guarantees advertised by the brand manufacturer. Recent court decisions also have been placing more of the onus of warranties on the manufacturer's shoulders . . .

"The trend has been for courts to regard labels, printed matter & advertising as express & implied warranties of quality by the manufacturer. Advertisers must keep this clearly in mind when planning to use the guarantee as a selling tool."

Virtues of guarantee as marketing & advertising tool are acknowledged: Strengthening of brand image, stimulant to sales. But Grey warns of these pitfalls: Competitive edge is often temporary, "for it becomes dulled when competitors come up with stronger & longer guarantees." When strong competition forces company to stretch guarantee "to point of disbelief, or lace it with evasions & loopholes, it may tarnish the brand name to a degree that no amount of advertising can overcome."

We print these views because of their potential applicability to practices in consumer electronics industry. We'd like to hear other views & comments on subject, and will give them "equal space."

SHALLOW SEES DISTRIBUTION UPHEAVAL: "The day of the independent distributor was through 3 to 5 years ago and a radical change in distribution will evolve over the next 5," in the opinion of James J. Shallow, former Magnavox (Vol. 3:25 p11), Columbia Phonographs & Philco executive, who has re-established himself as a management & marketing consultant.

"Big problem in our industry today is that each of 20 different companies is trying to do 15% of the business," he told us at his suburban Philadelphia home & hq (125 Farwood Rd., Phila. 51.). "This wild fight for business puts tremendous pressure on distributors, and the mortality rate of independent distributors in the past 5 years has been appalling."

Emphasizing that "we are now in the era of the large group buyer," Shallow amplified: "Some 10% of the retailers today account for 70-75% of total volume. As a result, the average distributor in big markets now acts pretty much like a broker for the manufacturer, with a 2-5% override on sales. The average distributor today isn't showing much better than a 2% net profit. He'd do better putting his money in bonds. Why should he risk capital for that kind of return?"

With cost of sales & distribution rising sharply, and the bulk buys by group buyers increasing, trend among manufacturers has been to trim independent distributors in favor of more branches or direct relationship with dealers. Philco, for example, has been pruning distributors and in recent weeks has replaced independents with branches in N.Y., Philadelphia & Newark (John M. Otter Companies) and Pittsburgh (J. E. Miller Co.). Sylvania has been dropping branches for franchised dealers (Vol. 2:24 p12), now retails upwards of 40% of volume via direct-to-dealer outlets (Vol. 3:24 p10).

"The consumer electronics industry today is in the same phase that automobile manufacturers were in the 1930s," Shallow told us. "Only the strong will survive. Today's TV-radio-phono-hi-fi business is a \$3 billion retail volume—but produces only a 1.5-2% net profit. This provides no base whatever for profit, growth and expansion for all participants. There's going to be a shakeout. A big question is how can manufacturers afford distributors. Another question is how can distributors stay in business. The only independent distributors making money these days are those with companies able to demand a profit margin for dealers."

Shallow believes that Magnavox's approach of direct relationship with dealers is answer to industry's distribution problems. "All dealers want to give in to the temptation to cut prices," he said, "but you've got to be able to force them to make a profit." Shallow believes that "salvation at the retail level lies in Fair Trade." He added: "It takes courage for a manufacturer to Fair Trade today. Many are trying to ride 2 horses—the

volume buyer and the small independent retailer. The manufacturer needs his independent retailers and he's got to see that they make a profit so that they can pay their bills. He can't afford to let too much of his volume fall into the hands of a few volume accounts. He'll get murdered."

Private brands represent another major problem complicating industry sales & distribution, Shallow emphasized. "When you say private label today," he told us, "you're no longer speaking about a few outlets. You're speaking about private national brands with hundreds and even thousands of outlets. For example, Sears Roebuck, in my estimation, does 15% of the national TV business with its private brand. That's a major piece of the business. How about the other big chains, like Montgomery Ward, that already are in private label, and newcomers to private label, like J. C. Penney? When you talk of 6 million annual TV set sales today, you first must subtract the 20-25% unit sales taken by private label outlets. That leaves only some 4.5 million set sales for the brand people. Brand names always will be important—but private labels will become increasingly important."

Shallow summed up market situation this way: "Manufacturers have got to face up to these problems within the next few years." However the distribution pattern changes, "there must be profit in the line so that the retailer can pay his bills and make some money."

Shallow's views are interesting & in many cases controversial, and likely will provoke rebuttal from various quarters. We'll be happy to publish your views in forthcoming issues.

.

Former Philco independent distributor John Otter has formed John M. Otter Group (120 E. 23rd St., N.Y. 10) to provide "total marketing service including sales, advertising, merchandising." According to ad in June 30 "N.Y. Times", "unique marketing organization provides professional sales, marketing management analysis, consultation, plus experienced sales management & salesmen." Group is based in N.Y., but Otter told us outlets will be established elsewhere as need develops. He plans to cover all fields, won't be limited to consumer electronics.

TV-RADIO PRODUCTION: EIA statistics for week ended June 28 (26th week of 1963):

	June 22-28	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	156,843	142,777	136,463	3,461,268	3,295,501
Total radio	369,357	339,268	361,895	8,618,008	9,264,445
Auto radio	137,092	151,762	136,649	3,787,328	3,271,477

RCA home instrument dollar volume set all-time record during first-half 1963, led by color-TV sales which had best month in history in June. Total first-half sales were 19% greater than all-time high set a year ago, Group Exec. Vp W. Walter Watts announced last week. In dollar volume, color TV sales for June were 170% ahead of June 1962 and 48% ahead of previous best month, Sept. 1962; total home instrument sales were 46% ahead of June 1962 and 20% ahead of previous record Sept. 1962. RCA Sales Corp. Pres. Raymond W. Saxon said color set production at Bloomington is committed through Labor Day, distributor orders for color sets are nearly double those of last year, and 2nd-half orders for b&w are 15% ahead of 1962 period.

Retailers injured by competitors selling at unreasonably low prices would be able to sue them under new bill (S-1815) sponsored by Sen. Humphrey (D-Minn.). Bill, referred to Senate Judiciary Committee, would grant anti-trust status to Sec. 3 of Robinson-Patman Act, empower Justice Dept. to initiate civil suits, enable private parties to institute treble-damage suits following successful govt. anti-trust prosecution.

"Color adapter," to convert black-&-white receiver to color, is claimed to be under development by Scope Inc., 121 Fallfax Drive, Falls Church, Va. William Schaub, dir. of administration, tells us company isn't ready to release details. However, he said device "has moving parts, but not a rotating disc." He said that results are good "but we don't claim the same quality as with regular color sets." Device is still under development, he added, "and we haven't decided whether it should be 2-color or 3-color." Patent applications are pending, Schaub said, and goal is to license others to make adapter, which is intended to sell for less than \$100. Company is primarily in defense electronics. There was rash of converters in color's early days, virtually all using disc, none achieving adequate results (Vol. 11:22, 42, 52).

Beckman Instruments has established direct sales marketing organization of 48 offices & 200 men to handle some \$20 million in annual sales previously made through dealers. Direct sales organization is expected to cut earnings by 15% this year because of start-up expenses, add \$12.5 million net profit over 5 years. Beckman earned \$4.8 million on \$74.8 million sales in 1962 fiscal year.

TUNNEL DIODE FOR UHF: First use of tunnel diode in a consumer product will be announced by Sony at Music Show in Chicago July 21-25 when it opens sale of uhf adaptor for its 5½-in. transistorized Micro TV.

Tiny adaptor, which plugs into side of set, has vertical slide-rule dial, uses 3 transistors & tunnel diode. It will be sold, complete with tunable uhf antenna & carrying case, for \$49.95.

Tunnel diode was invented by Japanese scientist Leo Esaki when he was working for Sony. It created flurry of hopeful excitement as superior substitute for transistor in TV & FM sets in 1959, when GE was working hard on tunnel-diode approach (Vol. 15:30 p16 et seq.). But no tunnel-diode consumer devices were actually put on market, to our knowledge—until Sony's uhf adaptor. Sony's next use of tunnel diode may be in FM sets, where a single one could conceivably perform functions of RF amplifier, local oscillator, mixer & first IF amplifier simultaneously.

Sony's perfection of the tunnel diode uhf tuner was revealed to us by Akio Morita, pres. of Sony Corp. of America and exec. vp of the Japanese parent company, in interview during which he gave us some glimpses of Sony's future in U.S.

The 5½-in. transistorized Micro TV has been highly successful in U.S. at present price of \$189.95 (excluding battery), he said. Are further price reductions in the works? Sales at current price are high, said Morita. "Ultimately there's no reason why the price couldn't go down," he added, pointing out that Japanese TV industry already is feeling beneficial effects of removal of 25% sales tax on domestic TV sales.

Morita felt GE's & Admiral's 11-in. tinyvision at \$99.95 would have little effect on Sony's sales, since transistor TV is different category. More than 50% of Sony's sets are sold with battery, he said.

Will Sony add other TV models to its line? Morita speculated that with expansion of number of Sony dealers, "we will eventually have to expand our line. But we will always specialize in transistor TV. If we go into large-size sets, we're just another manufacturer."

Sony plant in Japan currently is producing Micro TV at rate of 1,000 a day, he said, of which about 75% are exported. After the U.S., Sony's biggest foreign markets for TV are Germany & Italy.

Asked about Paramount's Chromatron color tube, to which Sony owns foreign rights, Morita said, with a smile: "All those rumors you hear are not true. It still needs plenty of time. The tube has never been produced in a factory; we must develop it from scratch. We haven't decided yet whether our color set should use transistors or tubes, or what size it will be."

Sony will begin U.S. deliveries of its portable videotape recorder (\$10,900) this month. As with its other products, Sony will try to create new markets for this tape recorder, rather than concentrate on proven ones. Among those suggested as possibilities by Morita: Racetracks, railroads, X-ray recording use in hospitals. Sony will not devote much effort to selling the recorder to broadcasters. "In the broadcast field, they want too many modifications. We'd have to raise the price. Our policy is always to do what we did when we introduced the transistor radio—to create our own market."

Mathes color at \$399.95: Curtis Mathes entered color TV market with huge line of 29 sets, starting with wood veneer table model at \$399.95, with 9 consoles \$429.95-\$629.95 and 19 combos \$559.95-\$1,250.

Most color console & combination cabinets are also available with 23-in. b&w chassis. Mathes guarantees these sets to be "color convertible"—that is, any time between one & 4 years from date of purchase, Mathes will exchange b&w chassis for color at total cost of "no more than if the unit had been purchased as a color receiver in the beginning." The 23-in. color-convertible sets are priced \$220-\$300 less than their color-now counterparts.

Mathes also announced it will have 2 separate lines—low-price & higher-price—with separate dealer franchises for each. Only dealers who handle no other brands will be franchised for both low- & high-priced lines, although other dealers can handle one or the other.

Mathes b&w line, as shown last week in Dallas, has three 23-in. consoles at \$179.95-\$209.95 and 4 combos at \$199.95-\$329.95. Portable TVs will be introduced in 3-4 months. Company also introduced 6 stereo consoles with AM-FM at \$159.95-\$279.95.

On heels of Pilot's disclosure last week that it may enter color-TV combo field this year, another phono console maker said it will add color stereo theaters next year. It is Crestmark Div. of Vanity Fair Electronics Corp., Syosset, N.Y. Vanity Fair introduces its first Crestmark console line at Music Show in Chicago later this month. Sales vp is Seymour Mintz.

Declining prices of picture tubes are shown in EIA's tally of factory sales for April. Although unit sales increased to 771,073 from 758,539 in April 1962, dollar volume for the month shrunk to \$14,197,385 from \$14,253,425 year earlier. Receiving tube sales again declined from year-ago levels, to 26,167,000 units at \$21,521,000 from 31,016,000 at \$25,838,000 in April 1962. EIA's tube sales figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	890,246	\$16,846,046	27,025,000	\$22,524,000
February	636,392	11,990,596	26,352,000	22,354,000
March	760,524	14,223,503	30,285,000	25,643,000
April	771,073	14,197,385	26,167,000	21,521,000
Jan.-Apr. 1963	3,058,235	\$57,257,530	110,193,000	\$92,344,000
Jan.-Apr. 1962	3,112,100	\$59,403,191	123,513,000	\$104,253,000

Ghost of TV's distant past—The Kaye-Halbert brand, once a large-selling set in Southern Cal.—has been acquired by White Front Stores, Los Angeles-based discount chain, for use on private-label TV, radios & phonos. Kaye-Halbert Corp. was active in TV production in early 1950's, was dissolved in bankruptcy proceedings late in 1955 (Vol. 11:49 p14).

Round-corner picture tubes don't die (continued): Two additions to our list of manufacturers using older sizes of rectangular picture tubes (Vol. 3:26 p9) have come to our attention. GE still has 21-in. table model in its line, at \$209.95. Muntz is offering both 24- & 27-in. sets.

Electronic Specialty, Los Angeles maker of microwave components & antenna systems, other electronic equipment, has been listed for trading on N.Y. Stock Exchange. Symbol: ELS.

TV RECORDER AT \$160? U.S. consumer electronics industry was puzzled last week by intriguing report that British firm was ready to commercialize home video-tape recorder which could be sold at about \$160 retail, or, if built into a TV set, would add only about 25% to retail price.

Few details were available on either side of Atlantic beyond publicity announcement. System was demonstrated July 3 on NBC-TV's *Today* show (via tape from England), but it was impossible to determine quality of recorded picture because of difference between British & U.S. TV transmission standards. We could locate no U.S. sources familiar with development. Even IIT Research Institute's Marvin Camras, nation's leading magnetic recording expert, had no direct knowledge of new British recorder.

Recorder is called Telcan and is to be manufactured by Telcan Ltd. (Main St., East Bridgeford, Nottinghamshire, England), whose chief officer is Chmn. Brian North. Telcan is said to be affiliated with Nottingham Electronic Valve Co.

New recorder appears to operate on principle first pursued by early developers of video-tape recording in U.S.—speeding up a conventional audio recorder to permit storage of greater bandwidth. But its proponents claim resolution of 300 lines, which, if claim is accurate, would indicate they have added other principles.

Recorder uses standard quarter-inch sound tape, run at 120 inches per sec., records 2 tracks. It thus can record about 30 minutes on 10½-in. reel using both tracks (turning tape over or reversing direction after 15 minutes). It can also accommodate 11-in. reel, giving 40-min. playing time. Signal-to-noise ratio is said to be 28 db. It can be used as conventional sound recorder at 7½-ips speed. Recorder measures 17-in. long by 9-in. wide by 2-in. deep, with 4-in. protrusion for motor housing.

Recording expert Camras told us that any standard audio recorder with tape speed increased to 120 ips could record rudimentary TV picture, but its resolution would be more on order of 100 lines than 300. He speculated that special high-definition recording head may help increase resolution.

RCA, which has been working on development of home video-tape recording, is known also to have used fast-tape approach in its experimental work, but there's no indication that RCA has come up with what it considers to be a commercial product. (One disadvantage of fast-tape approach is high cost of operation due to heavy consumption of tape—although tape can be erased and used over.)

Telcan officials state their home video recorder will be placed on British consumer market before Christmas and that they are negotiating with U.S. manufacturers for licensing agreements.

APRIL PHONO SALES UP: Sales of phonographs continued to run substantially ahead of 1962 in April, according to EIA figures released last week.

At distributor level, sales were 22% higher than April 1962, and 4-month sales ran more than 29% ahead of same 1962 period. Factory sales were 32% ahead for April, 20% ahead for first 4 months, as compared with corresponding 1962 periods. Here are phono sales figures (EIA no longer compiles separate stereo & mono data):

Month	PHONOGRAPH SALES			
	Distributor		Factory	
	1963	1962	1963	1962
January	316,525	219,728	341,696	259,559
February	329,972	239,420	340,275	255,412
March	346,152	299,257	329,713	298,483
April	247,730	201,192	241,206	183,102
TOTAL	1,239,379	959,597	1,252,890	1,043,010

Trade Personals

C. J. (Red) Gentry appointed Motorola national home radio sales mgr., taking over part of duties formerly handled by **William E. Laswell**, who continues as national stereo phono sales mgr.; **Thomas Carroll** succeeds Gentry as national car radio sales mgr.

Chester Paulson, ex-Westinghouse portable appliance marketing mgr., named marketing vp, North American Philips consumer goods div.

Robert Devore resigns as EIA PR dir., planning to return to journalism; **William Hepner** is acting dir.

E. V. Huggins resigns as Westinghouse associated activities exec. vp & dir., will continue as senior consultant "in areas where his experience will be of value." He was 1958-61 exec. committee chairman.

Charles E. Beck, Philco pres., elected to Board of Managers of Philadelphia's Franklin Institute . . . **E. MacKay Fraser** elected Lab for Electronics secy.

Clarence H. Linder, retired GE vp & former American Institute of Electrical Engineers pres., nominated for presidency of IEEE to succeed **Dr. Ernst Weber**, whose term expires in Jan.

Dr. Leonard C. Maier Jr. appointed GE Semiconductor Products Div. gen. mgr. . . . **Thomas P. Cheatham Jr.** elected Litton Industries corporate vp . . . **Doane R. Gero**, former Information Systems chmn.-pres., joins Emerson Electric, St. Louis, as pres. of Industrial Electronics Div.

Herbert L. Brown appointed vp of Ampex subsidiary Ampex International . . . **Leon Kuby** promoted to sales mgr. of Harman-Kardon's High Fidelity Div.

Obituary

Omer M. Glunt, 79, TV & radar pioneer and retired Bell Telephone executive, died June 27 at his Stockton, N.J. home. In 1927, he supervised Bell engineers who produced world's first TV broadcast. He also worked on development of radio broadcast transmitters & sound motion pictures. He was director of Bell's Whippany, N.J. facility when he retired in 1949. He's survived by his brother, 2 daughters & son.

George Partington, 47, Marconi broadcasting div. chief engineer, died June 13 in England. A noted inventor, he had been with Marconi since 1938, helped develop improved TV cameras & use of 4½-in. image orthicon tube.

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	1963—year to May 31	\$9,198,283,000	—	\$1,413,835,000	\$5.83	242,641,000
	1962—year to May 31	8,673,152,000	—	1,332,774,000	5.65	235,887,000
	1963—qtr. to May 31	2,377,973,000	—	363,656,000 ¹	1.49	243,611,000
	1962—qtr. to May 31	2,242,430,000	—	346,857,000	1.47	236,160,000
Ampex	1963—year to Apr. 27 ²	93,271,000 ¹	—	5,005,000 ³	.64	7,803,000
	1962—year to Apr. 27	84,106,000	—	2,203,000 ³	.41	7,786,457
Corning Glass	1963—24 wks. to June 16	130,754,107 ¹	\$ 26,964,647	14,343,647 ¹	2.10	6,791,855
	1962—24 wks. to June 17	118,904,523	24,793,015	13,528,015	1.98	6,789,000
A. C. Nielsen Story below	1963—9 mo. to May 31	33,448,783	—	2,299,165	1.34	1,710,000
	1962—9 mo. to May 31	29,575,945	—	2,124,529	1.24	1,710,000
Pacific Industries	1963—9 mo. to May 31	21,291,697	—	(210,358) ⁴	—	1,887,239
	1962—9 mo. to May 31	17,784,684	—	606,091	.32	1,887,239

Notes: ¹ Record. ² Preliminary. ³ Includes \$470,000 gains from sales of fixed assets & equipment leases. ⁴ Before \$478,326 net capital gain

from 2 property sales & resultant \$267,968 net earnings for period.

Sylvania Controller Roy E. Drew was killed, Pres. Gene K. Beare and 2 other Sylvania and GT&E officials injured in July 2 crash of Mohawk Airlines plane as it was taking off at Rochester, N.Y. airport for White Plains, N.Y. & Newark, N.J. Six others in plane were killed and total of 36 injured. Beare suffered broken collarbone and leg. David K. Elwell, Sylvania dir. of new-product planning, lost a leg. Dr. Lee L. Davenport, Pres. of GT&E Labs, who walked away from crash, later was hospitalized, and discharged July 3. Beare & Elwell are in Strong Memorial Hospital, Rochester. Drew, 47, had returned to Sylvania last Jan. from Plax Corp., Hartford, Conn., where he was controller & asst. treas. He previously had been with Sylvania for 20 years. He is survived by his wife, mother and one daughter. The 4 executives were returning to their homes in N.Y. area from new-product planning meeting in Batavia.

General Instrument foresees record sales & increased earnings in 1964's first fiscal quarter ended May 31. In year-earlier quarter, GI earned \$202,000 on \$21.2 million sales. Chmn. Martin H. Benedek described first-quarter performance as turnabout from 1963 fiscal year, ended Feb. 28, which produced loss of \$2.7 million. Among optimistic factors for new fiscal year, he said, GI's Semiconductor Products Group is now marketing "highly advanced products which should have a favorable effect on our semiconductor sales & profits." He also expects tuner-making Sickles Div. to benefit from all-channel law.

A. C. Nielsen registered sharp gains in sales & earnings in the 9 months to May 31 (see financial table) and increased its quarterly dividend on common stock to 17½¢ from 15¢, payable Aug. 1 to stock of record July 12. Reporting profit rise to \$2.3 million from \$2.1 million on sales gain to \$33.4 million from \$29.6 million, Nielsen noted that recent Congressional investigation of TV-radio audience rating services "had no material effect on our progress for either the latest quarter or for the year to date."

Adler Electronics, currently traded over the counter, will apply for American Stock Exchange listing.

RCA's Camden-area plants were struck midnight July 1 by some 2,000 engineers in dispute over layoff formula, wages, other issues. Engineers are members of Assn. of Scientists & Professional Engineering Personnel, which claims some 500 engineers were fired in recent months without regard for union seniority system. Negotiations, under reopener clause in 3-year contract signed July 1, 1961, began early in May. After 2 hours of picketing, truce was declared when company & strikers agreed to recommendation of Federal Mediation & Conciliation Service that layoff-procedure issue be referred to study committee of 4 representatives each from RCA & union. No deadline was set for settlement of issue, but union said strike will be called if talks break down.

Mergers & acquisitions: Automatic Radio Mfg.'s New-Tronics subsidiary has acquired Continental Electronics & Sound System • Electronic Communications has purchased for cash virtually all assets of Electronic Instruments for Research, Baltimore • Eric Electronics & Ionic Industries, both Santa Monica, Cal., have merged and Irving Rossman, Ionic pres., is expected to become pres. of new firm. Eric makes hi-fi components, Ionic portable phonos.

Indictments on rebate charges were handed down by Federal grand jury in Boston against Joseph L. Travers, former pres. & treas. of Precision Microwave, and Raytheon purchasing agent Charles H. Pomfret. Former is charged with paying Pomfret \$3,000 "as an inducement for award of subcontracts" to Norfolk Precision Machine Corp., also headed by Travers.

Industrial Electronic Hardware anticipates record earnings of "better than \$50,000 or 7¢ a share" on \$1.8 million sales in fiscal-1964's opening quarter ended June 30, reported Chmn. Bernard Offerman. This compares with year-earlier profit of \$5,477, 1¢ a share, on \$1.5 million sales.

Metromedia has sold \$7.5 million of 5¼% 15-year notes to institutional investors via Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co. Proceeds are being used to acquire KTTV Los Angeles.

