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

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Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Would handle interlocutory matters now acted upon by full FCC or Motions Commissioner.

(2) Review all AM & FM initial decisions except revocations & renewals, multiple ownership, Class II-A operations on clear channels.

(3) Review initial decisions on TV translators, safety & special service proceedings, certain common carrier proceedings, suspension of operator permits.

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

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

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

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

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

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

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

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

	December 1961		June 1962		June 1963	
	Transmitters	Receivers	Transmitters	Receivers	Transmitters	Receivers
Far East	194	10,508,973	232	11,810,850	274	14,547,425
Near East	20	321,985	32	356,425	52	499,050
Africa ...	15	118,850	22	159,300	46	248,650
Latin America	130	4,163,950	153	4,827,900	172	5,504,020
W. Europe ...	1162	28,359,060	1244	31,151,500	1398	34,727,000
Total Free World	1521	43,472,818	1683	48,305,975	1942	55,526,145

Communist Bloc (not covered by USIA TV)	393	10,661,650	513	13,379,200	659	17,322,500

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

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

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

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

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

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

CURRENT CAPSULES

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

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

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

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

Obituary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOPICS & TRENDS

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

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Common Share Per	Common Shares
AB-PT	1961—year to Dec. 31	\$ 363,100,000 ¹	—	\$ 9,906,000 ^{1 2}	\$2.31 ⁴	—
	1960—year to Dec. 31	333,437,000	—	10,475,000 ²	2.46 ⁴	—
Admiral Story on p. 13	1961—year to Dec. 31	192,119,625	\$ 5,882,265	2,450,929 ⁵	1.21	2,415,636
	1960—year to Dec. 31	187,865,196	(3,025,371)	(2,493,371) ⁶	—	2,407,136
Canadian Westinghouse	1961—year to Dec. 31	127,400,000	—	(2,607,000)	—	—
	1960—year to Dec. 31	123,200,000	—	307,000	.60	—
Desilu Productions	1962—9 mo. to Jan. 27	11,937,730	—	293,416	.25	1,155,940
	1961—9 mo. to Jan. 27	14,432,798	—	264,949	.23	1,155,940
	1962—qtr. to Jan. 27	4,531,939	—	163,121	.14	1,155,940
	1961—qtr. to Jan. 27	5,970,303	—	144,032	.13	1,155,940
Dynamics Corp. of America	1961—year to Dec. 31	47,517,284	3,810,215	1,922,714	.52 ⁴	2,930,563
	1960—year to Dec. 31	48,676,897	3,833,144	1,853,512	.50 ⁴	2,787,027
Electronic Assistance	1962—year to Jan. 31	3,282,000	591,149	281,149	.22	1,307,668
	1961—year to Jan. 31	3,745,258	434,111	210,200	.16	1,307,668
General Dynamics	1961—year to Dec. 31	2,062,377,998	(168,066,854)	(143,203,459) ⁷	—	9,997,064
	1960—year to Dec. 31	1,987,748,715	(61,770,851)	(27,055,851) ⁸	—	9,982,079
Hallicrafters	1962—6 mo. to Feb. 28	35,599,600	1,742,000	842,000	.35	2,429,000
	1961—6 mo. to Feb. 28	29,659,000	1,516,000	728,000	.30	2,416,800
	1962—qtr. to Feb. 28	15,840,000	826,000	396,000	.16	2,429,000
	1961—qtr. to Feb. 28	17,442,000	820,000	388,000	.16	2,416,800
Industrial Electronic Hardware	1961—9 mo. to Dec. 31	3,482,060	—	92,738	.15	661,199
	1960—9 mo. to Dec. 31	3,541,442	—	84,453	.14	641,807
ITT Story on p. 13	1961—year to Dec. 31	930,499,931 ¹	—	36,059,034 ^{1 9}	2.18	16,375,060
	1960—year to Dec. 31	869,506,958	—	32,103,309 ¹⁰	1.96	16,189,906
National Video	1962—9 mo. to Feb. 28	14,780,412	—	870,047	.71	1,223,334
	1961—9 mo. to Feb. 28	13,827,715	—	912,728	.74	1,223,334
	1962—qtr. to Feb. 28	5,088,810	—	231,185	.19	1,223,334
	1961—qtr. to Feb. 28	3,483,890	—	144,685	.12	1,223,334
Pacific Industries	1962—6 mo. to Feb. 28	11,348,712	—	413,158	.25	1,627,239
	1961—6 mo. to Feb. 28	8,692,263	—	783,283	.55	1,415,354
Republic Corp.	1962—qtr. to Jan. 27	10,686,162	—	414,696	.13 ⁴	2,443,448
	1961—qtr. to Jan. 27	7,094,067	—	559,677	.23 ⁴	2,004,190
Sprague Elec- tric	1961—year to Dec. 31	77,254,031 ¹	—	6,092,473 ¹	4.14	1,471,709
	1960—year to Dec. 31	64,523,956	—	4,882,042	3.40	1,433,449
Stanley Warner	1962—26 wks. to Feb. 24	67,371,250	2,774,984	1,559,984	.77	2,033,924
	1961—26 wks. to Feb. 24	64,867,714	4,451,828	2,346,828	1.16	2,026,374
	1962—13 wks. to Feb. 24	32,087,800	337,264	247,268	.12	2,033,924
	1961—13 wks. to Feb. 24	31,516,560	1,631,213	876,213	.43	2,026,374
Terminal-Hudson Electronics	1961—year to Dec. 31	11,452,807	820,629	417,983	.41	1,026,804
	1960—year to Dec. 31	10,691,905	461,258	242,001	.25	963,304
Times-Mirror	1961—year to Dec. 31	126,374,499	—	5,476,822	1.30	4,199,358
Transcontinent TV Corp.	1960—year to Dec. 31	112,560,118	—	4,617,628	1.10 ¹¹	4,179,397 ¹¹
	1961—year to Dec. 31	15,464,184 ¹	—	1,331,179 ¹	.75	2,168,612
	1960—year to Dec. 31	13,117,251	—	1,185,056	.67	2,167,712

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

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

Common Stock Dividends

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

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

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

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

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1962 SUPPLEMENT NO. 1

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

Full Texts of Addresses by

Newton N. Minow, Chairman, FCC and **LeRoy Collins, President, NAB**

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

Newton N. Minow

Governor Collins, distinguished guests, ladies and gentlemen.