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

JULY 15, 1963

NEW SERIES, VOL. 3, No. 28

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

'TOWN MEETING' BRILLIANT SUCCESS, as CBS-Telstar features exchange among statesmen. France blocks European reception (p. 1).

EDITORIAL HEARINGS & ELECTION YEAR: House to hear week of testimony. FCC expected to affirm station's rights, will recommend primer on fairness doctrine. NAB to unveil new editorial guide (p. 1).

COMMERCIAL CEILING BATTLE QUICKENS: NAB sends ammunition in form of arguments to all stations; Georgia broadcasters call on their Congressmen, stimulating bill by Rep. Weltner (p. 2).

RATERS ENDORSE AUDIT PLAN: Virtually all rating firms give final approval to Rating Council measures. Nielsen not in yet, but is expected to back plan (p. 3).

FM-STEREO STATIONS now number 241 in U.S. & Canada, many stations increasing hours of stereocasting; 8 new U.S. stereo stations and 12 in Canada are listed (p. 3).

NAB REPORTS TV PROFITS BEST EVER, 16.9% on revenues of \$1,016,700 for typical station in 1962. Radio up, too, 7.7% on typical revenues of \$112,200 (p. 4).

CIGARETTE BAN ON YOUTH APPEAL: Tobacco Institute urges members not to sponsor programs directed primarily at youth (p. 5).

Consumer Electronics

TOP TV-RADIO-PHONO BRANDS in Latin American countries reported in survey; Philips virtually dominates area, but U.S. trade names show up strongly (p. 7).

COMPONENTS MAKERS SAG IN FIRST QUARTER as combined sales of 22 firms fall more than \$3.9 million to \$278 million from \$281.9 million a year ago. Earnings tumble more than \$2 million to \$7.5 million; 16 of 22 manufacturers show profit decline (p. 8).

EUROPE TRENDS AWAY FROM 'FAIR TRADE' in wake of changing attitude toward competition & importance of more competitive markets, reports Chase Manhattan Bank; Motorola urges dealers to support Quality Stabilization legislation by writing Congressmen (p. 9).

IMPORTS UP, EXPORTS DOWN—that's TV story. Japanese exports of TV for 5 months tripled 1962 figure, totaled more than 4% of U.S. production; transistor TV shipments exceeded tube TV exports for first time in May; U.S. TV exports declined 28% in first quarter (p. 10).

LONG PHONO LINE introduced by Motorola, with new bass speaker baffle system, more coffee tables & benches; radio line includes clock radio with detachable pocket-radio unit (p. 11).

NEW HIGHS FOR RCA in sales & profit in 2nd quarter and first half; Sarnoff & Engstrom see progress 'through 1963 & beyond' (p. 12).

'TOWN MEETING' BRILLIANT SUCCESS: Famed "Stanton touch" was evident again last week, when the CBS president's "Town Meeting of the World"—via Telstar—drew widespread praise. Kudos would have been even more universal had the French not blacked out Europe by refusing use of its satellite reception facility. French sources said their decision was based on "controversial & political" aspects of program.

Intimacy & humanity of participants were conveyed by the live exchange in manner that film or tape never quite matches. It was a striking idea, strikingly executed, featuring as it did warm & frank exchange among: Eisenhower, Eden, Monnet & von Brentano—with CBS's Walter Cronkite as anchor man. CBS was tickled, naturally, and CBS News Pres. Richard Salant said similar "Town Meetings" would be carried quarterly, starting in fall. Producer Fred Friendly said he hopes to arrange similar exchange with Japan in Sept. or Oct., with Russia & Africa later.

EDITORIAL HEARINGS & ELECTION YEAR: With election year coming up, Congress this week is putting out a warning sign to broadcasters—editorials on candidates & issues are being watched. Warning takes form of week of hearings, starting today, on editorial practices & problems, conducted by Rep. Rogers (D-Tex.), chmn. of House Communications Subcommittee.

Hearings are "exploratory" & "fact-finding," Rogers told us. Subcommittee wants to examine how on-air stands are conducted, competence of editorialists, forms editorials can take (e.g., commentary, news interpretation). There's one pending bill (HR-7072), by Rep. Moss (D-Cal). It would: (1) Provide for equal opportunities to answer editorials for or against candidates. (2) Ban such editorials 2 days before election time. (3) Require stations to furnish copies of editorials to affected candidates within 5 days of broadcast date.

Rogers regards FCC Chmn. Henry as key witness because Commission has "crux of the responsibility." FCC is expected to endorse fully its 1949 editorializing report encouraging on-air stands, including endorsing or opposing candidates. It's understood Commission will state that editorials indicate a station's involvement in community interests & needs, help supplement dwindling number of newspaper voices. It also believes that "fairness doctrine" is practical & sound, is observed by most stations.

Commission is expected to recommend issuance of primer on fairness requirements, which could take form of rule-making. This would help spell out station responsibilities for itself & public. FCC also would like to learn more about fairness observance, through in-depth examination at renewal time on random basis.

On Moss's bill, FCC is understood to favor essence of equal opportunities but doesn't think legislation is necessary. It believes it can better handle matters by setting policy and judging problems on case-by-case basis. It also believes HR-7072 ignores fairness questions concerning general handling of controversies.

Here's list of scheduled witnesses: Mon.—Reps. Van Deerlin (D-Cal.), Hall (R-Mo.), Hemphill & Dorn (D-S.C.); Sherwood Gordon, radio KSDO San Diego; Tue.—Henry; Wed.—Dan Kops (WAVZ New Haven) as chmn., NAB editorializing committee; Robert Hurleigh, Mutual pres.; Thur.—Frank Stanton, CBS pres.; Don McGannon, Group W pres.; Fri.—Theodore Shaker, ABC-owned TV stations pres.; Harold Neal, ABC-owned radio stations pres. Rogers also plans hearings in Aug., if more licensees want to testify.

NBC isn't testifying, may send statement. Although it believes in station editorializing, its owned stations haven't done any yet. CBS-owned & most of ABC-owned stations do it. Group W stations are also very active editorialists on local & state issues only. Group believes that station management should do it, that it should be kept separate from news dept.

CBS is only TV network to editorialize. Stanton has done it 3 times: Oct. 15, 1950, color TV; Aug. 26, 1954, broadcast access to legislative hearings; July 26, 1959, supporting modification of equal time Sec. 315 of Communications Act. Mutual editorializes twice daily, carried by about 100 of its nearly-500 affiliates.

When Kops testifies for NAB, he will unveil revised edition of "Editorializing on the Air." It's divided into 2 main sections—guidelines & NAB interpretation of policy, covering what a station can & can't do in political editorials. NAB may have Pres. Collins testify next month, after his return from Europe.

COMMERCIAL CEILING BATTLE QUICKENS: Industry's stepped-up campaign against FCC's proposed limitations on commercials became more vigorous last week. NAB, under plan conceived by Pres. Collins, sent battle ammunition to all stations in form of arguments challenging Commission.

In covering letter dictated from London, Collins urged stations to discuss issue with Senators, Congressmen, civic & business leaders. NAB is seeking groundswell of opinion against proposed ceilings, hoping to convince FCC of "futility" & "inutility" of plan, as it was put by Paul Comstock, NAB govt. vp.

State assns. are getting into picture, too. Georgia broadcasters came to Washington to meet with Congressional delegation. They sparked interest of Rep. Weltner (D), who said he'd submit bill to block FCC. He didn't like proposed draft submitted by Washington attorney, believing it went too far.

Weltner told us he plans to submit his own bill in a few weeks. He believes FCC should be "restrained" from placing limitations on commercials. However, he does think extent of commercialization is a legitimate issue for FCC to consider in granting licenses & renewals. "We are working on the proper language that would accomplish both these objectives," he said. Senate action also is being sought.

All but 3 of Georgia Congressional delegation attended, including Sens. Russell & Talmadge. In addition to Weltner, Reps. Flynt (D) & Stephens (D) were also described as strong supporters of anti-limitations stand.

NAB has been very active in Congressional liaison, but doesn't believe that first step is introduction of bills. Among arguments against ceiling forwarded last week for broadcaster use, are these: (1) It's contrary to intent of Congress, would lead ultimately to govt. rate regulation. (2) Rule would be unequal & unfair because station & market situations vary greatly. (3) It would destroy free enterprise in broadcasting & cause great economic harm, especially to small-market stations. (4) Undermine voluntary Codes.

NAB's next step is to send letters & background material to all newspapers. Public Relations Service also has been steadily increasing liaison with civic & public service organizations.

Tennessee Assn. of Bcstrs. is meeting today (July 15) with its Congressional delegation. Three-man group, headed by F. C. Sowell (WLAC Nashville), legislative committee chmn., will stress commercial limitations plan & editorializing problems.

A "Federal Radio-Television Agency" to handle all broadcast matters was also proposed by the GAB at its meeting. It would have separate radio & TV administrators, a Broadcasting Court to handle controversial matters & a 3-man Advisory Committee to set policy.

RATERS ENDORSE AUDIT PLAN: Nearly all rating services gave Rating Council final endorsement last week for audit & standards plan—including ARB, Sindlinger, Pulse, Hooper. Nielsen is yet to be heard from, though it gave preliminary approval in May (Vol. 3:20 p3).

Nielsen's final OK is considered vital because of importance in network TV. Observers consider negative answer unlikely, but Nielsen is expected to express some reservations, suggest a few ideas for incorporation into NAB plan. Rater wants NAB to take stronger stand with stations on ratings' week "hypoing" & survey tampering; it also wants stations to encourage public cooperation in surveys through promotional spots (Vol. 3:26 p5).

Council's newly-formed executive committee meets in N.Y. July 19 to review progress of subcommittees on Criteria & Standards and Audit, plus other reports. Key topic of discussion will be outcome of July 18 meeting of NBC's Hugh Beville & NAB's Melvin Goldberg with RAB and Audits & Surveys Co., on radio methodology study. NAB appears steadily inclined toward co-partnership of A&S study as proposed by RAB.

Nielsen announced changes in network TV service: (1) It will expand demographic data to include age of child, children by income & occupation of household head. (2) New market-section ratings report will provide all demographic information 3 weeks sooner. (3) Daytime program ratings will be provided on a "program" basis in addition to "sponsor line-up" basis. (4) Ratings report will be flagged to call attention to reduced line-ups in cases of pre-emption. (5) Ratings will reflect addition of delayed broadcasts to live line-ups.

Nielsen insists these changes were brought about by client recommendations. Any changes reflecting Washington hearings—e.g., inclusion of Mountain Time Zone & complete rotation of sample every 5 years—will be proposed to clients shortly.

Former ratings investigator Rex Sparger, now a ratings consultant in Oklahoma City, was in N.Y. last week talking to Random House about book he & Robert Richardson, other investigator, are co-authoring. Richardson, incidentally, is expected to leave Harris Subcommittee by end of Aug. to run for Congress in Oklahoma's 6th district. He'll campaign in primary as Democrat for Rep. Wickersham's seat.

241 STATIONS BROADCASTING FM STEREO: FM-stereo station total is creeping toward that 250 mark. New starters have been few & far between this summer, but many stations already on air have been increasing total stereocasting hours.

Our count of 241 stations now broadcasting stereophonically includes 12 in Canada reported by Dept. of Transport as authorized for stereo multiplex broadcasting.

If you're keeping list of FM stereo markets, addition of these new U.S. stereo stations will serve to update our last published full list of May 20 (Vol. 3:20 p11):

Palm Beach, Fla., WWOS; Decatur, Ill., WSOY-FM; Mattoon, Ill., WLBH-FM; Richmond, Ind., WBKV-FM; Wichita, Kan., KWBB-FM; Detroit, WBFG; Philadelphia, WDVR; Columbia, S.C., WCOS-FM. N.Y. City will get new FM-stereo program source Aug. 25 when ABC's WABC-FM begins multiplex broadcasting.

Here is official list of Canadian stations authorized to broadcast stereophonically: CHFM-FM Calgary; CHQM-FM Vancouver; CJOB-FM Winnipeg; CFPL-FM London; CFMO-FM Ottawa; CHFI-FM & CKFM-FM Toronto; CFCF-FM & CJFM-FM Montreal; CHRC-FM Quebec; CHLT-FM Sherbrooke; CKVL-FM Verdun.

If you find it necessary to keep track of new FM-stereo markets as they open up, we suggest subscription to our AM-FM Addenda service along with your "Television Digest" newsletter. This lists new stereo starters weekly, from official FCC notifications. (Rates on request.)

NAB REPORTS TV PROFITS BEST EVER: TV & radio station profits both bounced back in 1962, according to annual analysis just issued by NAB's Dept. of Broadcast Management, under James H. Hulbert. (FCC's official 1962 TV figures aren't expected until late fall, because of losses in personnel and Congressional requests for political-time analyses, etc.)

"Typical" TV station—meaning "median"—had 16.9% profit before federal taxes, compared with 12.6% in 1961, 15.4% in 1960. It's highest yet. "Typical" radio station had 7.7% profit, vs. 4.8% in 1961, 7.6% in 1960.

Typical TV station had revenues of \$1,016,700, expenses of \$844,900, profit of \$171,800. For radio, it was revenues of \$111,200, expenses of \$102,600, profit of \$8,600.

TV income broke down to: \$349,200 (32.8%) network; \$409,800 (38.5%) national & regional spot; \$305,500 (28.7%) local. Expenses were: \$133,500 (15.8%) technical; \$295,700 (35%) program; \$109,800 (13%) selling; \$305,900 (36.2%) general & administrative.

Radio income again showed "zero" for network. National & regional spot produced \$17,100 (15.6%), local \$92,300 (84.4%). Expenses: \$10,500 (10.2%) technical; \$32,900 (32.1%) program; \$18,300 (17.8%) selling; \$40,900 (39.9%) general & administrative.

Telecasters estimate 1963 revenues will rise 4.9%, while radio operators predict 2.8% increase.

Supplied to members, but not released for publication, are breakdowns by population and revenue ranges—enabling broadcasters to compare their performance with stations in similar situations.

Overhaul of Canada's Broadcasting Act, possibly involving complete reorganization of Board of Broadcast Governors (BBG), is expected after special investigating committee reports on study of current broadcasting statute, probably this fall. One recommendation expected by some Canadian broadcasters is for 5-member full-time BBG to replace present board, composed of 3 full-time members and 12 part-timers representing public. Controversy over Canadian broadcast regulation was heightened last month when Dept. of Transport rejected BBG's recommendation to issue AM-FM license for French-language station in Ottawa—first time in BBG's 5-year history that govt. had overturned one of its recommendations. Transport Ministry said license was rejected because govt. doubted ability of area to support 3 French stations. One private French-language station is now operating there, and CBC has been authorized to construct another one. One other BBG-approved AM license, for Winnipeg, is being held up by Dept. of Transport, and there are predictions it may get same treatment as Ottawa application.

Canadian uhf allocation plan, agreed to by U.S., has been issued by FCC. Commission hopes to issue its proposed expanded uhf plan, increasing assignments from about 1,500 to 1,950, before Aug. recess. Expanded plan is designed to take care of ETV needs and anticipated commercial demand. It won't be "saturated"—in sense that no more assignments could be made, but it will be tight as far as more desirable markets are concerned.

Better understanding, not better images, is what U.S. & Britain should seek, NAB Pres. LeRoy Collins stated in July 5 speech in England, at "Anglo-American Conference on Transatlantic Images." He said that mass communications, particularly broadcasting, should have "new vital role to play."

Three or more TV stations can be seen by 89% of U.S. families, according to recent study by ARB. It reports that 3% can get only one station, 4% 8-12 stations. The breakdown: one station, 3%; 2, 8%; 3, 26%; 4, 20%; 5, 15%; 6, 9%; 7, 15%; 8, 2%; 9, 1%; 10-12, 1%.

Czechoslovakia had 1,355,607 receivers as of last Dec. 1, according to communist bloc's International Radio & TV Organization (OIRT). OIRT also reports Bulgaria is doubling production this year and will introduce new "Kristall" set with "59 cm picture tube." Western Europe's EBU reports Greece plans 17 stations eventually, is inviting bids for 3 now—in Athens, Salonica & Patras—while new stations have started recently at Pforzheim, Germany, and Alesund, Norway.

Spanish-dubbed Japanese TV series *Samurai* sold by NBC International to: XHGC Mexico City, Television Interamerica for Caracas, RPC-TV Panama City. NBC says it's first Japanese show distributed in Latin America, anticipates sales in next 8 weeks in Peru, Argentina, Uruguay, Colombia, Central America, Puerto Rico.

Japanese TV broadcasters visited N.Y. offices of Avery-Knodel last week to study rep operation, were briefed on sales, research, promotion, market development. Francis Yoshimura, of Fuji Telecasting Co. N.Y. office, arranged visit for 6 TV executives.

Radio Television Belgrade & Masinimport of Bucharest have ordered Marconi mobile TV studios, containing 4 Mark IV camera channels. Belgrade ordered an additional camera for its studios, Bucharest 3 more.

Study of color TV facilities by Petry-represented stations shows 666,000 color-equipped homes in those 32 markets. Detailed questionnaire, worked out with 14 agency executives, will be forwarded to TvB for possible industry-wide compilation. Study showed virtually all stations are color-equipped for network, 17 for film, 4 for tape, 5 for local live.

Anti-drop-in filings may be submitted to FCC until July 18, Commission extending date for oppositions to petitions for reconsideration. Commission won't get back to them until Sept., following recess. Current impression is that oral argument will be ordered.

Cigarette Ban on Youth Appeal: Tobacco industry is gradually tightening advertising appeal to youth, including TV sponsorship. In meeting last week, Tobacco Institute urged members to: (1) Avoid sponsorship of TV-radio programs directed primarily at young audience. (2) Feature adults in TV & print ads. Last month, several companies quit advertising in college publications.

Persistent critic Sen. Neuberger (D-Ore.) called TI decision "pallid," said "it was motivated by a desire to head off govt. regulation." TI thus changed position since last May, when it recommended no action on appeal of Sen. Moss (D-Utah) for an end to youth-directed ads. TI Pres. George Allen last week said that industry believes smoking is for adults and that appeal to youth may be avoided by "good judgment, rather than arbitrary restriction of sponsorship."

Rep. Grabowski (D-Conn.) last week introduced HR-7476 to require label on cigarette packages to indicate health hazard.

Little creative contribution comes from TV stations, according to Ted Bates & Co. Senior Vp Richard A. R. Pinkham. Writing in July 8 *Broadcasting*, he says: "The actors act, the writers write, the producers organize, the agents represent, the networks gamble & sell, and what do the stations do? Anything more than provide air time and get paid for doing so? If so, I'd like to hear about it." (It's assumed he will so hear.) Pinkham suggests stations create fund to finance experimental programming, under big name such as Pat Weaver, Leland Hayward, David Merrick and "might come up with some winners and start making some money."

Measures to give FCC "greater discretion" in station sales were introduced last week by Rep. Harris (D-Ark.) (Vol. 3:27 p3). HR-7477 would give Commission chance to evaluate public interest questions of sale by allowing it to consider buyers other than those proposed by seller. HR-7478 would heed Comr. Bartley's recommendation, placing burden on sellers to prove that transfer will create "improved broadcast structure."

Anti-trust implications of newspaper-station joint ownership needs further study—particularly as TV broaden into uhf—according to Hofstra U. economics Prof. Harvey J. Levin. Writing in July issue of *Challenge*, published by NYU Institute of Economic Affairs, he suggests that Congress can take tougher attitude toward joint ownerships by pressuring Justice Dept., FTC & FCC.

Attack on pro football blackouts by NFL was pursued further by WPSD-TV Paducah when it filed anti-trust complaint against NFL. It told Justice Dept. that NFL has violated 1953 final anti-trust judgment against it by extending blackouts beyond those authorized by court. Station previously complained to FCC, got Rep. Stubblefield (D-Ky.) to introduce bill (Vol. 3:27 p5).

Los Angeles municipal station on Ch. 40 is proposed by Mayor Sam Yorty who asked FCC to reassign the channel from Riverside to Los Angeles. He said stations would be used "to provide authentic & official information on city govt. functions & operations to the citizens of the city."

Metromedia, recent purchaser of KTTV & KLAC Los Angeles, donates \$250,000 to Community TV of Southern California, planning ETV station there.

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Ancient 770-kc radio case went through another "final" FCC decision—latest in 21 years of litigation. FCC gave KOB Albuquerque a modification to operate with 50 kw & a night DA, denied WABC N.Y. a non-directional 50-kw renewal and invited it to submit night DA application. Said Commission: "ABC has not demonstrated that competition among the radio networks would be substantially lessened by the requirement that WABC directionalize nighttime." Courts have ruled on case 3 times, and ABC is expected to give it another opportunity.

Spot TV led all advertising media in first quarter gains, up 21%, according to *Printers' Ink* data prepared by McCann-Erickson. Network TV increased 6%, network radio was down 12%. Women's magazines were up 13%, general monthlies 9%, farm magazines 7%, business papers 5%. Newspapers were down 6%, weekly magazines 3%.

ARB adds 6 new agency subscribers: Doherty, Clifford, Steers & Shenfield; Fletcher, Richards, Calkins & Holden; Fuller & Smith & Ross; Ketchum, MacLeod & Grove; Morse International; J. Walter Thompson, Chicago. ARB now lists 36 of top 50 TV agencies, including all of top 10.

Technicolor Corp. plans expansion of TV film processing through major agreement with MCA, which will build processing lab near Universal City studio with capacity of \$15 million worth a year. Technicolor will provide equipment & manpower, has 3-year contract from MCA to process its TV film.

Machtronics' video tape recorder, distributed by Storer Programs Inc. (Vol. 3:27 p4), sells for \$15,750 in broadcast version. The \$12,150 price reported was quoted for closed-circuit unit when introduced last spring.