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

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

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

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

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

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

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

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

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

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

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

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

Trend of Radio Since World War II

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

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

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

This is only part of radio's trouble.

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

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

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

Financial Picture and Program Quality

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

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

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

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

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

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

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

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

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

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

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

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

Problem: Free Enterprise vs. Overcrowding

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

And what about the number of commercials?

Self-Discipline or Government Regulation

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

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

But, and I quote Mr. Swezey again,

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

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

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

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

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

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

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

So much for radio—at the moment.

Summary of Year's FCC Activity

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

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

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

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

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

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

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

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

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

"Licenses Are Not Permanent"

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

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

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

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

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

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

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

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

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

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

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

The Purpose of Local Hearings

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glenn Coverage Highest Public Service

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

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

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

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

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

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

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

Demands of Space Communications

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

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

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

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

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

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

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

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

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

LeRoy Collins

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

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

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

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

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

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

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

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

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

NAB Aims to Play it Straight

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

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

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

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

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

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

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

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

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

Editorializing Vital But Sensitive

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Research to be Put to Use

Let us get our research and training program into operation.

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

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

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

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

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

Let us increase the effectiveness of our NAB Codes.

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

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

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

Code vs. Government Interference

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

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

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

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

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

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

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

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

Access for Cameras and Microphones

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

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

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

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

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

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

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

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

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

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

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

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

Coverage Will Induce Confidence

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

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

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

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

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

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

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

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

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

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

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

So let us open our courts with reason.

Seek Aid of Supreme Court

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

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

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

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

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

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

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

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

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

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

Let us prevent the over-population of television.

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

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

Let us bring NAB and state associations closer together.

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

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

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

Let us keep our faith in broadcasting.

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

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

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

Stop Chicago-Type Hearings

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

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

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

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

mission to use for some undetermined or undisclosed purpose.

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

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

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

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

U.S. Broadcasting the World's Best

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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FM STEREO growing pains ending, as indicated by reports of station operators at NAB. Trade cooperation growing. Equipment makers report 175 stations now equipped for stereo (p. 9).
RCA SUES PHILCO FOR 'BLOCKING COLOR' in \$174-million countersuit, latest move in 5-year battle stemming from Philco patent suit against RCA & others (p. 10).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STUDY OF TV'S IMPACT ON CHILDREN LAUNCHED: Govt.-sponsored probe into effects of TV crime & violence on young viewers, plus effort to develop guidelines for children's programs, will get underway next month. Project was initiated by Sen. Dodd's (D-Conn.) Juvenile Delinquency Subcommittee, will be sponsored by Health, Education, & Welfare Dept., has been endorsed by NAB Pres. Collins and FCC Chmn. Minow. Two-stage investigation will bring together govt. officials and representatives of networks, advertisers, agencies, educators, foundations, etc.

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

Second stage will be conference of network, advertising, govt. officials, educators and other interested bodies, to analyze findings, arrange for financial support, designate or establish agency to carry out recommendations. HEW special asst. for juvenile delinquency Bernard Russell will work with Garry.

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

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

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

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

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

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

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

Transistorized video monitors were shown for first

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

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

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

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

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

CURRENT CAPSULES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOPICS & TRENDS

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Robert H. Sommer elected GT&E controller.

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

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Common Share Per	Common Shares
AB-PT	1961—year to Dec. 31	\$ 363,085,183 ¹	\$21,318,096	\$ 9,905,564 ²	\$2.31 ⁴	4,361,376
	1960—year to Dec. 31	334,436,856	22,870,180	10,474,751 ³	2.46 ⁴	4,232,731
AT&T	1962—year to Feb. 28	8,514,233,000	—	1,302,087,000	5.55	234,683,000
	1961—year to Feb. 28	8,001,146,000	—	1,226,746,000	5.56	220,708,000
	1962—qtr. to Feb. 28	2,174,125,000	—	335,019,000	1.42	235,963,000
	1961—qtr. to Feb. 28	2,028,852,000	—	304,018,000	1.36	223,602,000
Cohu Electronics	1961—year to Dec. 31	9,203,250	1,037,911	527,911	.37	1,427,051
	1960—year to Dec. 31	7,135,022	459,020	459,020	.32	1,415,821
	1961—qtr. to Dec. 31	1,964,899	—	114,109	.08	1,427,051
	1960—qtr. to Dec. 31	1,913,152	—	313,790	.22	1,415,821
Consol. Electronics Industries	1961—year to Dec. 31	144,437,881	9,501,948	5,003,089	1.58	3,170,002
	1960—year to Dec. 31	92,939,802	7,530,381	3,573,246	1.26	2,828,620
General Tire & Rubber	1962—qtr. to Feb. 28	196,872,350	—	4,653,000 ⁵	.81	5,424,832
	1961—qtr. to Feb. 28	171,902,958	—	5,304,000 ⁶	.94	5,424,832
Hoffman Electronics	1961—year to Dec. 31	57,243,041 ¹	—	647,100	.42	1,538,388
	1960—year to Dec. 31	54,271,837	—	(968,400)	—	1,529,254
Muter Co.	1961—year to Dec. 31 ⁹	14,553,107	—	243,962	.20	1,199,094
	1960—year to Dec. 31	11,853,827	—	131,633	.15	880,461
Philips Electronics & Pharmaceutical	1961—year to Dec. 31	38,345,040	1,823,659	1,054,066	.53	2,000,874
	1960—year to Dec. 31	33,269,155	2,112,903	1,042,493	.52	1,994,474
Philips Lamp	1961—year to Dec. 31	1,369,700,000	—	90,463,000	—	—
	1960—year to Dec. 31	1,325,000,000	—	110,000,000	—	—
Reeves Soundcraft	1961—year to Dec. 31	6,520,690	(220,938)	(220,938) ⁷	—	3,235,515
	1960—year to Dec. 31	5,896,485	113,208	58,208 ⁸	.02	3,054,515
Thompson-Starrett (Delmonico)	1961—year to Dec. 31	23,539,992	—	570,689	.18 ⁴	2,817,646
	1960—year to Dec. 31	13,950,568	—	(654,033)	—	2,666,363
Wells-Gardner Electronics Story below	1961—year to Dec. 31	25,199,005	—	896,458	2.08	422,400
	1960—year to Dec. 31	25,342,358	1,877,141	877,141	2.08	422,400

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

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

Common Stock Dividends

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

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

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

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

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

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

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

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WEEKLY **Television Digest**

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

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Broadcast

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

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

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

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

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

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

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

Consumer Electronics

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CURRENT CAPSULES

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

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

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

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

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

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

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

Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Area	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
Indiana				
Evansville	60,737	48,509	4,173	8,042
Fort Wayne	68,743	56,333	6,401	6,009
Gary-Hammond- E. Chicago	160,395	133,491	14,622	12,290
Indianapolis	211,798	168,419	26,157	17,222
Louisville (Ind. portion) ..	33,190	27,140	3,082	2,968
Muncie	33,120	28,061	2,388	2,671
South Bend	69,921	58,165	6,350	5,406
Terre Haute	34,440	28,395	2,501	3,544
Iowa				
Cedar Rapids	42,223	35,562	3,518	3,143
Davenport-Rock Island-Moline (Iowa portion)	35,648	30,153	2,720	2,775
Des Moines	84,352	70,063	7,538	6,751
Dubuque	21,142	17,035	1,023	3,084
Omaha (Iowa portion)	24,896	20,885	1,594	2,417
Sioux City	33,243	28,024	2,387	2,832
Waterloo	35,498	30,288	2,580	2,613
Pennsylvania				
Allentown-Beth- lehem-Easton	149,357	122,181	16,177	10,999
Altoona	41,411	33,879	4,184	3,348
Erie	72,821	60,776	7,552	4,493
Harrisburg	104,677	84,548	10,717	9,412
Johnstown	79,648	66,259	7,159	6,230
Lancaster	80,487	58,495	8,804	13,188
Philadelphia	1,266,570	938,418	247,089	81,023
Pittsburgh	709,941	565,080	100,678	44,236
Reading	87,149	69,668	10,585	6,896
Scranton	70,489	61,260	5,072	4,157
Wilkes-Barre- Hazleton	105,755	90,135	8,717	6,903
York	73,467	59,451	7,659	6,357
California	4,982,108	3,851,355	560,232	569,990
Missouri	1,360,054	1,071,066	88,899	200,008
New Jersey	1,806,439	1,381,940	330,951	93,508
New York	5,248,710	4,018,653	744,269	486,117
Pennsylvania	3,350,839	2,645,760	433,639	271,317

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOPICS & TRENDS

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

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

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

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

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

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

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

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

Trade Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Month	TELEVISION				RADIO					
	Total Production		UHF Production		Total Production		Auto Radio Production		FM Production	
1962	1961	1962	1961	1962	1961	1962	1961	1962	1961	
January	488,869	367,935	39,609	25,270	1,350,630	1,090,072	530,589	387,136	76,510	50,421
February	541,494	444,418	46,715	24,514	1,464,797	1,115,029	480,232	307,973	79,713	41,357
TOTALS	1,030,363	812,353	86,324	49,784	2,815,427	2,205,102	1,010,821	695,109	156,223	91,778

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Audio Devices	1961—year to Dec. 31	\$ 7,350,711	\$ 634,456	\$ 308,456	\$0.36	844,526
	1960—year to Dec. 31	6,562,922	280,308	142,308	.17	831,652
Capital Cities Bcstg.	1961—year to Dec. 31	11,803,781	—	1,088,197	.93	1,149,798
	1960—year to Dec. 31	8,421,321	—	800,285	.70	1,149,798
Corning Glass	1962—qtr. to Mar. 31	60,357,929	—	6,768,903	.99 ¹	6,775,995
	1961—qtr. to Mar. 31	48,364,944	—	4,847,056	.71 ¹	6,770,003
Eitel-McCullough	1961—year to Dec. 31	27,100,000	—	486,671	.26	1,838,538
	1960—year to Dec. 31	28,300,000	—	(662,961)	—	1,832,706
Famous Players Canadian	1961—year to Dec. 31	—	—	2,423,919	1.40	1,737,072
	1960—year to Dec. 31	—	—	1,857,251	1.07	1,737,072
H & B American	1962—6 mo. to Jan. 31	1,734,029	—	(60,603) ²	—	2,573,160
	1961 ³	—	—	—	—	—
IBM	1962—qtr. to Mar. 31	453,226,278 ¹¹	114,114,982	56,264,982 ¹¹	2.04	27,578,943
	1961—qtr. to Mar. 31	389,062,378	99,176,669	48,826,669	1.78	27,478,377
Lynch Corp. (Symphonic)	1961—year to Dec. 31	23,561,782	—	579,111 ¹²	.81	713,555
	1960—year to Dec. 31	25,989,077	—	(623,935) ¹³	—	692,779
Magnavox	1962—qtr. to Mar. 31	43,000,000	4,990,000	2,435,000	.35	7,296,213
	1961—qtr. to Mar. 31	32,207,000	2,930,000	1,430,000	.20 ⁴	2,365,168
NTA	1961—year to Sept. 30	8,505,470 ⁶	—	(7,909,299) ⁵	—	1,627,572
	1960 ³	—	—	—	—	—
A. C. Nielsen	1962—6 mo. to Feb. 28	19,413,862	—	1,358,902	.79	1,710,000
	1961—6 mo. to Feb. 28	17,321,758	—	1,211,588	.71	1,710,000
Outlet Co. (WJAR-TV Providence)	1962—year to Jan. 31	19,329,437 ⁷	2,023,226	958,820	1.93	497,100
	1961—year to Jan. 31	17,826,316 ⁸	1,574,848	774,848	1.56	497,100
Storer Bcstg.	1962—qtr. to Mar. 31	—	4,079,322	2,151,596	.88	2,437,861
	1961—qtr. to Mar. 31	—	2,294,918	1,055,417	.43	2,474,750
Trans-Lux	1961—year to Dec. 31	—	1,128,780	567,379	.77	732,182
	1960—year to Dec. 31	—	1,040,892	502,217	.69	554,900
20th Century-Fox	1961—52 wks. to Dec. 30	117,428,059	(22,997,159)	(22,532,084) ⁹	—	2,495,926
	1960—53 wks. to Dec. 31	118,356,457	(3,400,839)	(2,868,113) ¹⁰	—	2,445,486
Wometco Enterprises	1962—12 wks. to Mar. 24	4,436,441	—	419,088	.41	1,006,757
	1961—12 wks. to Mar. 24	3,434,453	—	301,293	.27	896,980