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
CTS Corp.	1963—6 mo. to June 30	\$ 14,587,506	\$ 2,097,014	\$ 1,090,807	\$.74	1,482,003
	1962—6 mo. to June 30	13,673,321	2,085,191	1,034,820 ⁴	.70	1,482,003
	1963—qtr. to June 30	7,293,573	910,151	471,658	.32	1,482,003
	1962—qtr. to June 30	7,000,835	1,039,773	484,806 ⁴	.33	1,482,003
Electro-Voice	1963—qtr. to May 31	2,765,722	91,964	46,389	.09	497,332
	1962—qtr. to May 31	2,574,510	381	1,123 ¹	—	497,332
Filmways	1963—9 mo. to May 31	9,017,116	187,966	83,966	.14	568,654
	1962—9 mo. to May 31	7,163,039	(345,703)	(234,803) ²	—	568,654
GE Story on p. 12	1963—6 mo. to June 30	2,397,358,000 ³	257,148,000	126,120,000 ³	1.40	89,945,460
	1962—6 mo. to June 30	2,318,836,000	249,064,000	119,977,000	1.34	89,391,842
	1963—qtr. to June 30	1,242,885,000 ³	—	67,141,000 ³	.74	89,945,460
	1962—qtr. to June 30	1,218,270,000	—	64,014,000	.71	89,391,842
Muntz TV	1963—9 mo. to May 31	—	—	532,521	.36	1,437,482
	1962—9 mo. to May 31	—	—	783,689	.53	1,437,482
	1963—qtr. to May 31	—	—	60,921	.04	1,437,482
	1962—qtr. to May 31	—	—	182,800	.12	1,437,482
Rollins Bcstg.	1963—year to Apr. 30	7,899,744 ³	1,214,557	580,388 ³	.61	957,244
	1962—year to Apr. 30	6,395,312	831,260	437,396	.46	955,475
RCA Story on p. 12	1963—6 mo. to June 30	877,300,000 ³	60,900,000	29,400,000 ³	1.60	17,375,000
	1962—6 mo. to June 30	853,900,000	48,600,000	24,000,000	1.32	16,936,000
	1963—qtr. to June 30	441,300,000 ³	25,600,000	12,100,000 ³	.65	17,375,000
	1962—qtr. to June 30	428,900,000	19,700,000	9,500,000	.51	16,936,000
Stanley Warner	1963—39 wks. to May 25	104,268,422	3,453,112	1,798,112	.88	2,035,924
	1962—39 wks. to May 25	101,422,850	3,992,588	2,267,588	1.11	2,033,924
	1963—13 wks. to May 25	37,386,664	1,276,146	739,146	.36	2,035,924
	1962—13 wks. to May 25	34,051,600	1,217,603	707,603	.34	2,033,924
Transistor Electronics	1963—year to Apr. 30	2,108,903	—	212,344	.64	—
	1962—year to Apr. 30	1,613,017	—	130,563	.39	—
Vornado	1963—9 mo. to May 31	113,319,140	3,554,926	3,354,926	2.56	1,310,593
	1962—9 mo. to May 31	84,051,418	2,777,898	2,719,374	2.08	1,310,593
	1963—qtr. to May 31	35,005,172	916,815	916,272	.70	1,310,593
	1962—qtr. to May 31	26,970,093	794,580	782,531	.60	1,310,593
Wometco Enterprises	1963—24 wks. to June 15	9,950,000	—	1,043,459	.72	1,438,368
	1962—24 wks. to June 15	8,195,000	—	916,197	.64	1,008,857
	1963—12 wks. to June 15	4,914,000	—	518,812	.36	1,438,368
	1962—12 wks. to June 15	4,478,000	—	467,109	.32	1,008,857

Notes: ¹ After tax credit. ² After \$110,900 tax credit. ³ Record. ⁴ After \$53,640 provision to adjust for devaluation of Canadian dollar.

Personals

CBS-TV network program changes: Marc Merson, gen. program exec., to live programming dir.; Tom Loeb, live programming supervisor, to program sales dir.; Robert Milford, live programming dir., to program services dir.; Robert Peyson, asst. production mgr., to production mgr.; James Lavenstein, admin. mgr., to program liaison mgr.; Lillian K. Curtis, program personnel admin., to program personnel & services mgr.; Maureen McGleave, network films supervisor, N.Y., to program supervisor, network programs, N.Y.

Crawford H. Greenewalt, du Pont de Nemours & Co. chmn., elected chmn., Radio Free Europe Fund.

John T. Curry Jr., ex-Grey Adv. account exec., named ABC-TV adv. & promotion operations dir. . . **Walter A. Schwartz**, ex-radio WINS N.Y. asst. gen. mgr., appointed vp & gen. mgr., radio WABC N.Y.

Thomas J. Knott promoted to public affairs dir., WBZ-TV Boston.

Richard K. Lyon & Seymour M. Chase form Lyon & Chase, Washington TV-radio law firm, Farragut Bldg. (phone: 296-5066).

Mort Werner, NBC programs vp, elected pres., National Academy of TV Arts & Sciences . . . **Norman Grant**, NBC color coordinator, resigns to become pres., Tele-Color Inc., consultants.

Henry B. Clay, KTHV Little Rock, & **John F. Patt**, WJR Detroit, appointed NAB finance committee chairmen for TV & radio, respectively.

Elizabeth B. Harris, ex-ABC Radio research mgr., named research mgr., WQXR N.Y. . . **Harry H. Averill**, ex-RAB vp, appointed vp & gen. mgr., Thoms Radio-TV Enterprises, hq WEAM Arlington, Va.

Don B. Curran, gen. mgr., radio KGO San Francisco, elected ABC vp . . . **Alan Baker** promoted to program publicity dir., NBC press dept.

George A. Sperry, ex-WGR-TV Buffalo, appointed adv.-promotion dir., CKLW-TV-AM-FM Detroit.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

TOP TV-RADIO-PHONO BRANDS IN LATIN AMERICA: How do U.S. brand names stack up in Latin America, in terms of TV-radio-phono ownership? Consumer product surveys by International Research Associates for "Reader's Digest" of Mexico, Central America & Colombia is first of its kind, to our knowledge, and shows up some interesting trends.

It confirms nearly complete domination of these markets by Latin American affiliates of big international Philips organization. After Philips, however, U.S. trade names have overwhelming part of remainder of market. These brand names are affiliates, partly-owned subsidiaries or licensees of their U.S. counterparts. Figures represent sets-in-use, therefore don't emphasize recent trends, such as increased sale of Japanese-made equipment.

Completed about year ago, survey is based on cross-section sampling, with 2,505 interviews in 16 Mexican cities, 1,499 interviews in capitals of Costa Rica & El Salvador, 1,519 interviews in 3 principal cities of Colombia. Here are highlights:

In Mexico, 33% of respondents owned TV sets, 32% owned record players, 86% owned radios. In Colombia, 18% owned TV, 35% record players, 93% radios. In the 2 Central American countries, TV ownership was 20%, record players 25%, radios 88%.

In Mexico, Admiral was dominant TV brand, owned by 13% of TV households. GE was 2nd, with 11%, followed by Philips & Philco, 10% each; RCA Victor, 7%; Sears' Silvertone & Zenith, 6% each; Packard Bell & Majestic, 5% each; Emerson, Stromberg-Carlson & Du Mont, 2% each; Crosley & Westinghouse (IEM), 1%.

Mexican phono ownership, unlike TV, sees several European brands in important positions: RCA Victor & Garrard are first, with 9% each, followed by Philips, 8%; Silvertone & Philco, 6%; Universal & Stromberg-Carlson, 5%; GE, 4%; Telefunken, 3%; Zenith, Electra, Blaupunkt & Packard Bell, 2%; Motorola & Imperial, 1%.

Mexican radio ownership finds Philips in lead, with 13%; RCA Victor, 12%; GE, Majestic & Universal, 9% each; Zenith, 4%; Admiral & Silvertone, 3%; Philco, Emerson, Packard Bell & Telefunken, 2% each; Blaupunkt, 1%.

Philips is completely dominant in other Latin American markets surveyed. In Colombia, that brand accounts for 29% of TV sets; followed by GE, 11%; Philco, Crosley & Motorola, 8% each; RCA Victor, 6%; Emerson, 5%; Zenith & Westinghouse, 4%; Silvertone, Olympic & Sylvania, 2%.

Colombian phono ownership: Philips, 36%; Philco, 9%; Silvertone, 8%; RCA Victor, 7%; GE & Motorola, 4%; Zenith, Grundig, New Yorker, V-M, Webcor & Imperial, 2% each. Colombian radio ownership: Philips, 42%; RCA Victor, 12%; GE, 7%; Zenith, 5%; Silvertone, 3%; Telefunken, 2%.

In Central American TV ownership, Philips leads again with 16%; Sylvania is 2nd with 11%; RCA Victor, 9%; GE, Zenith & Motorola, 8%; Admiral, Philco & Du Mont, 6%; Silvertone & Emerson, 5%; Westinghouse & Hotpoint, 2%.

Of Central American phonos, Philips accounts for 30%; RCA, 10%; Philco & Webcor, 5%; Zenith & Grundig, 4%; Silvertone & Telefunken, 3%; Garrard, Blaupunkt & Lowe Opta, 2%; Stromberg, GE & Imperial, 1% each. Radio market in Central America shows Philips with 35%; Zenith, 11%; Philco, 7%; RCA Victor, 5%; Blaupunkt, 4%; Telefunken & Grundig, 3%; GE, Silvertone, Lowe Opta & Siemens, 2%; Majestic, Admiral & Emerson, 1% each.

COMPONENTS MAKERS SAG IN FIRST QUARTER: Composite components & tube manufacturers opened 1963's first quarter slowly. Drop in both sales & profits came on heels of whiz-bang 1962 (Vol. 3:14 pl1) which saw combined sales of 20 firms nearly \$60 million ahead of 1961, consolidated earnings of 23 companies \$13.5 million ahead.

Amalgamated first-quarter sales of 22 representative components & tube manufacturers slipped more than \$3.9 million to \$278 million from \$281.9 million in 1962's initial quarter.

Combined earnings of these 22 firms sagged more than \$2 million from year-ago pace to \$7.5 million from \$9.6 million. The 1963 total is after deducting \$896,916 losses racked up by Transitron (\$663,023), General Bronze (\$172,220) & Oxford Electric (\$61,673). The 1962 figures also are net, after even greater loss, \$1,196,585—Sangamo Electric (\$546,000), Federal Pacific Electric (\$353,484), Transitron (\$297,101).

Many of companies we analyzed make other products in addition to tubes & components. Some are heavy on production of tubes & components for industrial, govt. & military use. However, they are representative of TV-radio components industry & are bellwethers of sales & profit trends of components for consumer electronic products. Companies analyzed: Amphenol-Borg Electronics, Clevite, CTS Corp., Erie Resistor, Federal Pacific Electric, Gabriel, General Bronze, Hawley Products, Indiana General, International Rectifier, International Resistance, Littelfuse, P. R. Mallory, Muter, National Union Electric, Oak Mfg., Oxford Electric, Sangamo Electric, Standard Kollsman, Texas Instruments, Transitron Electronic, Tung-Sol.

Our analysis of these 22 manufacturers produced these somewhat dismal capsule findings: (1) More than half—12 of 22—failed to match their year-earlier sales. (2) Even greater number—whopping 16 of 22—dropped in earnings. (3) Only one—International Resistance—posted sales record. (4) None set earnings record.

Three firms finished in red each year, but Transitron was only repeater—with far greater loss in 1963's March quarter (\$663,023) than year earlier (\$297,101). Sangamo, which lost \$546,000 in 1962 quarter, bounced back with \$148,000 profit. Federal Electric, a \$353,484 loser a year ago, moved into black with \$67,675 profit. Conversely, General Bronze plunged into red with \$172,220 loss vs. year-earlier's skimpy \$9,457 profit. Oxford Electric also recorded red \$61,673 vs. 1962's Jan.-March profit of \$22,664.

Among 6 firms that boosted earnings, apart from 2 that went from red to black, most impressive gains were netted by Muter, which jumped to \$104,561 from \$72,701, and CTS Corp., up to \$619,149 from \$550,014. Texas Instruments gained to \$2.5 million from \$2.4 million. Amphenol-Borg edged up to \$440,517 from \$412,384.

Sales gains were generally better—but hardly spectacular. Among leaders: Sangamo jumped to \$13.4 million from \$10.6 million. Oak Mfg.—\$9.3 million from \$7.4 million. Texas Instruments—\$59.8 million from \$57.5 million. General Bronze—\$4.1 million from \$3.5 million. CTS Corp.—\$7.3 million from \$6.7 million. International Resistance—record \$8.6 million from \$8.4 million.

Here's 1963-vs.-1962 first quarter performance of 22 representative components & tube manufacturers:

	Sales		Earnings	
	1963	1962	1963	1962
Amphenol-Borg Electronics	\$ 20,241,803	\$ 20,021,427	\$ 440,517	\$ 412,384
Clevite	25,275,052	25,972,229	1,450,690	1,852,350
CTS Corp.	7,293,933	6,672,486	619,149	550,014
Erie Resistor	6,875,520	6,991,486	63,661	255,467
Federal Pacific Electric	22,997,148	23,405,186	67,695	(353,484)
Gabriel	7,390,000	7,529,828	107,519	222,735
General Bronze	4,114,822	3,518,297	(172,220)	9,457
Hawley Products	1,736,283	1,716,994	50,911	101,332
Indiana General	5,640,959	7,203,028	373,144	717,763
International Rectifier	4,723,483	5,101,371	167,318	382,287
International Resistance	8,588,476	8,391,400	452,089	680,896
Littelfuse	1,652,000	1,756,000	87,488	103,932
P. R. Mallory	24,441,022	24,506,709	864,221	1,074,321
Muter	4,172,531	4,132,740	104,561	72,701

	Sales		Earnings	
	1963	1962	1963	1962
National Union Electric	9,059,626	9,318,768	242,777	348,507
Oak Mfg.	9,345,333	7,415,802	240,685	276,013
Oxford Electric	2,089,800	2,263,583	(61,673)	22,664
Sangamo Electric	13,387,000	10,615,000	148,000	(546,000)
Standard Kollsman	18,020,000	23,436,000	265,456	805,381
Texas Instruments	59,797,000	57,483,000	2,455,000	2,411,000
Transitron Electronic	6,211,161	6,033,624	(663,023)	(297,101)
Tung-Sol	14,923,552	18,311,554	241,087	449,855
TOTALS	\$277,976,504	\$281,876,512	\$7,545,052	\$9,552,474

EUROPE TRENDS AWAY FROM 'FAIR TRADE': New European attitude toward competition, particularly in France & Germany, "is responsible for the movement away from resale price maintenance" which "years ago was the common practice in Europe's retail distribution," Chase Manhattan Bank emphasized in latest report on overseas retailing trends.

"Marketing strategies of American exporters & companies operating in Europe would do well to take into account these present developments in resale pricing," Chase cautioned, "because the changing legal setting may require them to modify their marketing strategy."

Resale price maintenance still is traditional pricing formula for branded & trademarked consumer goods, but its effectiveness "is challenged today by the rapid spread of modern retail methods and by new laws & judicial rulings on competition," Chase pointed out, adding: "Civil servants, businessmen, judges & parliamentarians have come to appreciate the importance of more competitive markets . . . The gradual weakening of resale price maintenance in Europe today is another indication of the continuing development of more competitive markets within the European Economic Community."

Fair Trade in France & Germany "has clearly been weakened by the trend of judicial interpretation," and TV sets, radios & household appliances are among products "most affected by this change." Chase amplified: "These product lines are well suited for discount houses which have expanded all over Europe. Their growth is largely a result of the decline of 'fair trade,' but supermarkets & discount houses contribute in turn to the further erosion of resale price maintenance."

Change in Europe's distribution practices, Chase report summed up, "will mean several things: Profit margins will be lower & markets will become less 'orderly' & less secure. Yet freer competition may well present new opportunities to American exporters. Their greater experience in competitive marketing should make it easier to enter the European markets & to increase exports."

• • • •

Motorola is urging dealers to "join hands now with the growing army of reputable manufacturers & resellers of quality products who are moving vigorously toward early enactment of the Quality Stabilization Bill." To our knowledge, this is first direct appeal by TV manufacturer for dealer support of Quality Stabilization legislation (Vol. 3:26 p9), which has been reported out of House committee & still is being processed by Senate subcommittee.

Motorola Consumer Products Pres. Edward R. Taylor, at N.Y. showing of new TV-stereo lines last week (see p. 11), spelled out to dealers need for Quality Stabilization legislation, told them: "If you believe in this legislation, write your Senators & Representatives and let them know." Brochure on legislation, with appeal for write-in support, was included in dealer take-home kit distributed at meeting. Motorola will deliver Quality Stabilization message to some 25,000 dealers this month during course of 20 new-line meetings scheduled around country.

TV-RADIO PRODUCTION: EIA statistics for week ended July 5 (27th week of 1963):

	June 29-July 5	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	89,693	156,843	82,441	3,550,961	3,375,855
Total radio	239,739	369,357	270,323	8,857,747	9,528,398
Auto radio	111,313	137,092	110,678	3,898,641	3,372,793

IMPORTS UP, EXPORTS DOWN: Japanese TV exports to U.S. for first 5 months of 1963 totaled more than 4% of U.S. black-&-white TV production for same period. In first 5 months of 1962, Japanese sets sent to U.S. were equivalent to only about 1% of American factory output.

Japanese TV exports to U.S. during the 1963 period were 3 times as great as in first 5 months of 1962. For the 1963 period, total was 121,380 sets, compared with 30,382 one year earlier. Breakdown by type of set for 1963 period (1962 figures in parentheses): Over 21-in., 5,267 (2); tube-type sets smaller than 21-in., 67,221 (23,213); transistor TV, 48,892 (7,167).

During May 1963, Japanese TV exports to U.S. held at the same 4% of domestic production; in May 1962 they totaled 3% of U.S. output. May 1963's exports were 19,145 sets, compared with 13,838 one year earlier. Breakdown: Over 21-in., none; tube sets, 9,229 (12,218 in May 1962); transistor, 9,916 (1,620). Significantly, May 1963 saw shipments of transistor sets exceeding tube sets for first time.

Year's first 5 months saw sharp decline in Japanese exports to U.S. of tube radios and "toy" transistor radios (fewer than 3 transistors). Perhaps reflecting softness in U.S. radio market, May shipments in all categories were lower than May 1962, although 5-month shipments of transistor radios were up 13%.

Here are 5-month figures for Japanese radio exports to U.S. (comparable 1962 figures in parentheses): With 3 or more transistors, 2,785,632 (2,463,954); tube radios, 619,074 (408,629); others (mostly "toys"), 939,894 (1,323,219). For May 1963 (vs. May 1962): Transistor, 575,713 (639,591); tube, 84,316 (150,592); others, 174,755 (210,206).

As TV shipments to U.S. increased, American TV exports showed decline of 28% in dollar volume & 27% in units for first 3 months of 1963 as compared with 1962's first quarter. Preliminary reports from Commerce Dept. place first-quarter U.S. TV exports at 27,000 units worth \$3,283,000, compared with 37,000 at \$4,568,000 year earlier.

Imports of TV sets exceeded exports during first quarter, Commerce Dept. reporting imports of \$4,679,000 in TVs (of which \$4,636,000 came from Japan).

Other first-quarter imports (comparable 1962 figures in parentheses, where available), as reported by Commerce Dept.: Transistor radios, 2,194,000 units at \$13,542,000 (2,272,000 at \$13,950,000); radio-phonos, 40,000 at \$3,239,000 (43,000 at \$3,609,000); recorders, \$7,475,000; receiving tubes, 17,371,000 at \$6,891,000 (11,991,000 at \$4,759,000).

Automatic Radio Mfg. is suing Ford Motor for \$15 million in triple damages, charging anti-trust violation in latter's sales policy on car radios. In action filed in Boston Federal Court, Automatic accused Ford & unnamed others of conspiracy to "monopolize interstate trade & commerce in the sale of automobile radios designed for installation in cars made by Ford." Suit complained that Ford since 1957 compelled certain auto dealers to sell only Ford radios for installation in Ford cars. Automatic also charged that Ford acquired Philco "for the purpose of manufacturing car radios for the Ford car line as part of a plan to monopolize." Ford said Philco makes no car radios.

Trade Personals

Charles H. Colledge, division vp & gen. mgr. of RCA Broadcast & Communications Products Div., elected a dir. of RCA Victor Co. Ltd., Montreal.

William P. Hilliard appointed pres. of General Precision's GPL Div., succeeded by **J. Frank Price** as pres. of subsidiary Pleasantville Instrument.

Andrew D. Farrell, former Bendix rep in Washington, appointed head of IIT Research Institute's new Washington office, 1755 Massachusetts Ave. (phone: 234-6880).

Edward J. Carney, onetime RCA Semiconductor Products & Components ad mgr., joins ITT's Distributor Products Div. as ad & sales promotion mgr.

Kenneth W. Bilby, RCA public affairs exec. vp, has been named chairman of the Manufacturing II Unit of the Publicly Owned Corporations Div. of the Greater N.Y. Fund, directing 1963 fund campaign among approximately 150 firms and their employes in N.Y. area.

Donald N. Lombardi, ex-Bro-Dart Industries, named personnel dir., Pilot Radio Corp.

Robert V. Jordan appointed mkt. planning mgr. for Sylvania's Electronic Tube & Microwave Device Divs.

Ron Sanderson named pres. of Newark Electronics subsidiary Newark Herrlinger Distributing, succeeding **Cal Callaghan**, resigned; **William Little** replaces Sanderson as pres. of Newark Industrial Electronic Supply, another subsidiary.

Michael D. Roman appointed Bulova Watch national sales mgr. for radio & stereo products, Accutron timepieces, and watches; **Mort Smit** named consumer electric products sales mgr. Both are new posts.

Sylvania Pres. Gene K. Beare returned to his home July 11 to recuperate from injuries suffered in July 2 airliner crash in Rochester in which Controller **Roy E. Drew** was killed (Vol. 3:27 p12). His condition was described as excellent, with complete recovery anticipated after several weeks at home. He sustained fractures of left leg & several ribs and injury to shoulder. **David K. Elwell**, new product planning dir., is still in Strong Memorial Hospital, Rochester, where he was reported making good progress in view of his extensive injuries. In addition to amputation of his left leg, he suffered multiple fractures of face & jaw, ribs and right ankle. **Dr. Lee Davenport**, pres. of GT&E Labs, also injured in crash, is now back at work, having been released from hospital July 3.

Obituary

Frank E. Smolek, Zenith Sales Corp. national service dir., died July 7 at West Suburban Hospital, Oak Park, Ill. He joined Zenith in 1928, had been national service dir. since 1932. He is survived by his widow and son.

James F. Lillis, 54, ITT vp & controller, died July 7 of heart attack at the Norwood Inn, Avon, N.J., which he recently purchased. He lived in N.Y.C. Prior to joining ITT in 1959, he had been vp & controller of Burroughs Corp., Detroit, for 10 years. He is survived by his widow & daughter.

Motorola Radio & Stereo: Motorola introduced to dealers last week its longest phono line in years, and a lengthened radio line—both featuring some unusual items.

Stereo pitch this year will be "Wide Spectrum Sound System," using Motorola's 3-amplifier principle. Center bass speaker in more expensive consoles is concealed by acoustical wood baffle, designed to provide damping effect for truer bass reproduction, and permitting use of more pliant speaker cone. Motorola also continues to feature reverb ("Vibrasonic") and has new phono pickup arm with 1½ grams pressure.

Popular coffee table stereo line is expanded this year and now starts at \$99.95. New to line is upholstered window-bench stereo at \$429.95. In portable line, there are 2 all-transistor units, at \$179.95 (swing-down) and \$229.95 (with fold-away mobile cart). Consoles are priced from \$149.95 to \$995, include variety of cabinets by Drexel & Heritage at upper end.

Radio line features 2 new concepts—"Tandem" transistor AM clock radio, whose radio can be detached and used as portable on own self-contained batteries (\$39.95); AM-FM multiplex radio which folds into "occasional chest" when not in use (\$225). Clock radios are \$19.95-\$39.95, with transistor clock radios at \$44.95 & \$49.95, AM-FM-clock at \$69.95 & \$79.95. Table radios start at \$14.95, topped by open-list long-distance AM radio. New AM-FM portable is \$59.95; AM-FM table radios (4 models) are \$49.95-\$79.95.

Program for 3rd all-channel clinic sponsored by Committee for Full Development of All-Channel Bcstg. was announced last week. Scheduled at 8:30-10:30 a.m. July 22 during NAMM Music Show at Chicago's Palmer House, keynote address will be presented by FCC Comr. Robert E. Lee. Panel discussion will be moderated by W. T. Hamilton of WNDU-TV South Bend. Panelists: Robert G. Weston, Lee's engineer; Jack Beever, Jerrold Electronics; John J. Frick, Frick Electronics & TV Inc.; Garth Heisig, Motorola; Harold Isenring, Sears, Roebuck. In afternoon meeting following clinic, CAB's Consumer Information Committee, temporarily headed by EIA Exec. Vp James D. Secrest, will meet to consider whether to schedule additional clinics and whether to conduct a consumer information program.