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

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

Common Stock Dividends

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

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

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

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

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

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

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

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

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

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

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

GT&E RINGS UP RECORD SALES in first quarter, scores 13% profit gain. Sylvania more than doubles year-earlier profit (p. 12).

CBS'S BRIGHT OUTLOOK delights Paley & Stanton at L.A. stockholders meeting, first quarter shaping up as best in history (p. 12).

'WAIT & SEE' AFTER 'DEFENDERS' PREVIEW: Good test of NAB Code system, coupled with affiliate previewing, is in works for April 28 CBS-TV episode of *The Defenders* dealing with abortion of pregnancy caused by rape.

CBS called in NAB Code Authority Dir. Robert Swezey for preview, fed it also to affiliates April 19. No affiliates had cancelled by week end, CBS reported.

Asked for comment, Swezey came up with an "OK—but" report, as we read it. Excerpts:

"Apparently a sincere effort to present in a dramatic & forceful manner a point of view respecting a significant social problem. . . . The Code Authority is nevertheless impelled to raise the following considerations: (1) The suitability of *The Defenders* or other dramatic series as a vehicle for such a direct treatment of this subject. (2) The wisdom of selecting an early evening family viewing hour [8:30] . . .

"Program subjects the audience to a strong emotional thrust toward a particular point of view which some will find offensive; that some may well consider the blunt dramatic intensity of the presentation unsuitable for group viewing in the home while others will take a position quite to the contrary. . . . The episode should not be condemned as violative of the Code.

"It is earnestly recommended, however, that each affiliate . . . decide in the light of the specific requirements, characteristics and attitudes of its local community whether the public interest would be served

by the broadcast of the episode at the time and in the manner contemplated." In short—it's up to you, boys. Prognosis: very few affiliate dropouts, lots of public commendation, some vigorous condemnation. And a good rating for newly acquired sponsor Speidel, which substitutes for the regulars April 28, and has taken alt. week half hours of series starting in Fall.

ETV AIMS FOR QUICK USE OF NEW FUNDS: With \$32 million in federal funds now on tap, following Congressional passage last week of aid-to-ETV bill (S-205), jubilant educational broadcasters are poised for quick action in putting money to work after administrative details are ironed out.

ETV groups, which have been pushing measure for years, reported many stations & organizations prepared to apply for funds immediately. Spokesman for Secy. of Health, Education & Welfare, who will administer program, expressed hopes Dept. could begin making grants by early fall.

Major HEW tasks now, according to Dean Coston, special asst. to HEW Asst. Secy. Wilbur J. Cohen: (1) Development of specific rules & regulations for grantees and development of application procedures. Dept. has been unable to finalize details due to last-minute Congressional conference committee revisions to bill. (2) Liaison with FCC to determine modus operandi for judging applicants' resources, technical know-how, proposed coverage, etc. Commission recently set up div. of research & education within Broadcast Bureau. Div. is directed by Dr. Hyman Goldin; educational branch is headed by Dr. Keith M. Engar.

National Assn. of Educational Bcstrs. Administrative vp Harold Hill said legislation "should lead to a truly nationwide educational TV service." According to NAEB estimates, he said, there are 20-25 stations or groups in 10-12 states "ready to go," up to 100 more in 40-45 states in varying stages of preparation. Hill reported NAEB studies estimate additional 20 stations will be on air after first year of grants, with 25-30 starting in each of succeeding 4 years of program. The 62 stations already operating also will be eligible for funds for expansion and improved facilities, up to 25% of value of existing investment.

David Stewart, National Educational TV & Radio Center Washington dir., said NET is "absolutely delighted," predicted bill would be "one of the most important pieces of domestic legislation passed this session." He estimated that 20-25 stations or groups in 10-15 states are prepared to apply for grants, having already ponied up their matching funds through private sources. Commenting on provision of bill which limits to 15% the portion of any grant which can be used for microwave equipment and other connecting apparatus, Stewart said it would be slight drawback only to few states such as Fla. and Ala. which already have number of stations. Development of new facilities, which provision encourages, is most pressing need at present, he said.

Sen. Magnuson (D-Wash.), who championed bill patiently for 7 years, said that it "will go a long way toward putting educational TV on its feet." He expressed confidence it would trigger development of an ETV service covering every state and Puerto Rico.

Final version of bill, expected to be signed by President shortly after his return from Easter vacation, provides \$32 million, up to \$1 million per state in matching funds, over 5-yr. period, to be administered by HEW Secy. Existing stations would be allowed up to 25% of present facilities; 15% of any grant would be maximum which could be spent for interconnecting or repeater facilities.

NETWORKS GET IN THEIR CHICAGO LICKS: "Massive retaliation" perhaps best describes networks' testimony in FCC's Chicago hearings to air pros & cons of local programming output (Vol. 2:13 p3). Network spokesmen were satisfied that their cases were impressively placed in the record. "We gave 'em their lumps," as one put it, referring to the scores of critical public witnesses. Network witnesses were vp-gen. mgrs. of Chicago o-&o's: Lloyd E. Yoder, NBC; Clark B. George, CBS; Sterling C. Quinlan, ABC.

In hundreds of pages of point-by-point analysis, network witnesses ripped into testimony of critics. They pulled no punches, expressed pride in output, argued that their local originations are substantial, insisted that balance between network & local programs was carefully arrived at by weighing viewers' needs & wishes through all practical means. As for their "autonomy" vis-a-vis "network control from New York," they maintained that they play active role in program selection and that ultimate responsibility properly rests with principal officers of licensees, as required by law.

They went through incredible amount of detail—describing local programs and reasons therefor, including techniques whereby they ascertain viewers' needs & desires.

Some of strongest language was directed at AFTRA & NABET by Yoder. He asserted, for example, that AFTRA witness gave distorted figures on WNBQ's local live trends. AFTRA claimed that such programming declined from 20% to 9% from 1958 to 1961 whereas it actually increased, he said. As for NABET, though its witness said engineering jobs at station declined by 50 during 1958-61, reduction was 17, he said. And, he added, witness "was well aware" that reduction was ordered before he came to station—though she testified that he was responsible.

There's no question that FCC enthusiasm for such hearings has abated somewhat. Whether it has eased off enough to forestall more in foreseeable future—can't be foretold yet.

SET MAKERS HOPE FOR SENATE VHF-UHF-SET STYMIE: All-channel-receiver bill seems to have clear road in House, where Rules Committee gave it go-ahead for consideration after Easter recess ends April 30. But going may be a little stickier in Senate.

Manufacturers' representatives who have checked with key Senators, particularly those on Commerce Committee, believe sentiment for bill is much weaker there, claim that arguments against measure are sinking in. They assert that Senators are concerned about ultimate consumer reaction among viewers who'll pay extra for uhf but won't have need for it in visible future. It's hard to believe, however, that bandwagon will halt—propelled as it is by President, FCC, House, networks, NAB, major individual telecasters, major set makers.

But EIA's Consumer Products Div. won't say die. Last week, it released study stating that 92% of viewers live beyond range of existing uhf stations and that new uhf stations will arrive so slowly that most purchasers of uhf-vhf receivers won't be able to use uhf portion during life of sets. EIA Exec. vp James D. Secrest urged Congress not to "deprive the TV set buyer of his freedom of choice and force manufacturers & dealers to raise prices in areas where uhf service may never become available." If law is enacted, he said, vhf telecasters should be required to operate uhf transmitters simultaneously "to compensate the consumer for the extra cost of his set."

POLITICAL BROADCASTING—TWO MAJOR REPORTS: It's premature to repeal permanently Sec. 315 "equal time" requirements in presidential & vice presidential campaigns, according to 2 substantial studies issued last week. And neither report accepted suggestions that broadcasters be forced to give free time. One study was "Financing Presidential Campaigns," by President's Commission on Campaign Costs; chmn. of 9-man group is Alexander Heard, U. of N.C. Graduate School Dean. Other report was that of 3-man Senate Commerce "Freedom of Communications Subcommittee"; chmn. is Sen. Yarborough (D-Tex.), includes Sens. McGee (D-Wyo.) & Scott (R-Pa.).

White House Commission report was devoted primarily to ways & means of fair campaign financing (income tax credits, etc.), but it noted growing significance of TV-radio, acknowledged substantial gratis contributions of industry, refused to recommend compulsory free time (and was promptly commended by NAB Pres. Collins), urged suspension of Sec. 315 for 1964 presidential & vice presidential campaigns.

Commission reported that more than 1/3 of 1952 & 1956 national campaign costs went to TV-radio, mostly TV. It said that in 1952, broadcasting took 34% of the \$4.5 million spent by 15 Democratic committees operating in more than one state, 31% of \$6.6 million outlay by 18 comparable GOP groups. In 1956, figures were 41% of \$4.3 million for Democrats, 37% of \$7.8 million for GOP. Commission said full 1960 figures weren't available but that they probably were comparable. Among other recommendations: use lots of ETV time.

Yarborough committee urged more experience with Sec. 315 suspension before considering permanent repeal. Other major recommendations:

(1) FCC should speed processing of equal-time & editorial fairness complaints, adding a system for taking testimony in field immediately.

(2) Commission should adopt "ground rules" for editorializing. These would require stations to keep tapes or films of editorials on candidates for at least a week, make them available for inspection, also provide advance notice to candidates whom station opposes. Another suggested rule would require granting candidates time to answer editorials. Political editorials should be cut off at least 48 hours before opening of polls.

(3) FCC should modify requirement for candidates to file scripts in advance, instead allow candidate to make tapes of speeches to be kept by station for hearing or reproduction by interested parties.

(4) Stations announcing plans to refuse time to candidates should not be allowed to renege without agreement of all candidates. Stations may not arbitrarily set cutoff date for sale of political time.

(5) Congress should amend Sec. 326 to enable FCC, when acting on editorial fairness complaint, to order station to give time to opposition.

(6) Commission should "study in depth" discussion of controversial issues. This would include proposal to require station to initiate scheduling of opposition viewpoints to editorials, rather than await complaints. FCC also would judge whether station can require advertiser who editorializes to give time to opposition on his program.

(7) Station should be required to report to FCC immediately any refusals to sell time for presentation of news, discussion, or entertainment.

CURRENT CAPSULES

Since Ford has continued Philco's battle against NBC, the network decided to open new phase of fight. Only matters still pending, NBC said, are proposed swap of its Philadelphia TV-radio stations with RKO-General's Boston outlets and Philco's effort to wrest away from NBC its WRCV-TV Philadelphia in a comparative hearing. NBC argues that: (1) Ford, by taking over Philco, can't legally also take over latter's protest against renewal of WRCV-TV. (2) If you're going to examine NBC's anti-trust history, you should look into Ford's too. It said Ford has been charged with monopolistic practices in at least 12 courts, within last 3 years alone—many of them filed by Justice Dept., many still pending. (3) Philco misrepresented to FCC its financial condition when it applied for Ch. 3, claiming it had adequate funds to build & operate when in fact its position was "critical."