First OEM version of 3M-Revere tape-cartridge changer will be introduced by Ravenswood next week at Music Show in Chicago, as optional feature in its console line. At same time, 3M will introduce 3 new models, designed to be sold through same franchised outlets as its original \$450 tape-cartridge unit. Two are tape decks—one a recorder-player, the other a playback-only unit—designed to be used with buyer's existing stereo amplifier. Third new model is self-contained portable tape-cartridge player—similar to original model, except that it lacks recording feature. Prices haven't been disclosed.

Good-business reports: Zenith first-half sales set new record, according to ads placed in trade papers, with b&w sales at all-time first-half high "with greatest share of industry ever;" color sales doubled those of first-half 1962, putting "Zenith in very dominant 2nd place—and still gaining;" radio sales were higher than year-ago and stereo sales set new record . . . Packard Bell reports sales to dealers at its 1964-line showing in June "exceeded the all-time high sales of last year's showing by 113%."

Distributor Notes: Motorola Consumer Products Div. names Robert E. Hanrahan, pres. of R. E. Hanrahan Inc., Gary, Ind., "Distributor of the Year" for top performance in 1962 among 92 distributors • Motorola names Billings, Mont.-based Taylor Distributing Co. distributor for eastern Washington, northern Idaho & Montana, succeeding Sunset Electric. Taylor, which is discontinuing Sylvania TV & electronics lines, will service new territory from its Spokane, Wash. branch. • Emerson appoints 4 distributors for Telectro tape recorders: Steve Jordan Inc., 1117 N. Sante Fe, Wichita, Kan., for central & western Kansas; W. B. Lloyd Co., 160 S. 4th West, Salt Lake City, for Utah; Mason Distributing, 2000 Baltimore St., Kansas City, Mo., for western Missouri & 15 northeastern Kansas counties; National Mill Supply, 207 E. Columbia St., Fort Wayne, Ind., for 13 northeastern Indiana counties.

Color will account for virtually all TV set sales by 1970, RCA Chmn. David Sarnoff predicted in lengthy profile in July 7 *N.Y. Herald Tribune*. He also believes field of communications has been "barely scratched," discussed with enthusiasm new personalized frequencies which will enable anyone to see & speak with anyone else anywhere in world via wallet-size or even watch-size TV-radio-telephone device. "This may sound like a fuzzy dream, but it's the most realizable of all the things we've been discussing," Sarnoff told *Tribune* business & financial editor Donald I. Rogers. "It doesn't require any startling invention. The principle already exists." Device was among various electronic developments forecast by Sarnoff in next 10-20 years.

Field of industrial control is next major area of continuing industrial revolution, noted Gulton Industries Chmn.-Pres. Dr. Leslie K. Gulton in July 7 *N.Y. Times* profile. Electronic & electrical components now account for some 27% of Gulton's total sales, test & control instrumentation 25%, power sources & power conversion equipment 23%, cordless consumer products, optical scanners, data-handling equipment & similar products 25%. Gulton operates 9 divisions, employs more than 2,000, boosted earnings 36% to \$1.4 million on 23% sales rise to \$30 million in 1963 fiscal year ended Feb. 28. "The most important catalyst in any type of work is enthusiasm," he said.

Retailers foresee average 10% profit rise on 5% sales gain in 1963's 2nd half compared with year earlier, concluded National Retail Merchants Assn. after survey of 195 retail executives representing more than 2,000 department, specialty & variety stores. Findings: 68% anticipate profit increases, 4 out of 5 see sales rise; 57% expect prices to remain stable; 42% anticipate higher fall prices; only 27% anticipate rise in inventories; 44% plan to increase private labels, 38% will use more national brands.

Talk about warranty problems—a Communist Party commission investigating Russia's TV manufacturing industry reported that 30-50% of 5 makes of Soviet TV sets failed during first hours of use. Some 65% of all sets sold were returned for repairs within first 6 months of use. Reporting in *Pravda*, commission said more than 60,000 complaints were received last year about unreliable TV sets.

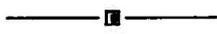
Plant vacation shutdowns (cont.): Philco Consumer Products Div. manufacturing plants, July 15-Aug. 5 (Philadelphia & Watsonstown, Pa. facilities), July 15-Aug. 12 (Connersville, Ind.).

New Highs for RCA: "RCA now stands on the firmest footing since its founding 44 years ago." So said Chmn. David Sarnoff & Pres. Elmer W. Engstrom in announcing all-times sales & earnings records for both first-half & 2nd-quarter 1963. Steady upward progression in earnings, they added, should continue through 1963 & beyond, barring unforeseen reversals in national economy.

For 2nd quarter, net profits rose 27% to \$12.1 million on sales increase of 3% to \$441.3 million. For first half, net earnings were up 23% to \$29.4 million on sales rise of 3% to \$877.3 million. (For details see financial table.)

Sarnoff & Engstrom attributed performance in no small measure to "profit-oriented management group," and added: "We believe we have today a stronger management team, with greater depth in qualified personnel, than at any time in RCA's history."

Among highlights of their report: (1) RCA now has more than 550 computer systems installed or on order. (2) Company maintains leadership in color, and Home Instruments Div. had its best 2nd quarter & first half in history. (3) NBC's sales & profits set new records in 2nd quarter & first half.



GE posted record sales & earnings in 1963's 2nd quarter, boosted first-half profit 5% above year ago on 3% sales rise to peak \$2.4 billion (see financial table). Included in first-half earnings of \$126.1 million are net earnings of \$4,355,000 produced by GE Credit Corp. In 1962's first half this subsidiary had \$3,805,000 of total \$120 million profit. Chmn. Ralph J. Cordiner noted higher sales of products for consumer, industrial, international & utility markets, said rate of incoming orders is ahead of year earlier. He pointed out that downward price trend has begun to "stabilize and in some important instances to reverse itself," called these "encouraging aspects of the business picture."

Reports & comments: Litton Industries, study, Goodbody & Co., 2 Broadway, N.Y. 4 • Magnavox, analysis, Oliphant & Co., 61 Broadway, N.Y. 6 • Electronic Associates, report, Emanuel, Deetjen & Co., 120 Broadway, N.Y. 5; discussion, Hayden, Stone & Co., 25 Broad St., N.Y. 4 • Magnavox, comments, Cohen, Simonson & Co., 25 Broad St., N.Y. 4 • CBS, report, Evans & Co., 300 Park Ave., N.Y. 22 • Zenith, AT&T, Schlumberger (Daystrom) and Electronic Associates, analyses, Carl M. Loeb, Rhoades & Co., 42 Wall St., N.Y. 5 • Walt Disney Productions, review, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4 • Vornado, discussion, Bruns, Nordeman & Co., 52 Wall St., N.Y. 5.

Hitachi Ltd. placed on American market 75 million common shares valued at \$20,859,375, through underwriting group headed by Dillon, Read & Co. and Yamaichi Securities Co. of N.Y. (Vol. 3:24 p12). Offering, one of largest in U.S. by a Japanese firm, is in form of 937,500 American Depository Shares, each representing 80 common shares & priced at \$22.25.

P. R. Mallory boosted 2nd-quarter profits 10-15% on 4.2% rise to record \$25.4 million sales from year-earlier's indicated earnings of \$976,058 on \$24.6 million sales. Pres. G. Barron Mallory attributed profit improvement to "greatly increased operating efficiencies & strict control of all costs."

Independent TV-appliance retailers in increasing numbers are pooling their buying power in co-operatives to cut costs, broaden inventories and battle on more even terms with discounters & department stores, noted July 10 Wall St. Journal. "In the face of intensifying competition from discounters," Journal said, "some independent appliance dealers see the co-ops as their best chance for survival. It's estimated that the number of independent appliance dealers in the nation has dropped to 35,000 from about 40,000 in 1955." Profile spotlighted Marta Co-Operative as one of nation's "oldest & most ambitious co-ops," noted that it embraces 85 members from Massachusetts to Virginia, compared with 11 when it started in 1949. Some manufacturers & distributors are less than happy with co-ops, Journal said, because "group buying prevents them from limiting sales of their products to the specific outlets they want, and they fret that co-ops may pressure them into granting price concessions they don't want to make general."

Legalities: Wilcox-Gay & wholly-owned subsidiary Majestic International have filed separate Chapter 11 petitions but will continue operating until further order of Federal Court, Brooklyn. Wilcox-Gay listed liabilities of \$479,723 vs. assets of \$651,319, including \$495,000 accounts receivable & \$16,318 deposits. Majestic noted liabilities of \$2,698,888 vs. assets \$510,123, including \$123 deposits, \$300,000 unliquidated claims, \$210,000 inventory. Wilcox-Gay reportedly has reached merger agreement with American TV Inc., headed by U. A. Sanabria (Vol. 3:25 p9) • Space-Tone Electronics & 3 subsidiaries (American Music Guild, components-&-cabinet-making Product & Industrial Engineering Corp., and International Acceptance Corp.) have filed voluntary bankruptcy petitions in Federal District Court, Washington, D.C. Samuel M. Greenbaum was named receiver by Judge David A. Pine. Schedules of assets & liabilities will be filed July 19.

Storer Bestg. revenues from TV-radio station operations "will be at least 10% ahead of last year for the first half," spokesman noted, but loss of more than \$300,000 on sale of Miami Beach Sun obviates similar increase in profit. Nonrecurring loss pushed 2nd-quarter profit below year ago, but Storer anticipates that any first-half profit decrease won't be more than "a few cents a share" from 1962's first-half earnings of \$1.48 a share. Last year, too, Storer had nonrecurring gain of \$912,863 on sale of radio WWVA Wheeling, W. Va.

Magnavox has franchised 2 Polk Bros. stores in Chicago, radio-TV sales mgr. George Fezell announced last week, and may add other Polk stores, "contingent on the success of the initial effort." Polk will emphasize "new selling techniques, including development of an 'in-home' selling program," Fezell said, adding that "all Magnavox products will be sold in conformance with the company's national sales policy."

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
A. C. Nielsen	Q	.17½	Aug. 1	July 12
Avco	Q	\$0.20	Aug. 20	July 26
Intl. Resistance	Q	.10	Aug. 30	Aug. 15
Medallion Pictures....	Stk.	10%	Aug. 15	July 31
Taft Bestg.	—	.15	Sept. 12	Aug. 15
Wometco Ent.—"A" ..	—	.15	Sept. 13	Aug. 30
Wometco Ent.—"B" ..	—	.05½	Sept. 13	Aug. 30

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

JULY 22, 1963

NEW SERIES, VOL. 3, No. 29

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC ACTIVITY—BACKGROUND REPORT on recent work, projected plans of offices: network study, hearings, complaints, chief engineer, field engineering, etc. (p. 1).

FM FREEZE-END PLAN BEFORE FCC this week, staff recommending table of assignments with same mileage separations as before (p. 2).

IT'S FINAL—OUTSIDE RATING AUDIT: NAB Rating Council executive committee meets, will establish non-profit organization to oversee audit, which will be done by national accounting or business management firm; Nielsen gives up Audimeter in network radio (p. 2).

SHARPER EDITORIAL GUIDELINES: House hearings on editorializing get hot as Congressmen worry about political attacks. Broadcasters defend fairness doctrine, but lawmakers think it's weak (p. 3).

COX DROPPING OUT OF DROP-IN CASE? MST says he must, because of his advocacy as Broadcast Bureau chief. Cox doubts it. EIA joins opposition to drop-ins (p. 5).

Consumer Electronics

SYMPHONIC-VS.-NEC ANTI-TRUST SUIT strikes at business practices of Japan's industrial giants, charging Japanese TV industry boycott as 'punishment' for Spiegel incident (p. 7).

COLOR REPRICING unlikely until fall, with no drop-ins from major manufacturers due at Music Show; Olympic offers color consolette at \$449.95, color-phono combo at \$499.95 (p. 8).

WHO PAYS 'RETAIL' ANY MORE? Survey by Opinion Research Corp. finds that consumers of all economic & social strata now expect price concessions & 52% of customers in metropolitan areas pay less than list more often than they did 5-10 years ago (p. 8).

TINYVISION DOUBLE-TAKE by industry results from initial success of GE 11-in. sets; except for Admiral set, no introductions appear imminent, but designers are busy (p. 9).

MUSIC SHOW introductions stress transistorization, FM stereo & unique ideas; highlights of advance announcements (p. 11).

FCC ACTIVITY — BACKGROUND REPORT: FCC has a loaded agenda, is trying to knock out some major items before Aug. recess or soon thereafter, as we noted recently (Vol. 3:25 p2). Nearest seems to be FM allocation, which may be voted this week (see p. 2). There's no telling what else will make it soon.

Lawyers & clients were relieved somewhat last week when Commission announced that many kinds of station sales will be acted on in Aug. by Broadcast Bureau under delegated authority.

Meanwhile, heads of FCC's various offices have summarized for Commission their recent activities and projects ahead. We've learned what some of them are. They include:

(1) Legislative history of Radio & Communications Acts is to be studied to determine whether Commission may already have power to regulate networks directly.

(2) Anti-trust angles of network program acquisition policies have been studied, will be reported to Commission soon.

(3) Largo, Fla. Ch. 10, supplemental decision is expected by Aug. 15, Rochester Ch. 13 initial decision by Dec., NBC-Philco initial decision by Nov. 1.

(4) Complaints & Compliance Div. in June sent investigators on 5-day trip to Mass. to examine slanted-editorializing charge, 1½-day trip to Philadelphia re rigged-contest charge, 4 days to York, Pa. & Annapolis, Md. re gambling matter.

(5) Chief Engineer's office has nearly completed work on precision offset, is also testing TV transmissions with low audio power. Study was made of station spacing in Britain with horizontal & vertical polarization.

(6) Field Engineering Bureau put 552 man-days in special study of rules violation in Citizens Band, found 5,470 violations.

FM FREEZE-END PLAN BEFORE FCC: Vote to end FM application freeze may come from FCC July 25. Special meeting is scheduled to consider staff recommendations for a "Third Report" in the long proceeding. We've learned that staff proposes following:

(1) Adopt table of assignments as spelled out in Aug. 1, 1962, "First Report." There would be many changes from those proposed in Dec. 21, 1962 "Second Notice," but principles would be same. In 48 states, there would be some 2,830 assignments, about 163 more than in "Second Notice."

(2) Ten existing stations would change channels at licensees' request. Three others would be changed involuntarily (KREP Santa Clara, Cal.; KIMP-FM Mt. Pleasant, Tex.; WTTC-FM Towanda, Pa.).

(3) Freeze would be lifted for all applications except in Puerto Rico & Virgin Islands. Applicants would be given 60 days within which to conform with new table of assignments—before any grants would be made.

(4) Minimum ERP for new Class C stations would be raised from 10 to 25 kw.

"Third Report" would leave several factors for later resolution:

Power increases for short-spaced existing stations—those not too close together—may be provided in quite a few cases, under strict rules.

Table of assignments is recommended for Hawaii, Alaska, Puerto Rico, Virgin Islands, Guam—probably with mileage separations different from those in continental U.S.—to come later.

Educational FM (EFM) assignment plan would have to be devised.

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Underlying staff's basic thinking is belief that FM should retain potential for wide-area coverage because: (1) Suburbs keep extending. (2) Primary night aural service to rural "white areas" is needed. (3) Stereo takes more power than mono—for same coverage. (4) FMs appealing to minority tastes need broad geographic base to get adequate economic base.

IT'S FINAL—OUTSIDE RATING AUDIT: NAB plans to set up non-profit organization to handle mechanics of rating firm audit. Auditing itself will be done by outside national organization—accounting or business management firm, as we indicated earlier (Vol. 3:27 p3)—which will be responsible to non-profit group.

This was highlight of actions at N.Y. meeting last week of exec. committee of NAB's Rating Council and its Research Committee, both chaired by Group W's Don McGannon. About 20 attended, including 2 AAAA representatives, one ANA. McGannon said "everything was moving ahead of schedule." Other developments:

(1) Criteria & Standards Subcommittee reported that it expects to be finished defining criteria for rating service performance by mid-Aug. These criteria—along with individually designed methods questionnaire for each service—will be mailed to raters by late Aug. (Vol. 3:27 p3).

(2) Final endorsement of most rating services to audit & accreditation plan has pleased Council. NAB wouldn't disclose names of raters who've given OK. "We don't want to create problems with any that haven't as yet," said spokesman. One official conceded that most of the majors are in. He wouldn't confirm nor deny report here last week (Vol. 3:28 p3) that ARB, Sindlinger, Pulse, Hooper have assented, that only Nielsen hasn't been heard from among large raters. Firm is considered key because of importance in network TV. Negative answer isn't likely, but Nielsen is expected to express reservations, make suggestions.

(3) Also last week, NAB representatives met again with RAB and Audits & Surveys Co., on radio methodology study. Reportedly, NAB was much impressed with research objectives of A&S plan, asked that comprehensive presentation be drawn up in form of recommendation to Research Committee. Final action, on whether NAB will put up \$75,000 or part of it to co-partner study with RAB, won't come until mid-Sept.

Among things that impressed NAB: Plan for time-&-motion study of various rating methods, development of mathematical models to produce estimates of cumulative audiences, shedding of light on certain TV research problems as well as radio.

RAB is going ahead on development of study, isn't necessarily waiting for NAB approval, is proceeding on premise that there's still good chance NAB won't co-partner.

Attending NAB-RAB confab: NBC's Hugh Beville, Metromedia's Bennet Korn, NAB's Melvin Goldberg, Group W's James Yergin, RAB's Ed Bunker & Miles David, A&S's Solomon Dutka, Lester Frankel, Wally Knudsen.

In other rating actions, it's learned that Nielsen has dropped its Audimeter device from new network radio measurement plan. That leaves diaries & Recordimeter clock. Networks are studying proposals now.

WAME Miami lawyers, asked by federal court to amend suit against Nielsen by making damages more specific, did so. Added to complaint is statement that Nielsen didn't measure total radio listening because of inability to include auto radio, transistor radio, multi-radio homes. Nielsen is expected once more to file for dismissal.

SHARPER EDITORIAL GUIDELINES: Prospects for strengthened FCC rules on editorializing appeared in the cards last week, after 5 days of sharply worded House hearings.

Congressmen on Communications Subcommittee, chaired by Rep. Rogers (D-Tex.), kept talking about need for legislation, indicated they would settle for nothing less than FCC rules to supplant "fairness doctrine." Broadcasters would settle for that in lieu of legislation. FCC, as we indicated week ago, said it's working on editorializing primer, is giving thought to rule-making to delineate broadcasters' responsibility. FCC Chmn. Henry indicated primer would give examples of editorial problems & how FCC handled them.

There were many congressional objections to editorializing, many of them—as one might expect—dealing with political attacks and with mechanics of rebuttal. Look for any new rules to deal with following complaints:

(1) Fairness doctrine isn't specific. (2) Aside from invitations to reply, stations don't publicize that they are charged with responsibility to present opposing views. (3) Rebuttal may be aired at times different from original editorial, reaching different audience. (4) Editorializing creeps into some news programs without being identified. (5) Copies of editorials in too many cases aren't sent to interested, or attacked, parties. (6) There's no system for keeping editorials on file for specified time. (7) In general, not enough rebuttals are sought or presented. (8) Lack of competence of many stations to present researched editorials.

As hearings started, Rep. Hemphill (D-S.C.) stated flatly that editorials should be "done away with" because they're "vindictive." "It's not worth the trouble to the broadcaster, the public or the FCC," he said. Hemphill is not biased against only TV-radio, however. He didn't approve of newspapers that "blast you on the front page and retract it on the back . . . I still want to give [newspapers] their freedom. I wish I could give them some integrity."

Rep. Bennett (R-Mich.) said he didn't think FCC had authority to encourage editorializing, that it wasn't provided for in Communications Act. Henry said it stems from requirement that broadcasters serve community needs. Dan Kops (WAVZ New Haven & WTRY Troy), speaking for NAB, said it came from Sec. 326 of Act, which prohibits censorship. CBS Pres. Frank Stanton said it evolved from the "totality of the Act." Serving the public interest, he stated, "gives us the right to cover the broad spectrum" of programming & issues until Congress or the FCC takes that right away.

In brisk exchange with Subcommittee members, NAB gen. counsel Doug Anello said Congress "can't prohibit any area of programming. You can't attach an unconstitutional condition [to Act]." Moss replied, "But you certainly can impose standards."

Anello pressed on: "I don't think [Sec. 315] is constitutional." Why isn't there a test case, if convictions are so strong? Moss asked. "The only way to test it is by having a broadcaster put his license on the line," Anello said with finality. NAB lawyer referred to 1959 case he tried before Supreme Court in which WDAY Fargo was absolved of any liability in political broadcasting. Court didn't rule on constitutionality because it wasn't an issue in suit.

Stanton was industry's best salesman. He said editorials are vital in a free society "to stimulate discussion and criticism." He related editorializing procedures used by CBS-owned stations & network, bringing this comment from Rep. Younger (R-Cal.): "If all broadcasters were Stantons we wouldn't need an FCC."

Stanton said he was opposed to any legislation, stated fairness doctrine was adequate, but didn't quarrel with idea of clearer FCC rules. Bennett charged that Stanton advocates "de-regulation" everytime he comes before Subcommittee. "I'm saying no further regulation is necessary," replied Stanton.

"You don't have to operate in the public interest as a network," said Bennett. "You thumb your nose at the FCC with impunity." Stanton said company would come under FCC review if it behaved one way as a licensee & another way as a network. He added that FCC does regulate indirectly through stations, citing option time elimination & programming decisions. Bennett amended his charge to say "you could thumb your nose. . ."

Stanton's views reached Rep. Moss (D-Cal.), who wrangled with earlier witnesses over provision in his political editorializing bill (HR-7072) (Vol. 3:28 pl). It would require candidates—not their spokesmen—to reply to editorials that attack them or support opposing office-seekers. Industry witnesses claimed this would create equal time problem by giving all candidates for office a right to comment.

Moss & Stanton then seemed to reach meeting of minds—that perhaps bill could act as an additional amendment to Sec. 315, exempting equal time in these cases and allowing only aggrieved candidate to respond.

Kops argued that broadcasters have same freedom as newspapers, but with further obligation "to bring out all views." He said, as did others, that broadcast editorials are especially necessary today because of consolidation of newspapers. He also presented NAB's newest version of "Editorializing on the Air." It includes 16 guideposts and an interpretation of fairness doctrine. Most congressmen felt same way Younger did—that doctrine leaves opportunity for broadcaster to "crucify" a candidate and then select spokesman of his own choice for rebuttal.

Anello said he favored FCC rules, as against legislation that couldn't deal with many different & changing situations. He also said that FCC could use "cease & desist" procedure more often.

Henry supported editorializing, much as we indicated week ago, thought fairness doctrine was workable but that sharpening of broadcaster responsibilities was necessary, especially in cases of personal attack. He agreed with spirit of Moss's bill, but not its specifics. He thought that legislation was not as appropriate as rule-making. Commission was criticized by Bennett for having done little since 1949 to set down rules on editorializing. He called Henry's statement a "weak one," later referred to fairness doctrine as "ridiculous" & "asinine."