Nine out of ten U.S. households have TV sets, according to Census Bureau survey conducted for Advertising Research Foundation. Count made in January 1962 estimates 48.9 million households have one or more sets, an increase of 16.7 million since 1955. Biggest concentration was in Northeast, where 93% of homes have sets, followed by 92% in North Central region, 90% in West, 85% in South. Survey also reveals: (1) Two or more sets are found in 13% of households. (2) In households with phones, 95 out of 100 have one or more sets; in homes without phone, only 71% are set owners. Copies of 22-page ARF survey, expanding Census result, including charts & graphs and data from 1955-62, are available at \$5 from ARF, 3 E. 54th St., N.Y. 22. Four-page Census report (Series H-121, No. 9) can be obtained for 10¢ from Bureau, Washington 25, D. C.

Substantial step toward communications satellite system came last week with House Commerce Committee approval of bill (HR-11040) calling for 50-50 ownership by public and communications companies. Bill is almost identical with one approved by Senate Space Committee (Vol. 2:14 p6 et seq.). Senate Commerce Committee resumes hearings April 24. Major difference in House bill is provision tying number of board members which companies may appoint to amount of stock they purchase, ranging from one member for 15%, to 6 for 50%.

ETV satellite system is being given "serious thought" by Office of Education of Health, Education, & Welfare Dept. Although still in "dream stage," project has been under study for about a year, we were told by Dean Coston, special asst. to HEW Asst. Secy. Wilbur J. Cohen. Project also has evoked interest of FCC & NASA, envisions fixed satellite hung at point over equator, possibly over Pacific Ocean off Colombia coast. HEW spokesman recently told House Appropriations Committee project is feasible, would cost estimated \$50 million on experimental basis for 5 years.

FTC put foot down on TV commercials for "Outgro" ingrown toenail remedy. Commission charged American Home Products Corp., which does business as Whitehall Laboratories, with false & deceptive advertising for claiming instant relief & cure. FTC contended product has no significant effect. Even product's name is false & misleading, FTC charges. Company was also cited for similar ads in other media.

Personals

FCC Comr. Fred W. Ford enplaned for Tokyo April 19 to attend conference on submarine cables, will return May 5.

Robert W. Sarnoff, NBC chmn., and Dr. Peter H. Odegard of NBC-TV's *Continental Classroom* American govt. course, will address League of Women Voters 25th convention in Minneapolis May 4.

Frank Marx, ABC engineering vp, elected pres. of new ABC Engineers, div. of AB-PT. . . . Eric G. Larson named *TV Guide* advertising dir., succeeding Michael J. O'Neill, who resigns effective May 15.

Donald S. Shaw, Jr. promoted to ABC-TV station relations dir.; Joseph Giaquinto advances to TV station clearance dir., Mario Cucinotta to TV station clearance mgr.

Guy C. Fraker promoted to a Nielsen vp. . . . David Chasman promoted to UA advertising exec. dir.; Mort Hock, ex-Paramount asst. ad mgr., becomes UA advertising mgr.

Jack Cron, ex-Screen Gems European sales dir., named TV Enterprises Corp. international sales mgr. . . . Mel Bernstein advanced to Ziv-UA sales promotion dir.

John S. Allen promoted to WLBW-TV Miami gen. sales mgr., Charles J. Mathews to national sales mgr., Mollie Flynn to national sales coordinator. . . . William P. Dix, Jr., ex-WDAU-TV Scranton mgr., named WCHS-TV Charleston, W. Va., gen. mgr.

James M. Strain, ex-Filmaster western sales dir., named Storer Programs western div. sales mgr., Los Angeles. . . . Dick Jungers promoted to WGN-TV Chicago midwest national sales mgr., Marvin Rudolph to asst. eastern div. national sales mgr., N.Y.

James L. Lahey promoted to Entron pres. & chief exec. officer; Henry M. Diambra moves up to board chmn.; W. C. Godsey Jr. named head of new executive committee; Spencer Allen, KMOX-TV St. Louis news dir., elected Metropolitan St. Louis Press Club pres.

Harold Solder named WTAR-TV Norfolk programs & operations vp; Jack B. Prince radio vp; William A. Gietz TV sales vp. . . . Tom Goodgame, ex-Commercial Credit Corp., named KATV Little Rock commercial mgr. . . . James W. Anderson promoted to gen. advisor to Televisora Nacional, ABC Panama City affiliate.

NAB Pres. Collins' blast at FCC for Chicago hearings got nationwide attention because he reserves barrages for legitimate threats to industry, NAB PR mgr. John M. Couric told Phila. PR Assn. He said that Collins' popularity with broadcasters is at all-time high since his keynote address at NAB convention April 2 (Vol. 2:15, Supplement). Because of his policy of not "continually carping," the NAB chief's speech defending broadcasting not only rallied industry but brought support from many newspapers as well, Couric asserted.

Education of citizens to work for peaceful world is most pressing task facing nation, NAB Pres. Collins told annual dinner of patrons of Queens College, Charlotte, N.C. He criticized "blind reaction against change," told group: "There is no cause to quake before the prospect of a future filled with unpredictables. On the contrary, there is every reason to welcome it with enthusiasm."

Minow Gets Peabody Award: FCC Chmn. Minow received coveted Peabody Award April 18, was cited as "most courageous, responsible and energetic FCC Commissioner in years, [who] has done much to rescue the wasteland from the cowboys and private eyes." First govt. official to win this award, Minow told audience at luncheon meeting of N.Y. chapter of Broadcast Pioneers he considered award was not for him personally, but in recognition of govt.'s role in broadcasting. President Kennedy sent wire "noting with pride," saying "I am glad one of our boys made it."

Other winners: *David Brinkley's Journal*, NBC, TV news; *Bob Newhart Show*, NBC, TV Entertainment; *An Age of Kings*, BBC, and *Vincent Van Gogh: A Self-Portrait*, NBC, TV Education; *Expedition*, ABC, TV Youth & Children's Programs; Walter Lippmann, CBS, TV Contribution to International Understanding; *Let Freedom Ring*, KSL-TV Salt Lake City, TV Public Service; *Fine Arts Entertainment*, WFMT Chicago, radio entertainment; *The Reader's Almanac* and *Teen Age Book Talk*, WNYC N.Y., radio education.