Younger complained about statement of Sherwood Gordon, radio KSDO San Diego, who indicated he didn't think he had to grant opposing views in editorials. Henry said he'll investigate.

Group W Pres. Don McGannon related procedures followed by his stations—complete separation of news dept. from management editorializing, methods used in research and in helping individuals & groups who take opposing stands. He closed by opposing any legislation or rules that will "hamper" editorializing. "I urge you [to] encourage an even greater number of broadcasters to undertake this task in a serious, systematic and responsible way."

ABC-owned stations adopted editorializing policy Aug. 1, 1962, with most of the stations now taking on-air stands, and those that haven't will do so shortly, stated Theodore F. Shaker, ABC-owned TV stations' pres. He was joined by Harold Neal, ABC-owned radio stations' pres. ABC editorial policy bans political endorsements.

NBC sent statement of editorial position. It repeated, in part, views expressed by Chmn. Robert Sarnoff before Senate equal-time hearings last month (Vol. 3:26 p3): Company fully endorses right of stations to editorialize, though its owned stations don't. It doesn't believe network should editorialize because on-air views should originate with licensees.

Network said it isn't convinced that editorials "add significantly" to information service that includes news, interview & discussion programs.

Two testifying Congressmen supported unhampered editorializing. Rep. Van Deerlin (D-Cal.), a former TV-radio commentator, said Congress should join with FCC, NAB, others to stimulate "full and free discussion of public issues." He said hearings "may tend to discourage, if not intimidate" licensees who editorialize. Rep. Dorn (D-S.C.) said editorializing was making "great contribution."

Rep. Hall (R-Mo.) said he favors local editorializing, but is against network documentaries that he believes add up to editorializing, said networks ought to be regulated in this regard. Mutual Pres. Robert Hurleigh said many small stations want to editorialize, but haven't the staff.

Hearings will pick up again in Aug., devoted mostly to station witnesses. Georgia Assn. of Bcstrs. has sent names of 3 members ready to testify; also Ben Strouse, WWDC Washington, is slated to appear. GAB holds its National Broadcast Editorial Conference this week, July 25-27, at U. of Georgia. Rep. Harris (D-Ark.) & Kurt Borchardt, House communications specialist, are scheduled to appear, among others.

COX DROPPING OUT OF DROP-IN CASE? Unusual anti-drop-in move was brought into picture last week by Assn. of Maximum Service Telecasters: It filed motion asking Comr. Cox to pull out of proceeding, stating that he's legally barred from participating because of his previous work on case as chief of Broadcast Bureau.

MST relies heavily on "Sangamon Valley" case, in which Court of Appeals held that channel-shift rule-making proceeding involved there was "adjudicatory," not "legislative." MST argues that vhf drop-in situation is similar and that Cox served as an "investigator" or "prosecutor" favoring drop-ins when he was in Bureau. Therefore, MST says, separation-of-functions law requires that he not participate in final vote.

Cox's initial reaction is that MST is wrong. He says that FCC attorneys are researching case and he hopes to respond soon. Commission attorneys we've queried agree with Cox. It's expected MST will go to court if Commission turns it down.

Importance of MST's move is this: Cox is most ardent drop-in advocate. He was with minority in 4-3 vote rejecting drop-ins. New Comr. Loevinger replaced Minow, who voted against drop-ins; if Loevinger votes for drop-ins, and Cox votes again, decision would be reversed. If Cox doesn't vote, and Loevinger favors drop-ins, vote stands at 3-3 (assuming no switch in votes) and old decision stands: No drop-ins. (While everyone speculates about Loevinger's thinking, he says he doesn't know how he'll vote.)

MST makes it abundantly clear that it has "the highest personal respect and esteem for Comr. Cox and his inherent impartiality," and that it's "motivated by professional responsibility" to Cox & Commission.

MST also filed opposition to the numerous petitions for reconsideration. It was joined by, among others, EIA, which said public in the 7 proposed drop-in markets would be hurt if FCC reverses. It said 122,450 sets were sold in those markets last year, with retail value of \$24.5 million. If sets were all-channel, EIA said, public would have paid extra \$3,675,000—and the uhf portion they paid for would be useless if uhfs aren't built.

Personals

Glenn Marshall Jr., WJXT Jacksonville, & Richard W. Chapin, KFOR Lincoln, Neb., appointed NAB 1964 convention co-chairmen.

Edward Codcl, Katz Agency, re-elected Station Representatives Assn. pres.; Adam Young elected vp; Robert E. Eastman, treas.; Bob Dore, secy.

Harvey Spiegel, TvB research vp, elected Radio & TV Research Council pres. . . . Don Richardson, assignment editor, CBS News, Washington, promoted to asst. news dir.

Robert Norvet, CBS-TV film operations dir., Hollywood, promoted to film operations gen. mgr. . . . Laurence M. Bub, literary rights & contract negotiations admin., NBC West Coast, promoted to talent & program administration mgr.

Arthur Salzburgh, ex-CBS-TV Stations Div., named research mgr., ABC Radio . . . Rudi Witschi appointed mgr., Trans-Lux TV's new international sales office, hq Zurich.

Edwin C. McCalfe, RKO General national sales head, Los Angeles, appointed sales operations dir., group's CKLW-TV-AM Detroit . . . Donald L. Chapin elected vp in charge of sales, Taft Bcstg.

Charles Keller promoted to news & special events dir., WFIL-TV-AM Philadelphia, succeeded by John Toutkaldjian as film production unit exec. dir.

Bob Macpherson appointed promotion mgr., CTV Network, Toronto, succeeding Ed Hausmann, resigned . . . Robert B. Beusse, WOR-TV-AM N.Y. adv. & promotion mgr., promoted to adv. & sales development dir.

Obituary

Dr. Herbert T. Kalmus, 81, founder & developer of Technicolor, died July 10 of heart attack at Hollywood home. He is survived by wife, 2 stepdaughters.

Donald E. Allen, 50, promotional services mgr., NBC West Coast, died July 15 at St. Joseph's Hospital, Burbank, apparently of heart attack. He had been with NBC since 1947. Survivors are wife, 2 daughters, brother.

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Active TV committees representing U.S. TV film companies have been established in Europe's principal TV markets by Motion Picture Export Assn. of America, reported William H. Fineshriber, MPEAA vp, last week on his return from 6-week European tour. New groups, similar to those previously set up in Latin America, are in Paris, Rome, Frankfurt & London. Fineshriber reported increasingly favorable climate for TV film exporters as result of increasing set saturation, growing pressure for commercial TV, establishment of new TV stations & networks and rising costs of local production. He also cited growing support in Europe for U.S. sponsored clause in General Agreement on Tariffs & Trade seeking to promote increased freedom of movement for international trade in TV programs. Clause was endorsed last month by broadcasting council of EBU.

FM stereo programming will begin Aug. 1 on ABC's WABC-FM N.Y., AB-PT Pres. Leonard H. Goldenson announced last week. Station provides separate programming from its AM affiliate 6 p.m.-midnight daily, and plans to broadcast this full schedule in stereo, except for newscasts. It will be first FM stereo station to broadcast from antenna atop Empire State Bldg. Goldenson said acceptance of WABC-FM stereocasting may help determine future plans of ABC's 5 other owned FM outlets.

CBS-TV's offer of one-hour televised debate between N.Y. Gov. Rockefeller & Sen. Goldwater (R-Ariz.) was accepted by Rockefeller, declined by Goldwater. Latter turned down invitation of CBS News Pres. Richard Salant for appearance this summer on grounds it would contribute to party "disunity."

WBUD-FM Trenton notified FCC it stereocasts 24 hours daily, Mon.-Sat.—first round-the-clock schedule, according to Commission.

Tightened tall-tower rules are again sought by FAA. Last week, agency sent to broadcast industry copies of 2 "draft proposals"—inviting comments by Sept. 1. One is "Effect of Proposed Construction or Alteration Upon Aircraft Operation Under Visual Flight Rules," other is "Antenna Farm Area Criteria." FAA representatives have been meeting with FCC staff, reporting that farm idea is fine but that congressmen and aviation industry are pressuring FAA to limit all towers to 1,000 ft. According to one consultant, some tower proposals are being turned down on basis of the proposed rules, even though they haven't even been proposed formally, let alone finalized. Copies may be obtained from Federal Aviation Agency, 1711 New York Ave. NW, Washington 25, D. C.

Two political broadcasting bills introduced in House last week. HR-7550, by Rep. Slack (D-W. Va.), would amend Sec. 315 of Communications Act to eliminate statutory requirement of equal time. HR-7612, by Rep. Morse (R-Mass.), would also amend Sec. 315 by providing that whenever a legally-qualified candidate attacks any person on the air, that person is entitled to rebuttal to equal time used in attack.

Satellite status: (1) Telstar II went silent July 16; AT&T hadn't found out why, by week's end. (2) Non-TV Syncom satellite launch is set for July 24; it's to orbit at 22,300 miles. (3) FCC has granted most of the 120-odd applications from carriers to buy stock in ComSat Corp. (4) FCC has issued proposed rules for procurement for ComSat, invites comments by Sept. 23 (Docket 15123).

Cigaret smoking was labeled "severe hazard to health" by California State Dept. of Health. It said risk of dying of lung cancer is 14 times higher among cigaret smokers, that death rate from heart disease is twice as high as among non-smokers. Consumers Union report on smoking was published by Simon & Schuster last week. It attacks tobacco firms' advertising & merchandising policies.

Renewal denials of radio WKBL Covington & WHEY Millington, both Tenn., are recommended in initial decision by FCC Examiner Arthur Gladstone—on grounds of misrepresentation to Commission.

TV is best way to watch eclipse of sun, scientists advised at weeks' end. Naked eye view could lead to retina damage, public was told. All 3 networks planned coverage.

Hartford pay-TV adds "Eddie Fisher in Las Vegas," hour show videotaped at Desert Inn appearance. It will be seen on RKO General-Phonevision system Aug. 3 & 7.

Sale of WDBO-TV (Ch. 6) Orlando Fla., with AM & FM, to Outlet Co. for \$6.1 million (Vol. 3:15 p5), has been approved by FCC.

Teaching through TV will be studied at West Chester State College (Pa.), through \$174,000 grant by Office of Education.

Network TV guide—showing 1963-64 programs, sponsors, starting dates—has been prepared by Avery-Knodel, distributed to 1,400 agency & advertiser executives.

Yankee Network of 30 radio stations in 6 New England states celebrates 35th anniversary.

WRUL N.Y. is first commercial shortwave station to become NAB member.

New broadcast equipment catalog has been published by Gates Radio, Quincy, Ill.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

SYMPHONIC - VS. - NEC COULD SET PRECEDENT: Striking directly at business practices of old-line Japanese industrial giants, Symphonic's treble-damage anti-trust suit against Nippon Electric Co. & EIA of Japan may well become long-time cause celebre. With significance far beyond TV-radio industries, broadly worded document charges, in effect, that Japan's old established industrial interests, with their interlocking connections, violate U.S. anti-trust laws in their exports to U.S.

Suit is indirect result of celebrated "Spiegel incident" of last Dec., which aroused ire of Japanese TV industry when big Chicago mail-order chain offered 16-in. sets made by NEC for Symphonic at \$79.95 & \$99.95 (Vol. 2:53 p9, 3:2 p11). Symphonic suit, filed late last week in N.Y. Federal District Court, charges that NEC & EIAJ prevented it from acquiring Japanese TV sets "as punishment for having sold to Spiegel and as a warning to other American importers to adhere, and compel their customers to adhere, to the established Japanese price structure."

Named as co-conspirators but not defendants are 19 other firms which were members of pre-war Sumitomo Group, including TV manufacturers Hayakawa, Hitachi, Tokyo Shibaura (Toshiba) & Yaou Electric. Suit alleges increasing interlocking ownership & operation of these firms, including regular meetings & exchanges of executives. As result of this power and of monopolistic acts, says Symphonic, it was virtually frozen out of TV import market.

Symphonic's complaint gives this sequence of events surrounding Spiegel incident: Agreement between Symphonic & NEC was to have run for year from Nov. 1, 1962 with automatic renewal, both parties contemplating that Symphonic would buy "at least 50,000 to 100,000 TV sets" from NEC during 1963. Symphonic says it anticipated net profit of more than \$1 million from first year of contract, more than \$1.5 million from 2nd.

Symphonic's initial order was 15,000 sets, of which 9,000 were to be price-leader model, substantial portion to be resold to Spiegel. Price leader advertised by Spiegel at \$79.95 was sold by Symphonic to Spiegel for \$75.25 FOB Lowell, Mass., or San Francisco; \$99.95 set was wholesaled at \$80.30 FOB. Beginning in Jan. 1963, Symphonic charges, defendants conspired to make "example" of Symphonic to deter other U.S. importers from selling to price-cutters.

NEC used "vast economic resources & influence of the Sumitomo Group of enterprises" to boycott & exclude it from access to low-cost Japanese TV sets, forcing other Japanese TV makers to fall in line, and using "vast economic power & influence of EIA [of Japan] to this end," Symphonic charges. As result, suit alleges, Symphonic is now "unable to obtain any reasonable source of supply" for Japanese TV sets, it has lost customers, and defendants' actions "have virtually rendered Symphonic's TV business unprofitable & valueless."

In addition to treble damages under Sherman Act (amount not yet determined), 2 other claims seek damages for breach of contract against NEC's U.S. affiliates and parent Japanese firms. Symphonic's attorney is Milton R. Wessel of Kaye, Scholer, Fierman, Hays & Handler. Officials of defendant NEC N.Y. Inc. could not be reached for comment at week's end. Japan Trade Center officials in N.Y. declined to comment, since they had not seen complaint.

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First indication of how Japanese manufacturers intend to fight \$99.95 U.S.-made TV sets came as Music Show opened, when Sharp Electronics (Hayakawa) introduced new version of its 16-in. TV at \$89.95, slashing \$30 from list price of previous leader model. Step-up model is \$109.95. Sharp also announced it would enter 19-in. field with \$129.95 set. At same time, it reduced prices of its battery TV sets, cutting 8½-in. model from \$229.95 to \$189.95 and 6-in. model from \$179.95 to \$169.95.

COLOR REPRICING—NOT TILL FALL: Those anticipated drop-in color price leaders at around \$450 probably won't be visible at this week's Music Show in Chicago. Best bet, however, is that there will be some new leader models in fall from companies whose lines now begin at the \$500 level.

Olympic last week joined those manufacturers with color sets starting at \$450-mark, introducing 9-set color line with leader grained metal console at \$449.95. Big surprise in line was color stereo combo (without radio) at \$499.95, with step-ups (FM stereo & AM) at \$619.95, \$895 & \$995. Previous lowest color combo, to our knowledge, was Curtis Mathes unit at \$559.95. Among larger manufacturers, Magnavox had been lowest at \$795. Step-up consoles in Olympic color line are \$549 and 3 models at \$695.

Most manufacturers showing color lines after Admiral tossed its \$399.95 bombshell have priced their leaders at \$449.95. Some of those which showed before Admiral had pointedly omitted metal-cabinet table model or console from lines, and it's believed eventual drop-ins will be in this category.

Here's color price-leader roundup as of this moment: \$400 & below—Admiral, Curtis Mathes, Sears Roebuck (some retail stores). \$450—GE, Motorola, Olympic, some private brands. \$500—Emerson, Magnavox, Philco, RCA, Sears Roebuck (catalog), Sylvania, Zenith. Above \$500—Du Mont (\$599), Packard Bell (\$650), Westinghouse (\$525). It should be noted, however, that some makes (examples: Magnavox, Sears) include service policies and/or installation priced inboard, equivalent to \$30-\$50 reduction.

No immediate intention of lowering color prices or introducing new price leaders is being expressed by any of those manufacturers whose lines start in the \$495-&-above bracket, so far as we can determine. But it's quite possible most of them have long-term plans to do so.

Variety of makes & models of color sets is constantly increasing. Muntz will begin shipment of color sets next month, its line consisting of 3 basic models—lowboy console and 2 combos, both including AM & FM stereo (list prices not yet firmed). Electrohome of Canada will show 5-set color line designed for U.S. market at Music Show, with metal console at \$495, consoles at \$649.50 & \$795.50, combos at \$995 & \$1,395. Setchell-Carlson plans to introduce color set soon.

For other highlights of new products at Music Show, see p. 11.

WHO PAYS 'RETAIL' ANY MORE? Major factor in current agitation for Quality Stabilization legislation, Fair Trade, list price clarity, etc. is clear fact that within handful of years consumers of all economic & social strata have become conditioned to expect price concessions—and large & leaping numbers of them now shop until they get them.

Predecessor I-can-get-it-for-you-wholesale boys & other price cutters were annoyance to traditional retailers, but catered to relatively small & limited customer group. Modern discount stores, however, have taken stigma out of paying less than retail. Today, consumers who had only contempt & disdain for yesterday's cut-rate dealers swarm about advertised bargains of discount palaces.

That's essence of survey conducted by Opinion Research Corp. to determine, in part, if consumers today are paying retail or list prices with same frequency as 5-10 years ago. Here are some of the findings:

In metropolitan areas with million-plus populations, 52% of consumers now pay less than list more often than they did 5-10 years ago, compared with 27% who reported no change. In areas of 100,000 to 999,999 population, 45% buy at discount vs. 27% with no change. Even in small communities—under 100,000 population—discount buying rate is up sharply: 39% reported they now buy for less vs. 29% with no change. Over-all, 51% of consumers now compare prices in different stores more often, compared with 31% who reported no change in comparison frequency over past 5-10 years.

Questions relating to discount buying also were posed by Opinion Research to shopping leaders—"the active consumers who have shown most change in shopping behavior over past 10 years" by doing with greater frequency at least 4 of the following: pay less than list, buy imported goods, compare prices between different stores, make all purchases in one store, shop self-service stores.

Among these shopping leaders, survey found, 62% bought their last small appliance at discount price, vs. 33% who paid list & 5% who didn't remember. For their most recent major appliance purchase, 50% bought at discount, 49% paid retail, one didn't remember. Private labels also are more attractive to shopping leaders. Some 37% reported they now buy house brands more often than they did 5-10 years ago.

Traditional retailers who are hopeful that recent financial tremors & shakeout in discount industry will whittle competition will find little solace in growth figures reported by Opinion Research. By 1965, outlook is for total 5,300 discount store units—more than double 1961's 2,512. Of greater significance, discount store sales by 1965 are expected to more than triple to \$15.6 billion from 1961's \$4.8 billion.

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Discounters' "Giant 13" superchains—most of which sell TVs & radios—are growing rapidly in sales & size, according to mid-year analysis conducted by "Discount Store News." Study covered Arlan's, Atlantic Mills, Clark's, J. M. Fields, GEM, Interstate, K-Mart, King's, Korvette, Shopper's Fair, Spartan, Two Guys from Harrison, Zayre. Summed up report: "Final figures still are being totaled for the calendar half or comparable fiscal period, but the amalgamated pattern emerging shows volume running decisively ahead of a year ago on the strength of a sharp increase in number of stores. Profits, however, clearly reflect the traditional first-quarter doldrums, increasing competition, and the heavy attrition of non-recurring start-up costs for new stores . . . There's no lack of enthusiasm for a big late-year finish, however." Since first of year, these 13 giants added 33 new stores, plan 61 more by year's end.

Zenith has been actively pushing for Quality Stabilization bill both at Washington and grass-roots levels through its dealers & distributors. At its distributor group meetings last May, Zenith Sales Corp. arranged discussions of the legislation. Distributors, in turn, gave dealers "a personal selling" on the bill and asked them to contact Congressmen.

"We were actually assisting in this effort almost 2 years ago," says Zenith Sales Corp. Pres. Leonard C. Truesdell, who adds that company has contributed "sizeable sum of money" in campaign to achieve Quality Stabilization legislation. More than year ago, article by Truesdell favoring the bill was placed in "Congressional Record" by Rep. Holifield (D-Cal.).

INDUSTRY DOES DOUBLE-TAKE ON TINYVISION: Like it or not, tinyvision may yet turn out to be the hottest TV item of the year.

Competitors who once questioned salability of GE's 11-in. set starting at \$99.95, now are questioning its reliability and its effect on standard-sized TV market. But they've stopped saying, "it won't sell"—because, fact is, it is selling.

We questioned substantial cross-section of TV manufacturing industry on what their intelligence systems had told them about reception of GE's 11-in. portable, and replies were unanimous: No question about it, it's selling. It seems, in fact, to have met far better consumer response than 16-in. did last year—not only pipeline-filling, but repeat orders already.

This doesn't mean manufacturers are enthusiastic about tinyvision. Many of them expressed fear that it will cut into full-size TV sales. Others felt good sales so far were based on novelty value and that no real potential exists after the "be-first-in-your-neighborhood" market is filled.

Emerson's 16-in. at \$99.95 was frequently mentioned in same breath with tinyvision, as if the 2 were battling it out at marketplace. Actually, low-priced 16s will undoubtedly deflect some sales from 11-in. sets—but they're basically 2 different breeds of cat. For one thing, quantities of \$99.95 sets being delivered by Emerson are unknown. For another, Emerson has whole line of 16s and 19s to sell up to, while GE is currently marketing only two 11-in. sets—\$99.95 & \$109.95. Therefore GE dealers who advertise tinyvision presumably want to sell it, but no dealer advertising 16-in. at \$99.95 is going to be in hurry to close that deal when he has other 16s and 19s priced at up to \$200.

"We're back-ordered everywhere," a GE official told us. He said production of 11-in. table model at \$119.95 & TV-clock-radio at \$149.95 have been postponed in effort to meet demand for \$99.95 & \$109.95 sets. Apparently, the key to sales is not magic price of \$99.95, since GE says public is buying three \$109.95 step-ups (colors, chrome trim) for every one leader model at \$99.95. According to this GE spokesman, Philadelphia dept. store chain Strawbridge & Clothier sold 182 sets in 10 days.

GE also insists tinyvision isn't cutting into sales of other TV, but finding its own market as impulse or gift item. GE's market researchers interviewed 500 consumers who bought 11-in. sets and found "a substantial portion of these people hadn't been in the market for TV sets."

Only other manufacturer planning introduction of U.S.-made tinyvision soon is Admiral, whose "competitively priced" sets will probably be introduced next month or in Sept. Sears Roebuck will begin receiving 10-in. Toshiba-built sets in next few weeks, with 10,000 scheduled to arrive this summer. Sears says it hasn't arrived at price yet, and that it may offer them through its retail stores on selective market basis.

Mysterious quiet prevails among other U.S. manufacturers. There are no stirrings anywhere along supply lines to indicate that GE & Admiral will have any U.S. tinyvision competition remainder of this year. But it's good bet that design departments are working overtime.

Tinyvision sales will be watched very closely from now on by all set manufacturers, trying to find answers to these questions: Is it a fad? How high can it be priced? How cheaply can it be made? Is this a real market which can support many competitive manufacturers—or might it be left limp & lifeless by over-exploitation, like the 16-in. market?

TV-RADIO PRODUCTION: EIA statistics for week ended July 12 (28th week of 1963):

	July 6-12	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	87,514	89,693	66,949	3,638,475	3,440,734
Total radio	252,805	239,739	268,524	9,110,552	9,794,472
Auto radio	92,950	111,313	117,629	3,991,591	3,480,472

Trade Personals

Donald C. Burnham elected Westinghouse pres. & chief exec. officer, succeeding **Mark W. Cresap Jr.**, resigned because of ill health. Burnham, former vp in charge of Industrial Group, also elected a dir.; **John K. Hodnette**, formerly exec. vp, named vice chmn., a new post; **Gwilym A. Price** continues as chmn.