Radio WRUL N.Y. was cited for radio contribution to international understanding, for coverage of UN General Assembly in English & Spanish. Special awards went to Fred Friendly, CBS, and to Capital Cities Bcstg. Corp. for Eichmann trial coverage.

Violin virtuoso Jascha Heifetz will appear as performer-teacher in special National Educational TV network series this fall. Programs will be recorded during artist's classes at U. of Southern Cal.'s Institute for Special Musical Studies. Producer is Nathan Kroll, whose *Casals Master Class* series won documentary first prize at 1961 Venice Film Festival and special prize at 1962 Monte Carlo International TV Festival.

Construction of broadcast center for WTTG Washington will begin April 23. New center will include 5-story office building with connecting one-story broadcast wing. Studios will have 17,000 sq. ft. of space, more than double station's present facilities. Managers of Washington's 3 network stations will join WTTG executives in groundbreaking ceremonies. Completion of new facilities at 5151 Wisconsin Ave., N.W. is scheduled for next spring.

Horse "Vast Wasteland" won special race at annual National Press Club outing at Laurel, Md. track last week. Race features newsmen as jockeys, and horses are given temporary names. Winning jockey: Dawson (Tack) Nail, *Broadcasting* magazine reporter.

CATV system, Huntsman TV Cable Co., Johnson City, Tenn., has been bought for undisclosed price by industrialist and multiple-CATV owner C. A. Sammons, Dallas. R. M. Huntsman will remain as mgr.

FCC has approved purchase of remaining 50% of KCRA-TV & KCRA Sacramento, for \$2.8 million by 50% owners Nina N., Robert E. & Jon S. Kelly from Gerald & C. Vernon Hansen.

International Radio & TV Society may become new name of Radio & TV Executives Society, N.Y. RTES pres. Matthew J. Culligan explained word "executive" is hard to define, said new title would be more descriptive.

Unusual sponsorship of Easter Parade in N.Y. on WPIX has been purchased by Union Label Dept. of International Ladies' Garment Workers' Union. Commercials will stress significance of union label in women's clothes.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
AB-PT	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	— —	\$ 6,442,000 7,325,000	\$ 3,042,000 ¹⁰ 3,425,000 ¹¹	\$0.70 .79	— —
American Electronics	1961—year to Dec. 31 1960—year to Dec. 31	\$ 16,807,633 22,609,422	— —	(638,874) (6,452,572) ¹	— —	1,177,842 1,177,708
CTS Corp.	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	6,672,486 4,439,860	— —	550,014 351,243	0.38 .26	1,447,003 1,372,003
Electronic Specialty	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	8,099,800 6,188,074	832,817 220,139	564,817 185,139	.64 .21	887,621 872,608
Fairchild Camera & Instrument	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	23,884,000 20,655,000	— —	1,352,000 877,000	.54 .35	2,526,083 2,467,392 ⁷
GE	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	1,100,566,000 992,622,000	114,169,000 84,689,000	55,963,000 42,476,000	.63 .48	89,391,842 88,860,183
GT&E Story on page 12	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	317,906,000 ² 287,915,000	— —	18,162,000 16,319,000	.25 ³ .22 ³	73,470,000 73,273,000
Gaodwill Stations	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	1,819,097 927,389	— —	140,106 44,676	— —	631,903 632,143
Harvey Radio	1962—year to Jan. 31 1961—year to Jan. 31	4,356,081 4,172,123	— —	232,592 203,230	.42 .37	550,000 550,000
Hazeltine	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	10,087,000 12,645,000	1,034,000 868,000	487,000 421,000	.31 .27	1,568,029 1,568,029
Indiana General Story on page 12	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	7,283,028 ² 4,813,462	1,483,493 725,888	717,763 ² 356,243	.62 .31	1,150,002 1,139,522
Jerrold Electronics	1962—year to Feb. 28 1961—year to Feb. 28	18,045,564 ² 11,935,899	— —	591,171 ² 248,873	.30 .13	1,999,682 1,884,569
P. R. Mallory	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	24,506,709 ² 19,745,337	2,259,462 1,640,406	1,074,321 781,797	.68 ³ .49 ³	1,501,848 1,469,739
MGM	1962—28 wks. to Mar. 15 1961—28 wks. to Mar. 15	76,766,000 75,778,000	5,353,000 14,684,000	2,553,000 6,684,000	1.00 2.65	2,554,229 2,521,529
Mavielab	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	1,685,314 1,436,380	— —	97,235 69,399	.30 .23	328,034 312,500
Muter	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	4,132,740 2,656,735	— —	72,701 (13,894)	.06 —	1,199,094 880,461
Paramount Pictures	1961—year to Dec. 31 ⁸ 1960—year to Dec. 31	— —	— —	7,148,000 ⁹ 7,026,000	4.23 ⁹ 4.20	1,688,531 1,673,231
Pentron Electronics	1962—9 mo. to Mar. 31 ⁴ 1961—9 mo. to Mar. 31 1962—qtr. to Mar. 31 ⁴ 1961—qtr. to Mar. 31	8,567,992 1,404,965 3,160,054 407,961	— — — —	364,553 (448,554) 201,459 (194,026)	.15 — .08 —	2,441,037 810,000 2,441,037 810,000
RCA Story on page 12	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	425,000,000 ² 361,700,000	28,900,000 22,600,000	14,500,000 ² 12,000,000	.81 .68	16,913,000 16,553,000
Raytheon	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	157,334,000 138,158,000	— —	2,499,000 1,365,000	.60 ³ .33 ³	4,013,754 3,855,045
Reeves Bcstg. & Development	1961—year to Dec. 31 1960—year to Dec. 31	4,340,240 2,432,280	— —	157,877 ⁵ 328,284 ⁶	.11 .23	1,408,893 1,408,893
Texas Instruments	1962—qtr. to Mar. 31 1961—qtr. to Mar. 31	57,483,000 58,977,000	4,663,000 7,737,000	2,411,000 3,773,000	.60 ³ .95 ³	3,945,613 3,929,226
Varnado	1962—6 mo. to Feb. 28 1961—6 mo. to Feb. 28 1962—qtr. to Feb. 28 1961—qtr. to Feb. 28	57,081,325 ² 53,493,945 28,878,919 ² 26,536,772	— — — —	1,936,843 ² 1,377,976 1,072,914 ² 673,095	1.48 1.05 .82 .51	1,310,593 1,310,593 1,310,593 1,310,593
Wells-Gardner	1962—qtr. to Mar. 31 ⁹ 1961—qtr. to Mar. 31	4,380,000 4,085,000	— —	62,000 35,000	— —	422,400 422,400