Howard W. Hibshman, ex-Stromberg-Carlson, Magnavox & Hotpoint TV, resigns as Pilot Radio marketing dir. to become marketing vp of Water Refining Co., Middletown, O.

Robert L. Shaw, former pres. of Sylvania Home Electronics Corp. & ex-vp of Admiral & Du Mont Emerson, joins General Time's Westclox Consumer Products Div. as mktg. vp, hq in La Salle, Ill. He had been associated with Hupp Corp. for past 6 months (Vol. 3:25 p11).

William S. Hepner Jr. appointed EIA PR dir., succeeding **Robert T. DeVore**, resigned to join Washington bureau of Fairchild Publications.

William F. O'Boyle, former Symphonic Electronic gen. sales mgr. & onetime vp of Capitol Records' Phonograph Div., appointed Pilot Radio acting western regional mgr., covering 11 western states, hq on West Coast.

Richard M. Kelly, formerly Magnavox eastern sales mgr. for consumer products, rejoins Hupp Corp. as pres. of Easy Appliance Div.

Nat C. Myers Jr., formerly TelePrompTer vp, appointed communications products & services mktg. dir., Fairchild Camera & Instrument's Industrial Products Div., a new post.

James L. Von Harz, former Oak Mfg. administrative vp, joins International Resistance as Burlington (Iowa) Div. gen. mgr., succeeding **James Hollyer**, resigned.

Mortimer Rogoff appointed a vp of ITT subsidiary, ITT Europe & Data Systems Div.

Ed Stern named Webcor mktg. mgr., a new post . . . **James B. Hofer** appointed field service mgr. of Arvin Industries' Consumer Div., a new post . . . **W. R. Henn** appointed GE radio receiver dept. mktg. administration mgr., succeeding **L. M. Hodgkins**, named San Francisco district mgr.

Herbert C. Knortz elected ITT controller & a vp, succeeding **James F. Lillis** who died earlier this month (Vol. 3:28 p10).

Richard Lionetti, formerly Columbia Records phonograph sales dept., named merchandising dept. special products mgr., responsible for merchandising Columbia stereo magnetic tape cartridge, among other products.

Dr. Milton U. Clauser, ex-Space Technology Labs vp, & **Dr. J. P. Ruina**, MIT electrical engineering professor, appointed fulltime consultants, Communications Satellite Corp.

Distributor Notes: Sylvania names **Morris H. Housel Jr.**, ex-Magnavox, gen. sales mgr. for Chicago area, succeeding **Erwin J. Arendt**, appointed Chicago area district sales mgr. • **Emerson** appoints subsidiary **Emerson Radio of Maryland** distributor in Baltimore area for Du Mont home entertainment lines, succeeding **Shepherd Electric**.

FTC case against Jerrold, which had charged it with misrepresentation of its "TV Receptor" indoor antenna, has been dismissed "for failure of proof." FTC Chmn. **Dixon** wrote the brief decision. Examiner **Joseph W. Kaufman**, in Aug. 8, 1962 initial decision, had recommended dismissal of charges. Commission set aside his decision, saying it erred in one respect, but "we are not convinced he erred in dismissing the complaint for failure of proof." Examiner had discounted considerable testimony of expert witnesses, without justification, according to **Dixon**.

NEW AT MUSIC SHOW: Transistorization, FM stereo and unique new products will be sharing spotlight this week in Chicago at Music Show introductions. Among new items:

Westinghouse is showing 3 brand-new items: (1) Miniature all-transistor tape recorder at less than \$40. (2) Transistorized automatic phono with drop-down changer which plays on 6 flashlight "D" cells or line cord, at less than \$70. (3) Transistorized 3-piece FM-stereo-AM table radio in oiled walnut, with two 6-in. & two 4-in. speakers, at less than \$200. Other Westinghouse introductions include 2 transistor stereo portable phonos at about \$160 & \$200, tube stereo phonos at \$70 & \$120, new transistor radio line ranging from \$18 to \$40, four 19-in. portable TVs, one TV-stereo combo.

Minnesota Mining will announce price reduction from \$450 to \$399 on its original 3M-Revere tape cartridge recorder and display new products reported last week (Vol. 3:28 p10) at these prices: Recorder-player deck, \$339; tape player deck, \$269; self-contained tape player, \$329. 3M will start nationwide ad campaign for system this fall.

Sony will debut new color choice in its battery-operated Micro TV—silver—retailing at same \$189.95 as original black model. Also being introduced by Sony are 10 transistor radios, including FM set about size of king-sized cigarette pack, at \$39.95.

Saba of Germany will make another attempt to penetrate U.S. market through its factory sales rep, Lone Pine Electronics, Camden, N.J. It will offer TV combo with built-in uhf, short wave & FM stereo at about \$1,400, including special feature which gives close-up of center of picture on screen, similar to Hoffman's old "zoom" feature.

Arvin this year is showing 3 FM-stereo-AM table models, all in wood cabinets, at \$99.95, \$129.95 & \$169.95.

Another new FM stereo table model, with detachable speakers, will be premiered by Panasonic, along with transistorized tape recorder at \$89.95 and new group of transistor radios. Panasonic also will show its new line of high-styled furniture stereo consoles.

Clairtone Sound of Canada will demonstrate new line of 16 all-solid-state stereo-phono-radio consoles plus 4 tube models.

Ravenswood is showing 4 new functional-furniture styles for which custom stereo components can be fitted—Gov. Winthrop desk, corner table, 2 chiffoniers.

Standard Radio has 3rd version of its tiny Micronic Ruby radio, at \$49.95, and all-transistor portable FM-stereo-AM radio which can be operated on batteries or line cord.

Canadian TV-radio sales are running well ahead of last year, according to EIA of Canada, which last week released these distributor-to-dealer sales figures for May and first 5 months of 1963: TV—first 5 months, total sales 148,278, up 4.6% from 141,758 in same 1962 period; May, 28,468 sets, gain of 34.1% over 21,234 in May 1962. Radio—first 5 months, 195,489, up 5.4% from 184,406 in same 1962 period; May, 48,575, increase of 30.2% over 37,282 in May 1962.

Philco has installed "hot line" teletype connecting its distributors with its display at Music Show in Chicago, to expedite order-taking and to bring information from distributors to dealers attending show.

Mergers & acquisitions: ITT will acquire Cannon Electric, Los Angeles manufacturer of electrical connectors, for more than \$33.6 million in stock, subject to approval of latter's stockholders. ITT would issue for each share of Cannon common 0.3023 share of ITT common & 0.05 share of cumulative preferred, with 4% dividend rate & convertible into ITT common at \$60 a share • Avnet Electronics has acquired Fairmount Motor Products (Canada) Ltd. for 8,350 shares of common. Fairmount is subsidiary of Fairmount Motor Products, Philadelphia, previously acquired by Avnet. Latter also has acquired remaining 50% of outstanding stock of Production Technologies, Jamaica, N.Y., for amount not to exceed \$500,000. Sum is to be paid over life of Production Technologies patent for making sheet-metal dies • Vernitron Corp. proposal to acquire United Scientific Labs (De Wald brand hi fi, stereo tuners, amplifiers, Citizen Band products) in stock exchange has been approved by boards of both firms. Vernitron, Farmingdale, N.Y., makes electro-magnetic servo components.

Westinghouse netted record first-half & June quarter sales (see financial table) and pushed mid-year volume across billion-dollar mark for first time. First-half earnings rose to \$26.6 million from \$25.5 million a year ago on sales climb to \$1.109 billion from \$957 million. June quarter profit improved to \$14 million from \$13.7 million on 6.7% sales gain to \$529.8 million from \$496.5 million. Newly-elected Pres. Donald C. Burnham (see p. 10) said first-half orders were up 8% over year earlier, order backlog up 17% at mid year.

Annual bargain-hunting event for retailers, Independent Housewares-Mass Merchandise Show in Chicago, saw further attrition in large-quantity prices for imported transistorized merchandise. Where lowest price deals for 6-transistor radios last year were slightly below \$7 (Vol. 2:30 p9), this year they were \$5.25-\$5.50 (for Hong Kong-made merchandise). Low-end transistor tape recorders have dropped from about \$16 to around the \$10 level.

Ford Motor denied Automatic Radio Mfg.'s charges of anti-trust violations in sales of car radios (Vol. 3:28 p10), filed counterclaim for injunction to prevent Automatic from producing or selling any radio for Ford cars unless properly identified as made by Automatic. Ford alleges that Automatic makes radios similar in design to Ford types, identifies them as Automatic-made only with name on back which is not visible when set is installed.

Davega Stores, ordered into bankruptcy in April, has been formally taken over by Henry Modell & Co., which submitted winning \$311,100 bid in May (Vol. 3:20 p14) for trademarks, name & assets. Eight Davega stores in N.Y.C. area have been added to Modell's 4-store N.Y. chain, with hq in Davega's former outlet in Hotel Commodore. Amalgamated chain is expected to produce first year gross "in excess of \$30 million," Modell said.

Quality Stabilization legislation will pass in House and has very good chance of Senate approval unless opponents move vigorously, Rep. Celler (D-N.Y.) told recent meeting of National Assn. of Mass Merchandisers. "It will take vigorous efforts by organizations such as yours & by those who believe in a free economy to defeat these bills," he said.

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
Boston Herald-Traveler (WHDH-TV Boston)	1963—6 mo. to June 30	—	—	\$ 576,000	\$1.16	496,017
	1962—6 mo. to June 30	—	—	544,000	1.10 ¹	496,017
Capital Cities Bcstg.	1963—6 mo. to June 30	8,281,528	—	961,555	.80	1,184,411
	1962—6 mo. to June 30	7,314,395	—	633,027	.52	1,184,411
General Instrument	1963—qtr. to May 31	24,183,152 ²	529,180	250,680	.10	2,570,401
	1962—qtr. to May 31	21,188,438	324,350	202,050	.08	2,561,342
Gross Telecasting	1963—6 mo. to June 30	—	—	344,637	.86	440,000
	1962—6 mo. to June 30	—	—	288,850	.72	400,000
International Resistance	1963—25 wks. to June 23	14,407,872 ²	1,513,393	743,393	.51	1,462,209
	1962—25 wks. to June 24	14,286,212	2,575,273	1,165,873	.80	1,462,209
P. R. Mallory	1963—6 mo. to June 30	50,070,047	4,096,807	1,946,582	1.20 ⁶	1,621,810
	1962—6 mo. to June 30	49,078,494	4,344,051	2,050,379	1.26 ⁶ ⁷	1,501,941
	1963—qtr. to June 30	25,629,025	2,262,919	1,082,361	.67 ⁶	1,621,810
	1962—qtr. to June 30	24,571,785	2,074,589	976,058	.60 ⁶ ⁷	1,501,941
MGM	1963—40 wks. to June 6	101,532,000	(25,088,000)	(12,338,000) ³	—	2,574,629
	1962—40 wks. to June 6	104,718,000	7,058,000	3,308,000	1.30	2,554,229
	1963—12 wks. to June 6	31,418,000	—	(3,622,000)	—	2,574,629
	1962—12 wks. to June 6	33,952,000	—	755,000	.30	2,554,229
Muntz TV	1963—9 mo. to May 31	9,133,199	811,727	532,521	.36 ⁴	1,437,482
	1962—9 mo. to May 31	8,862,320	783,689 ⁵	783,689	.53 ⁴	1,409,982
	1963—qtr. to May 31	2,605,369	126,918	60,921	.04 ⁴	1,437,482
	1962—qtr. to May 31	2,605,027	182,800 ⁵	182,800	.12 ⁴	1,409,982
Pacific Industries	1963—9 mo. to May 31	21,291,697	—	(210,358)	—	1,827,239
	1962—9 mo. to May 31	17,784,684	—	606,091	.32	1,627,239
Westinghouse Story on p. 11	1963—6 mo. to June 30	1,019,546,000 ²	49,489,000	26,589,000	.72	36,003,292
	1962—6 mo. to June 30	956,971,000	35,814,000	25,514,000	.69	35,622,369
	1963—qtr. to June 30	529,804,000 ²	25,901,000	14,001,000	.38	36,003,292
	1962—qtr. to June 30	496,504,000	24,636,000	13,736,000	.37	35,622,369
Wometco Enterprises	1963—24 wks. to June 15	9,950,741	—	1,043,459	.72	1,438,968
	1962—24 wks. to June 15	8,915,101	—	916,197	.64	1,008,857

Notes: ¹ Adjusted to reflect Jan.-1963 5% stock dividend. ² Record.
³ After \$12.8 million tax credit. ⁴ After preferred dividends & based on 1,437,482 shares outstanding May 31. ⁵ No income taxes required because

of credits from prior years. ⁶ Based on 1,621,810 shares outstanding & after preferred dividends. ⁷ Adjusted to reflect Dec.-1962 2% stock dividend.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Goodwill Stations ..	Q	\$0.12½	Sept. 4	Aug. 21
Gross Telecasting ..	Q	.40	Aug. 9	July 25
Gross Telecasting—B ..	Q	.07½	Aug. 9	July 25
Hazeltine	Q	.20	Sept. 16	Aug. 30
Littelfuse	Q	.03¾	Aug. 1	July 15
Littelfuse	Q	.03¾	Sept. 18	Sept. 3
P. R. Mallory	Q	.35	Sept. 9	Aug. 9
Screen Gems	Q	.15	Sept. 27	Aug. 23
Scripps-Howard Bcstg.	Q	.25	Sept. 10	Aug. 22
Transcontinent TV..	Q	.12½	Aug. 15	July 31

Rollins Bcstg. has registered with SEC secondary stock offering of 166,376 common shares by majority shareholders Pres. O. Wayne Rollins & John W. Rollins, a dir. They will own some 68% of outstanding stock after sale. New York Securities Co. heads underwriting group.

C-E-I-R boosted sales 21% in the 6 months ended March 31, but "extraordinary" expansion & consolidation costs resulted in operating loss of \$910,796.

Seven Arts Associated's TV sales produced \$14,739,109 of total \$19,407,905 revenue posted in 1963 fiscal year ended Jan. 31 (Vol. 3:24 p12). TV sales were up more than \$2.5 million from year-earlier's \$12,199,118. Seven Arts closed fiscal year with total current assets of \$19,412,110 (including \$505,226 cash & \$9,088,322 notes & accounts receivable) vs. total current liability of \$13,021,596. At end of 1962 fiscal, current assets totaled \$16,887,608 (\$498,488 cash, \$6,646,097 notes & receivables) vs. \$10,671,545 current liabilities.

Reports & comments: Capital Cities Bcstg., discussion, Rittmaster, Voisin & Co., 260 Madison Ave., N.Y. 16 • CBS & Zenith, reviews, L. F. Rothschild & Co., 120 Broadway, N.Y. • RCA, discussion, D. H. Blair & Co., 42 Broadway, N.Y. 6 • Avco, discussion, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4 • Lab for Electronics, memo, Auchincloss, Parker & Redpath, 52 Wall St., N.Y. 5 • Hitachi, prospectus, Dillon, Read, 46 William St., N.Y. 5.

Universal Pictures will redeem, starting Aug. 30, its approximately 14,800 outstanding shares of 4¼% cumulative preferred stock. Redemption price is \$104 a share. However, Universal's board also authorized quarterly dividend of \$1.0625 a share, payable Sept. 3 to holders of record Aug. 15.

WEEKLY **Television Digest**

with

Consumer Electronics . . . (starts page 7)

NAB LIBRARY
JULY 29, 1963

NEW SERIES, VOL. 3, No. 30

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

THE LOEVINGER PHILOSOPHY. New FCC member's tart comments on cross section of Commission problems. Considers it 'pretty good agency' (p. 1).

DROP-IN ORAL ARGUMENT SET for Sept. 19. FCC grants KOCO-TV short-spaced move to Oklahoma City. Comr. Cox awaits final filings re his further participation before giving decision (p. 2).

GO-AHEAD FOR PINPOINT ETV granted by FCC. Final rules for point-to-point service in 2500-2690 mc band adopted, allowing for broad range of instructional uses (p. 2).

EDITORIALIZING CHANGES AT WORK: FCC issues interim clarification of fairness doctrine pending additional rules or primer. CBS offers draft bill to exempt equal time when candidate is attacked. Harris hints at need for legislation, rules (p. 3).

NIELSEN FAVORS AUDIT ONLY, sends NAB, clients, others, outline of design for rating audit, suggests CPA firm do it. It believes setting of standards is hazardous (p. 4).

Consumer Electronics

TINYVISION & IMPORTS are talk of Music Show as GE 11-in. draws crowds, and 12-in. competitors from overseas make appearance; some U.S. manufacturers seen importing small sets; transistor TV prices dropping, with low now \$149.95, heading toward \$99.95; Zenith introduces \$449.95 color set; Arvin re-enters TV via imports (p. 7).

ALL-CHANNEL UPS & DOWNS: Meager attendance at Chicago dealer clinic—but Comr. Lee is hopeful. He may suggest excise-tax compromise—a 2-year moratorium until set-price differential disappears. CAB recommends CATV non-duplication (p. 8).

MUSIC SHOW HIGHLIGHTS coming competitive year, with new domestic & foreign entries in fine-furniture console field, FM stereo table radios blooming in profusion, new shirt-pocket AM-FM imports, more TV sets; Magnavox introduces recorders, complete radio line (p. 9).

TV, PHONO SALES continue strongly ahead of 1962, unofficial first-half figures indicating b&w TV up 8%, while radio dipped 18% at distributor sales level; official 5-month figures show phono sales 25% above 1962 (p. 10).

THE LOEVINGER PHILOSOPHY: New FCC Comr. Lee Loevinger is nobody's patsy. He has experience. He has opinions. He's had substantial private legal practice. He's former member of Minn. Supreme Court. He's been Justice Dept. anti-trust chief. We talked to him at some length last week, elicited what we believe are most definitive views he has stated so far. Herewith are his comments on good cross section of FCC problems:

"The FCC is a pretty good agency. It handles some 750,000 applications a year. I don't think any other agency has as much. More delegation of staff can be made. Most problems are not controversial. Most of the controversial matters are in the broadcast field, but there are a few in any field. People on the outside do a lot of screaming, but it's because they have their own interests at heart."

"FCC has the habit of doing everything twice. As soon as you rehear a case, you have to rehear a dozen or a hundred more. I think there'll be a lot less of this. Lawyers always want to reargue. I don't blame them. I'd do the same thing. But the fault is ours. It reminds me of Justice Holmes' statement—that we must 'make concessions to the shortness of life.'"

"Am I tough on AT&T? In my first FCC meeting, my colleagues were ready to allow its charitable contributions as a regular expense. I made a reasoned argument and we voted 4-3 against it. FCC needs more facilities to regulate AT&T. It does all it can. We have as much manpower as one of 50 or 100 AT&T offices. It can outman us 10-to-1 on any issue."

"I've read Minow's letter to the President, suggesting that there be a single administrator setting policy and an adjudicatory court. There's nothing in Minow's letter of specifics. Nice ideals. Noble aspirations. But it makes no sense for an administrator to set policy. It's the job of an administrator to carry out policy. His idea is just the opposite of how govt. works. The President doesn't set policy. Congress does—and he carries it out. The routine is handled by an administrator."

"Size of FCC? Five members minimum, 9 maximum. Maybe a little more efficient with 5. The chairman has just about the right amount of power."

"It's very hard to generalize about FCC's programming powers. The 'public interest' standard is nothing more than a cheer—for home-loving, upright, good old American ideals. To some extent, it means that govt. has got to move on a case-to-case basis. I think the 1949 statement on 'fairness' is a pretty sound statement. I don't think FCC should go much beyond that."

"Suppose 10 applicants for a station in New York all want to put on Spanish-language programs—none English. I think we have a right to expect someone to put on English."

"I don't agree that asking questions is the same as making accusations or interfering. On income tax, asking questions isn't an accusation. How else can FCC know what's going on? Should FCC & its staff monitor everything? Should FCC blind itself to what's going on? I believe we shouldn't try to influence programming. However, we shouldn't be wholly indifferent to what's being broadcast. It's like all legal problems. Nothing is completely unlimited—like Justice Holmes' statement about yelling 'fire' in a crowded theater. But we should use restraint."

"I believe that the greatest diversity of ownership of stations is best—other things being equal. I tend to favor those with fewer communications interests than those with more. But you can't come in and say that one can't own more than one station. Which is more concentrated—five 250-watt stations or one 50,000-watt? I don't know yet. My inclination is to think that the five 250-watters are better. But I need a specific situation to judge. I believe in local single ownership—other things being equal."

"Regarding CATV & stations, since a station is an originating point I would think that the station is more socially desirable. But I haven't given it enough thought yet."

"I think the expression 'local live' is an anachronism, an absurdity. I understand when something is 'local,' but is it 'live' when it's broadcast as it happens? If something 'local' happens when few people can watch it, doesn't it make more sense to record it and broadcast it when there's an audience? I'd like to see that cleared up."

There you have the flavor of Lee Loevinger. We think he'll add spice to the proceedings on Pennsylvania Ave.

DROP-IN ORAL ARGUMENT SET: That tight issue of whether to add vhf channels to 7 more cities, at short spaces, goes to FCC oral argument Sept. 19, some 3-5 hours devoted to it. Action hasn't been announced yet, but it's understood Commission believes argument is best way to wrap whole thing up finally—and to give new Comr. Loevinger fullest opportunity to come to grips with case in which he'll probably have deciding vote.

Commission also voted short-spaced move of KOCO-TV (Ch. 5) Enid to Oklahoma City, over vigorous opposition of MST & others. This hasn't been announced yet, either, will be released this week.

Whether Comr. Cox will participate further in drop-in case won't be known definitely until FCC returns after Aug. recess. Parties get 13 days to oppose MST's motion that he withdraw (Vol. 3:29 p5). If any of you wonder why there's so much to-do about 7 channel assignments—answer is simple: Each CP is automatically & almost immediately worth millions, each being 3rd vhf in a substantial market.

GO-AHEAD FOR PINPOINT ETV: New point-to-point ETV service in 2500-2690 mc band has been finally established by FCC, effective Sept. 9, in time for new school year. Full text of rules should be available soon, but Commission's announcement makes it clear that service will have substantial flexibility, allowing more than straight school-to-school teaching.

NAEB Pres. William Harley commented: "I think there will be quite a demand. It's more limited than broadcasting, but it will be a valuable supplement. I believe that Minneapolis & Boston are among locations where educators are among the most active in this area."

Stations will be 10 watts normally, though more will be granted in special cases. Service is in band now used by "operational fixed stations"—but there are only about 90 of these; no more such will be granted for 3 years. Said Commission regarding new service:

"Systems . . . licensed for this purpose may also be used for other incidental purposes among which are the transmission of cultural material and entertainment to these same receiving locations; the transmission of special training material to selected receiving locations outside the school system, such as hospitals, nursing homes, training centers, clinics, rehabilitation centers, commercial and industrial establishments, etc.; the transmission of special material to professional groups or individuals to inform them of new developments and techniques in their fields and instruct them in their use; and to perform other related services directly concerned with formal or informal instruction and training. When not being used for such purposes, the facilities licensed under these rules may be used for handling administrative traffic of the licensee, such as the transmission of reports and assignments, conferences with personnel, etc.

"Stations licensed in the new service may also be used to relay material to and from commercial and noncommercial TV stations, but not to interconnect TV fixed systems in different areas, or to establish relay systems to cover an entire state or large portion thereof. The rules permit the retransmissions of programs of other broadcast stations, subject to the usual requirement for consent of the originating station. Any portable pickup needs by educational institutions licensed under the new rules can be accommodated by authorizations in the Business Radio Service."

EDITORIALIZING CHANGES AT WORK: Repercussions of House hearings on editorializing (Vol. 3:29 p3) resounded last week:

(1) FCC called attention to "affirmative obligation" of licensee to present contrasting views, under fairness doctrine. (2) CBS submitted draft of legislation to exempt equal time requirement when candidate responds to political editorial. (3) Rep. Harris (D-Ark.) said there may be need for clarifying legislation and/or rules on editorializing.

FCC statement on controversial programming said it's considering "primer or rules" that might better define a licensee's responsibilities than does fairness doctrine. For time being, Commission offered these basics: (1) In cases of on-air attack against individual or group, text of broadcast must be transmitted with specific offer of time to respond. (2) When commentator or person other than candidate takes partisan stand, transcript of program must be sent to each candidate concerned with offer of opportunity for "spokesman" to respond. (3) In airing views on current issues, such as segregation, licensee must present balanced views from all responsible community groups. FCC cited specific need to air Negro leaders' views if other racial positions are expressed.

CBS's proposed legislation would add 5th exemption to Sec. 315 of Communications Act. Effect would be to allow a candidate himself to respond to editorial against him, or in favor of opponent. Broadcasters argued at House hearings that, under present law, all other candidates are entitled to time once aggrieved candidate appears. Stations presently try to get spokesman instead of candidate, to avoid equal time merry-go-round.

On fairness doctrine, Rep. Harris (D-Ark.) said last week that Congressmen "might" want an amendment to Communications Act "to assure fairness to politicians" in editorials. He said this would be "their second and probably wiser choice" after realizing that their first choice—prevention of political editorials—"might be attacked in the courts."

Harris told National Broadcast Editorial Conference, sponsored by Georgia Assn. of Bcstrs. & U. of Georgia journalism school, that office-holders are "apprehensive" about broadcast editorializing—not because of lack of trust in broadcasters, but because of "powerful" influence of TV-radio.

"I can assure you, however, that politicians . . . may object to having their 'rights' of answering broadcast editorials depend on the discretion of broadcasters," Harris exclaimed. He said Rep. Moss's (D-Cal.) bill to provide a candidate equal opportunity to answer political editorial has "difficulties" that would have to be corrected if legislation were to be enacted,

Not abandoning idea of rules, Harris stated that while they "may be difficult to lay down hard and fast . . . we must nevertheless strive to do so."

He said he's "strong advocate of broadcast editorializing," stated that in no other area do broadcasters & regulators walk a "tightrope" as they do here. It stretches, he stated, between First Amendment & Sec. 326 of Act (prohibiting censorship) on one end, licensed to serve public interest at other.

Adequate editorializing staff isn't "meaningful" answer, Harris said. A "juke box" station that doesn't discuss public issues isn't equipped to editorialize even if it hired a qualified person to do it, Harris stated. He also said that where editorial is written by outside service or source, it should be so identified.

In letter to constituents last week, Harris offered proposal: Let station present factual outline of both sides of issues, then give opinion. It would give editorials more stature, lessen complaints, he said.

History of editorializing was provided Conference by Dr. Mary Ann Cusack, special asst. to NAB Pres. Collins. She told how editorializing evolved from increased news & public affairs programming, said such views provide "reasoned interpretation of current events," rather than only isolated facts of news story.

Rep. Cleveland (R-N.H.) supported editorializing in House last week—"subject to reasonable rules and regulations . . . the more information and opinions [people] can get the better."

NIELSEN FAVORS AUDIT ONLY: Nielsen gave NAB Rating Council what amounted to qualified approval to idea of rating service audit. It didn't comment one way or the other on standards & methods improvement phases of NAB reform plan—except to say these contained "complexities" & "difficulties."

Researcher picked unusual way to reply to NAB's request for final endorsement. It sent assn.—as well as AAAA, ANA, Advertising Research Foundation & all clients—detailed 16-page outline of an auditing system. It contained carefully thought-out design for operation & financing of audit.

In essence, here's what Nielsen is saying: It favors idea of audit, believes one can be put into effect almost immediately. It doesn't like idea of "industry committee" setting standards & criteria or trying to improve research techniques. It believes these areas are hazardous.

Nielsen's audit proposals are in form of suggestions, company spokesman emphasizes. They aren't "hidebound" principles but are intended as something to "build on."

NAB was studying proposal at week's end. Don McGannon, Group W pres. & NAB Research Committee chmn., told us Nielsen's suggestions would be "very helpful." He said prior conversations with Nielsen officials indicate a "qualified yes" to NAB's rating plan. McGannon also said he will be in Chicago today (July 29) and expects to see top Nielsen executives. Most other major research firms have already given approval to NAB plan (Vol. 3:29 p2).

Nielsen proposes audit be done by CPA firm, under non-profit industry committee of advertisers, agencies, networks, stations, researchers. Company, it's understood, isn't so interested in committee membership issues as it is in assuring acceptance of a single audit by these groups.

Subjects of audit would be designated in advance, but auditor wouldn't have to disclose date or period of audit. Financing proposal: (1) Researchers would pay internal cost of audit—record-keeping, executive & clerical salaries, electronic data processing. (2) Users would pay auditing fees, printing & distribution of reports. Nielsen said raters' costs would be greater, repeated view that broadcast audience research is "generally unprofitable business."

In other developments last week, RAB appointed Dr. Alfred N. Watson as advanced research dir. to handle proposed \$200,000 radio methodology study, to be conducted by Audits & Surveys Co. He also will undertake new studies of advertising effectiveness. Dr. Watson, at one time exec. vp of Alfred Politz Research & asst. chief statistician of Census, will continue to teach at Columbia U. CCNY's Dr. Herbert Arkin, consultant to Harris Subcommittee, advised RAB during earlier stages of methodology plan.

RAB also announced that Advertising Research Foundation will begin examination of research study this week to assure ad community acceptance. Bureau also said that NAB officials will receive within 10 days a "full written description" of radio proposal to help them in deciding on co-financing of project with RAB. NAB expects to make final recommendation by mid-Sept.

ARF last week released procedure analysis of magazines study conducted by W. R. Simmons & Assoc. Research. In doing so, ARF said it's "prepared to analyze any syndicated advertising research service, regardless of the medium involved." This would be similar to NAB's auditing plans, although ARF Pres. Alcuin Lehman told us he doesn't prefer term "audit" because it suggests a procedure less comprehensive than "analysis." Lehman also said ARF is studying Nielsen's audit proposal.

Tennessee Bcstrs. Ring D. C. Doorbells: General support for industry position against FCC's proposed commercial limitations was reportedly expressed by Tennessee congressional delegation last week. Legislative committee of Tennessee Assn. of Bcstrs., headed by F. C. Sowell, WLAC Nashville, came to Washington to meet with delegation and explore regulatory problems facing industry.

Sen. Gore (D) & George Miller, aide to Sen. Ke-fauver (D), were among those who attended a breakfast meeting. Paul Comstock, NAB govt. relations vp, accompanied TAB representatives.

North Carolina Assn. of Bcstrs. plans to call on its congressmen Aug. 13-14. Pres. Jack Starnes, WBAG Burlington, said about 15-20 broadcasters will make trip. Group will split into 2 teams, will emphasize commercial ceiling issue. "FCC has eaten away a little bit at a time. It's time to start at the top," said Starnes.

FTC case against Sterling Drug, over alleged false ad claims, should be dismissed, examiner recommended last week. He found that company's Bayer aspirin ads didn't misrepresent findings of govt.-contracted study comparing 5 analgesics. Ad stating that report was published in *AMA Journal* doesn't suggest endorsement, ruling held. Dismissal order also would involve 2 agencies—Thompson-Koch, subsidiary of Sterling, and Dancer-Fitzgerald-Sample. Injunctive proceedings were earlier denied by U.S. District Court & Court of Appeals.

Communication Satellite Corp. was accused by FCC of dragging its feet on plans for public sale of stock. In authorizing ComSat to borrow additional \$600,000, Commission said corporation is making decisions that Congress intended to be made by complete board that would include representatives chosen by stockholders. Initially, stock was to be offered in 1963. It's reported that stock issue is being held up pending further development work on satellite systems.

FM freeze will be lifted in 60 days, as detailed in our advance report (Vol. 3:29 p2)—FCC adopting recommendations of staff. Full text of decision, with city-by-city channel assignments, is due to be released this week. It will be published in *Federal Register* and by Seabrooke Printing Co. (FCC contractor), 514 10th St. NW, Washington.

Two new ETV applications filed with HEW, for federal funds: U. of Georgia to expand Ch. 8 facilities, seeking \$136,110 of \$181,479 total cost; San Mateo Junior College District to activate Ch. 14, asking \$122,991 of \$235,544 total. This makes 14 applications requesting \$2,594,734.

Kennedys in action while handling Alabama racial crisis last June will be seen "soon" on ABC-TV hour-long documentary. Exchange between President & Attorney General is described as "good inside stuff," was filmed by Robert Drew Assoc.

Two Cleveland translators, Ch. 81 & 83, have been granted to repeat signals of midwest airborne ETV transmitters near Montpelier, Ind., to give adequate reception in the Ohio city.

New Ch. 8 WGHP-TV High Point, N.C. will be primary ABC-TV affiliate when it starts Oct. 1.

Anti-TV stand of National Council of Churches was attacked last week by Carleton D. Brown, WTVL Water-ville, Me. In letter to J. Irvin Miller, Council pres., Brown said he was "shocked" at suggestions favoring increased federal control over broadcasting, licensing of networks, etc. He claimed only 61 of 200 Council board members were present to vote on policy, said the governing board refused to discuss issues with industry before adopting policy, called attention to contributions of broadcasters to church interests.

Second annual CATV management institute will be held at U. of Wisconsin, August 12-15, sponsored by National Community TV Assn. It will cover on separate days: Management controls, financial controls, customer relations, community relations. Among speakers: Prof. Norman Allhiser, U. of Wisconsin's management institute dir.; Franklin Valentine Jr., Dallas attorney; Rayburn Hahn and Louis Stow, Dallas accountants; Jay Beecroft, 3M's sales training dir.; Kent Moore, retired independent gasoline distributor.

TV-radio specialists from 21 African & Asian nations will attend 3-month seminar, starting at Brandeis U. Aug. 4, to receive "some guidance in the effective use of this rather complex instrument, particularly for educational purposes," according to Henry Morgenthau III, director of seminar. For first 35 days, specialists will attend meetings at Brandeis, followed by 45 days of travel in U.S., concluded in late Oct. with 10-day windup at Brandeis.

Revocation of radios WKYN & WFQM San Juan and WORA-FM Mayaguez, P.R.—or \$10,000 fines—is proposed by FCC. Commission said that stations sought and were refused right to rebroadcast programs of N.Y. Armed Forces Radio Service—but rebroadcast them anyway, seeking to give impression they came from MBS. Commission said this seems to be "willful & repeated violations of Sec. 325(a) of Communications Act."

Remarkable roundtable—one of the most candid we've seen on the subject—is symposium of leading TV producers, conducted by *TV Guide* Editor Merrill Panitt and carried in July 20 issue. They let down a lot of hair, talking about quality, outside interference, critics, politics, ratings, etc. Participants: Norman Felton, Paul Henning, John Houseman, Roy Huggins, Herbert Leonard, Leslie Stevens.

Application for pay TV test in Sacramento, filed with FCC by MELCO Pay TV Co. & KVUE (Ch. 40), which has been off the air since March 1960, was returned by FCC as deficient in several respects. Commission said deficiencies include fact that sole funds for test were to be raised by sale of stock without any assurance stock could be sold.

Application to transfer WAFG-TV (Ch. 31) Huntsville, Ala. from P. T. Gunn, James R. Cleary, John A. Higdon and associates to Smith Bcstg. Inc., for \$509,775, has been filed with FCC. Smith Bcstg., owned by M. Davidson Smith III, operates radio WAAY Huntsville, holds CP for WAAY-TV (Ch. 25) there.

Ch. 11 has been proposed by FCC for Staunton-Waynesboro, Va. Commission said area can use another vhf station, but it seeks comments on impact to future of uhf—and to radio astronomy operations at Green Bank & Sugar Grove, W. Va.

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TV has increased understanding of mental illness—that it's as "curable as ulcers and no more shameful," stated Dr. T. Glyne Williams, Maryland asst. mental health comr. He said that TV is responsible for 16.7% increase in admissions to state mental hospitals, that patients are being admitted today at early stages of illness.

RAB 1963 Management Conferences called "most important" in RAB history, by Pres. Ed Bunker: Sept. 9-10, Hot Springs, Va.; Sept. 12-13, Atlanta; Sept. 16-17, Dallas; Sept. 23-24, Saratoga Springs; Sept. 30-Oct. 1, Chicago; Oct. 3-4, Palo Alto; Oct. 7-8, Omaha; Oct. 14-15, Detroit.

AAAA's recommended standards for categorizing demographic data have now been released. Anticipating growing use of computers, AAAA said standards answer need for comparable information from all media on households, individuals within households, household heads, housewives.

Transcript of Pacifica Foundation hearings by Senate Judiciary Committee (Vol. 3:3 p6), examining charges of "communist infiltration," has been released—available in 3 parts from Committee or GPO.

WAST Albany switched from Ch. 35 to 13 July 27, using new tower at reduced power. Station had been operating on both channels, will go to full vhf power about Aug. 17.

Its first TV client—KBMT Beaumont-Porth Arthur—has been obtained by rep Roger O'Connor Inc. Firm reps 8 radio properties.

Skyline Films Inc. is new film production firm, 124 E. 40th St., N.Y., headed by Pres. Joseph F. McDonough & Vp David Saperstein, both ex-Craven Film Corp.

Personals

James C. Hagerty, ABC vp in charge of news, elected vp in charge of corporate relations, parent AB-PT, no successor yet named.

Ray Scherer, NBC White House correspondent, assigned to Congress, succeeding Arthur Barriault, appointed broadcast liaison officer, Office of Emergency Planning; Robert MacNeil succeeds Scherer.

John Edwards, ex-ABC senior Washington & White House correspondent, appointed bureau mgr.-correspondent, new CBS-owned TV station's news bureau, hq National Press Bldg.

John F. Dille Jr., WSJV-TV Elkhart, & Carleton D. Brown, radio WTVL Waterville, Me., appointed NAB membership committee co-chairmen . . . Gene King, ex-radio WCBS N.Y. program dir., named vp, World Wide Information Services.

Al Perlmutter, a former program mgr. of WNBC-TV N.Y., joins NET as exec. producer of weekly news background program which begins on the 72-station network Oct. 7.

Martin Levy promoted to chief, FCC's Broadcast Facilities Div., succeeded by Harold Kassens, chief of Aural Facilities Branch.

John F. Gault, ex-Elmira, N.Y. CATV mgr., named regional mgr. of TeleVision Communications Corp. (formerly Televents Corp.), multiple system operator.

William J. Fahey, ex-Boston *Herald-Traveler*, appointed merchandising & sales coordinator, WNAC-TV-AM Boston & Yankee Network . . . Tom Burkhart, ex-local sales mgr., WTVJ Miami, named gen. sales mgr., WLOS-TV Asheville, both Wometco stations.

Albert Chance, ex-head of own rep firm, named San Francisco mgr., rep Ohland/Robeck; Shaun Murphy, ex-KTVI St. Louis sales mgr., appointed Chicago mgr.; William Gorman, ex-RKO-General West Coast syndication film sales mgr., named N.Y. account exec.

Paul Raymon promoted to gen. sales mgr., WAGA-TV Atlanta, succeeding Buzz Hassett, who resigns Aug. 15 to become asst. gen. mgr. of WGHP-TV Greensboro-High Point, N.C.; Raymon is succeeded as local sales mgr. by Charles J. (Chuck) Lupton.

Jack Sobel, national sales mgr., Screen Gems, moves to Hollywood as national sales mgr., West Coast . . . Arnold Starr, ex-WNBC-TV N.Y. account exec., appointed vp & adv. mgr., *Radio-TV Daily*.

International TV's creative aspects will be explored through new International Council & Academy of Television Arts & Sciences, founded by National Academy of TV Arts & Sciences. Playwright Rod Serling & Ted Cott of Oakland Producing Ltd. will serve as pro tem chairman & pro tem president, respectively.

Syria invites TV equipment bids by Aug. 15 for 2 stations, including 300-ft. towers. Write General Directorate of Broadcasting & TV, Damascus; copies of specifications are at Electronics Div., BDSA, Dept. of Commerce, Washington 25.

Jamaica Bestg. Corp.'s new TV station plans to start 4-hour daily schedule on Aug. 4, is now testing. JBC-TV will use 3 transmitters in effort to cover most of island.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

TINYVISION, COLOR, PORTABLES—COMPETITION: Last week's Music Show in Chicago dramatized the 3 most important areas in TV's battleground—tinyvision, portables & color. Most significant trend in all 3 was fierce competition.

Competitive price-cutting is understandable in international tinyvision-portable race. But in color, where there's no competition from abroad and where nearly every manufacturer expects demand to exceed supply for foreseeable future, it's slightly more puzzling.

Zenith made anticipated move last week when it put back into its line a black color table model at \$449.95, at same time adding 2 more consoles at \$499.95. Other makers who still start their lines at \$499.95—including RCA & Philco—can be expected to go along with their own drop-in programs by fall. There have already been some other minor movements in color field. Philco changed its \$495 color leader from table model to console, as if making room for new leader; Westinghouse unofficially labels its color leader (introduced at "less than \$526") as under \$500.

Color set makers who have \$449.95-list price leaders were emphasizing to prospects at Music Show that these could be sold at \$399.95 with markups similar to Admiral's \$399.95 leader, but that they weren't going to tie dealers to that price by using it as suggested list.

If there was one really "hot" TV product at Music Show, it was tinyvision—quite interesting, in view of fact that only yesterday this was unimportant specialty item left to foreigners. GE's display space was keyed to 11-in. sets at \$99.95 & \$109.95, plus the 2 other step-ups, now due in fall.

Japanese manufacturers & importers, meanwhile, were fighting to enlarge their foothold both in tinyvision & larger-size portable TV, and they made it clear that price would be one of their weapons. Among American-made portables, there were further price reductions, Admiral showing 19-in. at \$129.95, Magnavox at \$139.90—each \$10 below previous low-end 19.

Admiral displayed its 11-in. set (due late in Aug.) on 3rd day of show, and there were plenty of other tiny models shown—by importers. New size made its debut—12-in.—and there was talk by some U.S. manufacturers of using it to compete with GE's 11-in. Since this is Japanese tube, and no U.S.-made 12-in. is in sight, it seems correct to speculate that some U.S. set makers are considering going abroad for their small sets.

Furious competition is beginning to evolve in battery-operated transistor TV, although no U.S. manufacturers are in field yet. Sony had this market practically to self for some time, but 6 Japanese manufacturers are now making various micro TV sizes, and there may be as many as dozen makes on U.S. market by year's end. It also seems obvious that transistor TV is rushing headlong toward \$99.95 mark—from \$249.95 a scant year ago.

Three different makes of battery TV were shown with \$149.95 list—Delmonico's 4½-in. set, which will soon be redesigned into configuration which can accommodate uhf tuner (with current 5½-in. set to be eliminated from line), Star-Lite's 6-in., due for Sept. delivery, Commodore's 5½, whose \$149.95 price will include battery pack. Sharp's new prices—\$189.95 for 8½-in. & \$169.95 for 6-in.—were reported here last week (Vol. 3:29 p7). Sampson showed both 8- & 12-in. battery TVs to get "reaction," gave no prices or delivery dates.

Much of TV talk at show surrounded Sharp's 16-in. bookshelf set at \$89.95, with step-up at \$109.95, and new lightweight 16-in., in design somewhat similar to Philco Courier, also \$109.95. Among other new imported TVs shown were Delmonico square-cornered 9-in., replacing 8-in., at \$99.95 (remaining 8-in. sets have been cut to \$89.95), Sampson's 16-in. Hitachi at \$119.95, Sharp's 19-in. at \$129.95, and two 16-in. consolettes with legs—by Star-Lite at \$119.95 and by Peerless Telrad at \$149.95. Sharp plans 12-in. set this year listing below \$100. Tokai Corp. showed 9-in. designed to sell at about \$89.95.

Probably most significant entry into TV field is return of Arvin—via import route. Without fanfare, Arvin showed attractive 16-in. set, priced at \$119.95 including labor warranty, to be handled through company's regular 2-step distribution. TV product mgr. Frank J. Myers said it was engineered by Arvin & built by Hitachi with UL requirements in mind (although it's not UL listed), with such American features as keyed AGC. He said it's predecessor of "portable specialty line," which eventually may include 2 sizes of transistor TV.

What will evolve out of this proliferating competition & confusion? We see the U.S.-Japanese TV battle intensifying in months to come. We see more U.S. manufacturers joining tinyvision race, some of them fighting imports with imports. We see U.S.-made transistor TV before end of 1964. We also feel there'll be slight reversal in race to smaller sizes, with transistorized 11- & 12-in. sets becoming popular, alongside 5½- & 6-in. versions.

And whichever way you look, there's sharp competition ahead. (For more Music Show coverage, see below & p. 9.)

ALL-CHANNEL UPS & DOWNS: FCC Comr. Lee is hopeful about efforts to nurture growth of uhf, though recent clinics for dealers, including one in Chicago at NAMM convention last week, certainly didn't get much attention.

After last week's executive committee meeting of Committee for Full Development of All-Channel Bcstg. (CAB), he told us no more clinics are scheduled. Meanwhile, he said, he's going to FCC with recommendation it fight for excise-tax repeal, to offset the \$20-\$30 increase in set costs produced by addition of uhf. "Perhaps," he said, "we can propose a compromise—a 2-year moratorium until the cost differential disappears. Most of the larger manufacturers tell me it's down to \$20 now, instead of the \$30 originally reported.

"Manufacturers are concerned about FCC vacillation on drop-ins. They're selling combination sets in the proposed drop-in markets, telling the customers there will be uhf stations. They don't want to disappoint them."

Executive committee also adopted recommendation on CATV—urging FCC not to allow duplication of stations' programs within their Grade A contours. Committee also decided to work up a pamphlet on uhf & all-channel sets, to be distributed by GPO at 10¢ or so.

With U-Day only 9 months away, manufacturers' attitude can best be described as one of quiet desperation, dealers are unconcerned—and public is in the dark.

CAB's attempts to educate dealers to date have been ineffective—climaxed by fiasco at NAMM Show, where attendance at all-channel panel was estimated at little more than 100, mostly manufacturers & press, with scattering of representatives of large chain-store & key-account groups. Panel discussion was informative, but uninspired, and some members appeared to be doing slow burn as result of meagerness of turnout.

Lee said he's "not too bullish" about chances for excise proposal, which has died in every Congress since 1954; he said there are now 3 additional arguments in its favor: (1) It should be "companion piece" to all-channel legislation. (2) Threat of imports makes it more important to aid domestic TV industry in keeping prices down. (3) There may be danger of new TV plants becoming established in many states to take advantage of intrastate shipment, which doesn't come under all-channel law. "If the differential between vhf & all-channel is too large," he explained, "I'm sure that small manufacturers will be born to assemble vhf-only sets for intrastate shipment."

Should CAB & industry take case directly to public, bypassing the indifferent retailer? There seems to be some support for this approach, but set makers shy away from unified campaign if it's going to cost them money. Detailed proposal for \$100,000 campaign, prepared by outside promotion agency, was tabled by EIA Consumer Products Div. Exec. Committee last March in Washington (Vol. 3:12 p7), now seems dead.

Govt.-financed drive would be something else again, but Lee poured cold water on this prospect last week. At Music Show news conference, he said he would be willing to try to get appropriation for

it if committee recommends such a drive, but "it would be extremely difficult to get anything like that through Congress."

During the NAMM clinic, Lee said that uhf CP-holders who procrastinate will be "pressed quite hard in the next few months." He ventured that uhf set saturation in 3-4 years will make station operation "economically feasible."

Technical members of panel went over much of same material covered in similar N.Y. & Washington clinics—how to find best signal, master antenna conversion, landlord trouble, etc.

TV-RADIO PRODUCTION: EIA statistics for week ended July 19 (29th week of 1963):

	July 13-19	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV.....	104,071	87,514	94,133	3,742,546	3,531,620
Total radio	261,989	252,805	295,773	9,372,541	10,087,841
Auto radio	84,004	92,950	116,182	4,075,595	3,586,826

MUSIC SHOWPIECES: Far more competitive 1964 is in store, judging from wide variety of new products displayed last week at Music Show in Chicago.

In fine-furniture stereo consoles, for example, several new U.S. firms are entering field to compete with already established manufacturers. In addition, at least 4 Canadian firms are seriously bidding for share of this market, and 2 companies have introduced hybrid Japanese-American console lines—Japanese electronics mounted in attractive U.S.-built cabinets.

In radio, FM was becoming a star performer. Virtually every manufacturer & importer displayed at least one FM-stereo table radio, the most popular configuration being 2- or 3-piece wood-cabinet bookshelf design. High-powered battery-operated portable FM-stereo units from Japan (with as many as 25-38 transistors) are beginning to show up. And at least 4 importers showed shirt-pocket AM-FM radios at prices around \$40 & above.

In TV, there was increased import activity, both from Japan & Canada, while German attempts to crack U.S. market have been virtually abandoned (except by Saba, which again showed projection set & 23-in. combo, both at \$1,400).

Tape recorders in all categories are increasing, and beginning to show up as features in many high-end stereo consoles.

Magnavox introduced large quantity of new items, including: (1) Its first tape recorders—mono at \$139.90, transistorized stereo unit at \$298.50. (2) Brand new extensive radio line of 15 sets, all with 90 days labor warranty, from \$19.95 AC-DC set to \$125 two-piece AM-FM-stereo, and including Magnavox's first FM-AM clock radios. (3) Four stereo component systems featuring Astro-Sonic solid-state circuitry at \$450-\$650, with low-end units at \$139.90 & \$189.90 also transistorized. (4) Three color consoles, 2 with remote, at \$695, three b&w combos and new 19-in. portable at \$139.90.

Zenith brought out 3 new color sets at distributor meeting July 23—new low-end at \$449.95 (see page 7) and 2 consoles at \$499.95—plus 19-in. portable at \$179.95 & open-list 23-in. console. New Zenith stereo consoles are \$149.95-\$249.95.

Pilot's line includes 9 new consoles, bringing its range to \$300-\$2,000. Vp-Gen. Mgr. Roland J. Kalb announced "intensive campaign for restoration of fair profits" in industry and warned that "high-pressure selling, low-profit merchandising, indiscriminate distribution & over-saturated markets are quickly tightening the noose on the whole industry," pledging Pilot would maintain its dealer franchise policy.

Clairtone of Canada showed long line of furniture stereo consoles, including b&w combo (with TV made by Philips) at \$799, and color combos (TV by RCA, U.S.) at \$1,195 & \$1,299. Clairtone expects more than 50% of its 1963 sales to be made in U.S., projects total 1963 sales at 32,000 sets.

Electrohome of Canada showed its long line of TVs & phonos, including 5 color sets beginning at \$495 (Vol. 3:29 p9). Fleetwood of Canada plans intensive marketing of b&w TV in U.S., and added to its stereo console line. Featured in Chicago were 23-in. lowboy (unpriced) and combos at \$599.50 & \$699.95. Phillips of Canada showed 3 stereo consoles (under Norelco label) at \$575, \$595 & \$750.

Both Matsushita (Panasonic) & Delmonico devoted considerable space to their stereo consoles housed in U.S.-made cabinets. Panasonic units contain Miracord (German) changers, list from \$249.95 to \$589.95. Delmonico is manufacturing own furniture.

Fisher was back with enlarged console line, starting with drop-down table or wall model stereo unit at \$249.95 (\$349.95 with FM stereo), including TV combos at \$795-\$845 (remote control \$100 extra). TV chassis reportedly is made by Emerson's Du Mont div. Another old-line component hi-fi manufacturer, H. H. Scott, made debut in console field with 6 units at \$995 & \$1,295.

American TV Corp., which occupied Majestic's old space at Music Show (and which is planning merger with Majestic parent Wilcox-Gay, now in bankruptcy proceedings), showed TV & combo line in anticipation of more widespread marketing. Under DeForest brand name, it showed low-end 23-in. console and several 23-in. combos, including one with AM & stereo phono at \$198, with high-end combo at \$300 which has all of TV circuitry in pull-out drawer for easy substitution or repair.

TV, PHONO SALES SOAR Preliminary unofficial statistics for first half of 1963 show black-&-white TV sales continuing to run about 8% of last year. Distributor-to-dealer sales are estimated at 2,955,000, up from 2,727,000 during first-half 1962. June sales were about 12% above June 1962.

Radio sales, however, continued to show 1962-to-1963 declines, 6-month distributor-to-dealer sales estimated at 3,927,000, down 18% from 4,801,000 in first half 1962. June's dip from 1962 was about 23%. Despite increased TV sales, inventories at manufacturer & distributor levels were about 11% below 1962 figure at midyear, while radio inventories were down 10%.

Official EIA figures for 5 months were released last week, and they showed continuation of trend which has prevailed all year—TV & phono up, radio down sharply. B&w TV distributor sales, in fact, showed greatest 1963-over-1962 increase in May, up 22%, while 5-month rise was about 8%. Radio sales in May fell 23% below May 1962 mark, and 5-month drop was 17%. Bright spots in radio were auto radio (not included in distributor sales) & FM.

EIA's phono data releases have undergone format change, with new breakdown between table-portable & console substituted for discontinued stereo-mono breakdown. We've changed our tables accordingly, and bring you full 5-month statistics for 1962 & 1963 below:

Phono figures show 25% increase in distributor-to-dealer sales for first 5 months of 1963 over like 1962 period, although May sales were up only 5% from May 1962. Factory sales are up 21% for 5-month period, and about same as last year for month of May. Analyzing new data on table-portable vs. console shows much of 1963's increase has been in former category. For first 5 months, 1963 distributor sales mix was 63% table-portable, 37% console, whereas same 1962 period showed 59% table-portable, 41% console. Thus while table-portable sales rose 32% from 1962, console sales were up only 14%.

Here are EIA's 5-month figures on TV-radio-phono:

TV-RADIO DISTRIBUTOR SALES

Month	Black-&-White TV		Radio (excl. auto)	
	1963	1962	1963	1962
January	503,821	465,836	453,248	562,869
February	535,999	521,275	616,086	697,892
March	601,797	580,876	818,510	917,236
April	395,166	364,742	637,443	809,499
May	378,215	310,799	598,410	772,479
TOTAL	2,414,988	2,243,528	3,123,747	3,759,976

BLACK-&-WHITE TELEVISION PRODUCTION

Month	Total		All-Channel	
	1963	1962	1963	1962
January	484,415	488,869	58,022	39,609
February	557,931	541,494	63,713	46,715
March	696,435	659,251	76,481	48,323
April	543,637	510,587	70,405	51,107
May	507,499	474,647	57,208	39,409
TOTAL	2,794,917	2,674,848	325,839	225,163

RADIO PRODUCTION

Month	Total		Auto Radio		FM	
	1963	1962	1963	1962	1963	1962
January	1,229,507	1,350,630	594,505	530,589	87,641	76,510
February	1,389,652	1,464,797	657,691	480,232	75,544	84,216
March	1,568,381	1,810,417	677,613	607,510	100,940	81,010
April	1,359,769	1,472,654	596,899	519,296	102,208	63,193
May	1,384,063	1,444,074	555,812	504,846	119,756	62,292
TOTAL	6,931,372	7,542,572	3,082,520	2,642,473	486,089	367,221

PHONO DISTRIBUTOR SALES

Month	1963			1962		
	Port. & Table	Console	Total	Port. & Table	Console	Total
January	204,073	112,452	316,525	115,998	103,730	219,728
February	192,858	137,114	329,792	130,104	109,316	239,420
March	211,745	134,407	346,152	173,056	126,201	299,257
April	169,478	77,252	246,730	129,175	72,017	201,192
May	129,535	75,513	205,208	136,405	59,159	195,564
TOTAL	907,689	536,738	1,444,427	684,738	470,423	1,155,161

PHONO FACTORY SALES

Month	1963			1962		
	Port. & Table	Console	Total	Port. & Table	Console	Total
January	205,955	135,741	341,696	137,090	122,469	259,559
February	190,352	149,923	340,275	130,495	124,917	255,412
March	200,571	129,142	329,713	166,408	132,075	298,483
April	165,016	76,190	241,206	120,793	62,309	183,102
May	123,436	62,723	186,209	132,749	54,543	187,292
TOTAL	885,380	553,719	1,439,099	687,535	496,313	1,183,848

Should sets exported from U.S. have all-channel tuning? No, says FCC, but a waiver of Commission rules is needed. Deputy Gen. Counsel Henry Geller said both law & rules are silent about exports, but "whole thrust of the law is to protect the American public, nothing to do with exports." Geller said FCC might be concerned if there's large sale of sets to Americans through foreign PX's, to be brought home, "but I suspect it's de minimis."

New tube-type uhf tuner announced by Standard Kollsman, Series U, is claimed to have low noise (average 9 db), low drift, low microphonics, ease of mounting, compactness, long life. It measures 1.66-x-3.64-x-4.07-in. Standard also reports transistor model UT "will be introduced very soon."

"Relay I" has achieved record for a communications satellite, builder RCA reports, noting that it has operated 203 days—compared with 185 days for "Telstar I"—has been used for more than 1,350 experiments.

Quality Stabilization bill (HR-3669) was reported favorably by House Commerce Committee last week. It allows manufacturer to set price range at which wholesalers & retailers may sell goods, permits him to prevent brand from use in bait merchandising. "States rights" amendment to bill would allow state law to prevent local implementation of act. Senate also has bill, S-774.

One attention-getting TV set at Music Show last week wasn't for sale. It was latest model of Russian TV, displayed by Westinghouse. With 17-in. screen, it sells for about \$359.64 in Moscow, Westinghouse officials stated, described features of set, concluded, tauntingly: "And . . . about 10 years ago. Placard in Westinghouse display described features of set concluded, tauntingly: "And . . . it's hand wired, of course."

New 1-watt service for manufacturing operations, for communications in noisy areas, etc., has been proposed by FCC. Thirty channels in 72-74 & 75.4-76 mc are planned.

Trade Personals

P. J. Casella, onetime RCA consumer products exec. vp (Vol. 16:48 p18), resigns as pres. & chief exec. officer of Endicott Johnson Corp. "for personal reasons."

M. Lloyd Bond, ex-Northeastern Engineering pres., appointed asst. communications commissioner, Transportation & Communications Service, div. of General Services Admin. . . . **David H. Foster**, Collins Radio gen. attorney, named secy., succeeding **S. J. Storm**, retired.

Herbert K. May, formerly with U. S. State Dept., joins ITT as asst. treas. & special asst. to Pres. **H. S. Geneen**; **George C. Perris** named ITT Distributor Products Div. semiconductor products merchandising mgr..

Howard W. Main appointed pres. of Dominion Electrohome's American subsidiary, International Electrohome, continues as mktg. vp of parent firm, with hq in Kitchener, Ont.; **Robert Moore** appointed mktg. vp of U. S. subsidiary, **Donald K. Owens** operations mgr., **Theodore C. Collins** sales mgr.

Charles J. Hirsch, RCA staff engineer, noted for early work on TV standards, among other contributions, stricken with heart attack while flying to Cal., is in Denver's St. Joseph's Hospital.

Obituary

Frank M. Viles Jr., 45, former mktg. vp. of ITT's Components Div. & 1960-61 head of ITT Distributor Products Div., was killed July 21 in auto accident at Clifton, N.J. He was pres. of Mark International Corp., Montclair, N.J. He is survived by widow & son.

Replacement-tube labeling problem took on new aspect last week when FTC hearing examiner **Joseph W. Kaufman** held that Westinghouse's labels & statements disclosing that tubes may contain used glass were inadequate because ultimate consumers were unlikely to see them. In initial decision subject to Commission review, Kaufman conceded that reprocessed bulb might be as good as a new one. But he said Westinghouse's identification of glass as "used" appears on labels affixed to tubes & their cartons and on warranty cards, none of which is likely to be seen by consumer who has replacement tube installed in his TV. He suggested possibility of new system under which warranty cards would be given to final consumer rather than dealer, or new method of labeling on tube itself where set owner would see label. Westinghouse, commenting on initial decision, denied any misrepresentation or use of word "new," and stated it has consistently informed public of its employment of used bulbs in easy-to-read bold type.

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Trav-Ler Industries, "like other companies in our industry, experienced the continuing effects of economic uncertainty" and recorded sharp sales & earnings drops in its 1963 fiscal year ended April 30 (see financial table), Pres. **Joe Friedman** advised stockholders in annual report. He noted that Trav-Ler initiated "regular production" of color TVs at end of June, estimated "sales of color TV for the balance of the current year should exceed \$5 million based on orders on hand." Trav-Ler closed fiscal year with total current assets of \$7,316,737 (including \$840,411 cash & \$1,020,714 trade receivables) vs. \$3,310,225 in total current liabilities. Year ago, assets totaled \$8,538,087 (including \$2,314,684 cash & \$1,497,563 receivables) vs. \$3,280,713 liabilities. Order backlog approximated \$12 million vs. \$10 million a year earlier. Friedman's "aggregate remuneration" for 1963 fiscal was \$75,000, according to proxy statement for Aug. 13 stockholders meeting. His common stock holdings totaled 314,485, including 6,076 shares held jointly with wife. He also holds warrants to purchase 7,612 shares. As of June 15, Friedman owned 31.02% of 1,013,842 outstanding common shares, wife **Jeanette** owned 10.84%.

Magnavox profit declined 19.4% in 2nd quarter to \$1.5 million (see financial table) & whittled first-half earnings to \$4.4 million—2.5% ahead of year-earlier's \$4.3 million. First-half sales were down 11.1% to \$77.9 million, June quarter sales were off 23.5% to \$34.1 million. Consumer products sales, however, were up 20% for Jan-June, Pres. **Frank Freimann** noted, adding: "Orders for TV, stereo hi fi & other consumer products were 50% higher in June than in the same month last year, and this sales momentum has carried over into July." Freimann pointed out that half-year report incorporates start-up costs for Magnavox's color chassis, which it has been producing since April. For total 1963, Freimann said "earnings are expected to be substantially ahead of a year ago."

Sylvania's first-half profit jumped 27% over year ago, contributed to parent GT&E's 21% earnings rise to record \$46.3 million (see financial table). Sylvania's sales also were up from year earlier. GT&E Chmn. **Donald C. Power** said "strong sales gains were achieved in home electronics products, including TV sets & stereo hi-fi instruments. Sales of lighting products & TV picture tubes also were ahead of last year." No Sylvania figures were disclosed, but GT&E's over-all manufacturing sales rose to record \$376,894,000 from \$369,211,000 in 1962's first half. Manufacturing profit climbed 11% to \$14,473,000 from \$12,999,000.

Motorola reports record sales & earnings in 2nd quarter, and record sales for first 6 months of 1963. Pres. **Robert W. Galvin** anticipated record sales & earnings for 3rd quarter, "assuming that our nation's economy is not upset by a rail strike or the impact of undue racial unrest." First-half earnings, he said, were affected by large expenditure to broaden semiconductor & integrated circuit lines and to introduce new TV sets, including the 23-in. rectangular color tube. (See financial table.)

Phileo parent **Ford Motor** posted record first-half sales on 9.6% increase to \$4.434 billion from \$4.043 billion a year earlier. Earnings gained 3% to \$227.2 million from \$268.3 million.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Aerovox	1963—6 mo. to June 30	—	—	\$ 64,122	\$0.07	870,851
	1962—6 mo. to June 30	—	—	174,067	.20	870,851
Amphenol-Borg Electronics	1963—6 mo. to June 30	\$ 41,963,661	\$ 2,429,599	1,124,693	.81	1,387,677
	1962—6 mo. to June 30	43,334,571	2,139,273	1,015,273	.73	1,387,677
Crowell-Collier	1963—6 mo. to June 30	47,627,107	1,891,972	912,972	.28	3,257,881
	1962—6 mo. to June 30	39,976,276	1,939,559	898,859	.28	3,136,205
	1963—qtr. to June 30	25,817,041	1,549,033	750,333	.23	3,257,881
	1962—qtr. to June 30	22,986,605	1,470,190	671,990	.21	3,136,205
Desilu Productions	1963—year to Apr. 27	21,869,000	1,278,797	(655,387) ¹	—	1,233,631
	1962—year to Apr. 27	14,223,000	272,478	611,921	.53	1,155,940
Erie Resistor	1963—6 mo. to June 30	14,466,000	—	270,000	.27	798,806
	1962—6 mo. to June 30	14,301,000	—	601,000	.67	798,806
	1963—qtr. to June 30	7,590,000	—	207,000	.22	798,806
	1962—qtr. to June 30	7,310,000	—	346,000	.39	798,806
GT&E (Sylvania) Story on p. 11	1963—6 mo. to June 30	684,475,000 ⁶	—	46,286,000 ⁷	.61	75,307,000
	1962—6 mo. to June 30	649,338,000	—	38,387,000	.52	73,846,000
	1963—qtr. to June 30	351,996,000 ⁶	—	24,226,000 ⁶	.32	75,333,000
	1962—qtr. to June 30	331,432,000	—	20,225,000	.27	74,142,000
Giannini Controls (Conrac)	1963—6 mo. to June 30	13,035,000	862,396	401,000	.33	1,121,365
	1962—6 mo. to June 30	11,700,000	871,364	429,000	.41	1,070,418
Goodwill Stations	1963—6 mo. to June 30	4,140,577	—	397,505	.57	631,903
	1962—6 mo. to June 30	3,863,306	—	342,900	.49	632,143
Hazeltine	1963—6 mo. to June 30	21,888,000	1,923,000	912,000	.58	1,568,363
	1962—6 mo. to June 30	22,105,000	1,840,000	892,000	.57	1,568,363
Ling-Temco-Vought	1963—6 mo. to June 30	162,824,000	5,849,000	3,663,000	1.32	2,784,050
	1962—6 mo. to June 30	173,989,000	4,564,000 ⁷	4,564,000	1.64	2,783,232
	1963—qtr. to June 30	83,582,000	3,152,000	1,991,000	.72	2,784,050
	1962—qtr. to June 30	91,642,000	2,341,000 ⁷	2,341,000	.84	2,783,232
Littelfuse	1963—6 mo. to June 30	3,137,088	297,592	145,594	.43	341,237
	1962—6 mo. to June 30	3,354,505	374,791	182,650	.54	341,237
Magnavox Story on p. 11	1963—6 mo. to June 30	77,880,000	8,562,000	4,394,000	.60	7,348,002
	1962—6 mo. to June 30	87,563,000	8,928,000	4,285,000	.59	7,313,623
	1963—qtr. to June 30	34,059,000	2,836,000	1,491,000	.20	7,348,002
	1962—qtr. to June 30	44,524,000	3,918,000	1,850,000	.26	7,313,623
Metromedia	1963—26 wks. to June 30	27,978,000	—	1,838,228	1.03	1,715,044
	1962—26 wks. to June 30	26,206,000	—	1,021,655	.57	1,707,057
	1963—13 wks. to June 30	14,450,000	—	1,134,945	.64	1,715,044
	1962—13 wks. to June 30	13,936,000	—	882,923	.50	1,707,057
Motorola Story on p. 11	1963—6 mo. to June 30	172,166,230 ⁵	10,486,053	4,913,094	1.22	4,026,872
	1962—6 mo. to June 30	159,649,347	12,123,551	5,685,976	1.41	4,026,872
	1963—qtr. to June 30	91,576,134 ⁵	7,286,905	3,556,427 ⁵	.88	4,026,872
	1962—qtr. to June 30	82,632,185	6,974,897	3,230,032	.80	4,026,872
Pacific Mercury Electronics	1963—year to Mar. 31	21,875,333	—	482,740	.69	748,500
	1962—year to Mar. 31	17,414,000	—	252,749	.36	748,500
Packard Bell Electronics	1963—9 mo. to June 30	37,967,000	—	805,000	.94	854,043
	1962—9 mo. to June 30	35,931,000	—	(333,000)	—	854,043
Storer Bcstg.	1963—6 mo. to June 30	19,917,000	—	2,931,654 ²	1.28 ²	289,986
	1962—6 mo. to June 30	18,067,000	—	3,618,366 ³	1.48 ³	2,438,181
	1963—qtr. to June 30	10,147,000	—	1,304,437 ²	.61 ²	2,289,986
	1962—qtr. to June 30	9,367,000	—	1,466,770	.60	2,438,181
Taft Bcstg.	1963—qtr. to June 30	3,203,574	1,220,986	565,746	.36 ⁴	1,589,485
	1962—qtr. to June 30	3,057,975	1,266,357	578,541	.36 ⁴	1,578,938
Thompson Ramo Wooldridge	1963—6 mo. to June 30	240,081,345 ⁵	14,086,956	7,066,956	1.84	3,766,410
	1962—6 mo. to June 30	231,589,854	13,330,666	6,414,666	1.68 ⁶	3,731,118 ⁶
	1963—qtr. to June 30	122,730,309 ⁵	7,813,607	3,976,207	1.04	3,766,410
	1962—qtr. to June 30	119,919,624	7,415,900	3,536,500	.93 ⁶	3,731,118 ⁶
Trav-Ler Industries Story on p. 11	1963—year to Apr. 30	22,105,904	456,766	248,766	.25	1,013,842
	1962—year to Apr. 30	25,065,078	1,296,449	639,499	.63	1,013,842

Notes: ¹ After non-recurring charges totaling \$1,857,006. ² After special charges of \$256,247 (11¢ a share). ³ Includes special credit of \$912,863

(37¢). ⁴ Based on 1,589,455 shares. ⁵ Record. ⁶ Adjusted to reflect Dec-1962 10% stock dividend. ⁷ No tax liability because of loss carry-forward.