Notes: ¹ Includes \$1.7 million in special items. ² Record. ³ After preferred dividends. ⁴ Includes on "pooling of interests" basis operations of 6 firms acquired in 1961. ⁵ Includes \$142,594 gain on sale of investments. ⁶ Includes \$101,437 in special credits. ⁷ Adjusted for 2-for-1

stock split Nov. 1961. ⁸ Preliminary. ⁹ Includes profit of \$1.5 million (88¢) from sale of investments. ¹⁰ Before \$133,000 (3¢) Capital Loss. ¹¹ Before \$3,914,000 (91¢) Capital Gains.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

TV SALES UP 17%, INVENTORIES UP MORE: First quarter sales were good—TV up 17%, radio 14%, in distributor sales compared with same 1961 period. As industry moved into traditionally slow 2nd quarter, however, most manufacturers were beginning to keep watch on production.

Distributor-to-dealer sales of TVs were at rate of little less than 6.3 million a year (seasonally adjusted) during first quarter, while manufacturer-to-distributor shipments were at nearly 6.7-million rate.

Unit sales of TV sets to dealers during first quarter were about 1,560,000, up from 1,330,000 during slow first-quarter 1961. In radio, figures were 2,237,000 vs. 1,965,000. March TV sales totaled about 573,000 vs. 501,000 in 1961, radio sales 976,000 vs. 853,000. (These are estimates, not official industry figures.)

Phono sales haven't been sharing TV-radio's upswing. First publicly released EIA statistics on distributor sales of phonos show first 2 months of 1962 were nearly 17% poorer than same 1961 period. (And these months of 1961, in turn, were sharply below banner 1960.) Phono factory & distributor sales figures and EIA's official TV-radio distributor sales for January & February will be found on p. 11.

PICTURE TUBE REPLACEMENT MARKET DYING? We used to hear grandiose predictions of an ever-increasing replacement market for picture tubes—4 million, 5 million, 6 million, soaring skyward through the years. These predictions have not come true. Despite increasing number of TV sets in use, replacement sales have been diminishing in recent years. Tube manufacturers almost unanimously say they expect further contraction—some even going so far as to predict this part of their business will almost dry up altogether.

There's one important reason for this—and it's so simple & logical that it's easy to overlook: Quality of picture tubes has increased to point where today's tube can be expected to last life of TV set in normal usage.

Picture tube sales statistics aren't very reliable—because many rebuilders aren't included in them. Nevertheless, EIA's year-by-year breakdown (TV Factbook No. 32, p31) shows replacement picture-tube sales peaked in 1957 at 2,779,111, then fell off to 2,405,952 in 1960. (These figures exclude many rebuilder sales.) EIA hasn't yet compiled replacement tube statistics for 1961, but all tube industry sources express belief that gradual fall-off continued last year.

There's growing feeling now that rebuilt tube market never was as big as it was presumed to be. Some independent surveys are said to show that it probably was only half the size it was thought to be by many in industry. And it seems to be getting smaller by the week.

Never before were so many independent tube rebuilders in trouble. Two of largest independent tube makers have gone out of production—Thomas Electronics, Passaic, N.J., and Pioneer Electronics, Los Angeles—although both firms are still in business (Vol. 2:8 p8). Several others are said to be desperate. Calvideo Electronics, Compton, Cal. has complained to FTC & Congress, charging monopoly by major tube makers and stating that 40% of independent tube manufacturers have gone bankrupt since Jan. 1959, that 36,000 people have lost jobs in picture-tube & supplier industries.

It's more than a case of majors gobbling up market, however. It's case of market shrinkage, and the company which depends on replacement business—with no manufacturer accounts—is going to find sledding even tougher from now on.

One of the very biggest picture-tube manufacturers estimates life of today's TV tubes as "approximately up to 8 years, depending on varying conditions." He predicts replacement market will continue to go

down because "the total number of TV sets is not increasing appreciably and tubes are lasting longer." He adds: "Furthermore, as color continues to grow, the demand for b&w tubes will be lower."

Replacement picture tubes will represent "a continually declining business," according to another major manufacturer—Pres. Asher Cole of National Video, biggest independent picture-tube maker. "Our life tests show tubes which have been run for 8,000 hours—the equivalent of about 6 years' wear—still look good as new. And they're still getting better. With the optimum life of a set about 7 years, I think we're going to see replacement tubes diminishing to the category of a very low-volume business."

HERTZ TV RENTALS BOOMING: "Our TV rental business is excellent & growing," we were told last week by Harlan Liss, vp-gen.mgr. of Hertz Rent-All, subsidiary established in 1960 (Vol. 16:40 p15) by the worldwide car & truck leasing organization to rent a broad range of merchandise. "Compared with a year ago," he said, "our increase in TV rentals is immense, and we're real happy with the business."

How has Hertz prospered in a field which has produced more ulcers than profits for so many TV dealers? "The short-term rental of TV sets, of any product, is a specific business," Liss told us. "You can't operate it successfully on a part-time basis. I have seen many retailers attempt to add rentals as a sideline. It just doesn't work out in most cases. You can't devote your full time and effort to the special details involved in selling & renting. The rental business is different from the retail business—and like all businesses, it requires special know-how, experience, and concentration to make it successful."

Hertz Rent-All unquestionably has made progress since last we spoke with Liss in October (Vol. 1:5 p6). Then, the new corporation embraced company-operated stores in Chicago & N.Y., franchisers in 3 other cities. Today, there are Rent-All stores in 10 cities, and contracts signed for other cities which Liss said will be announced when store locations are firmed. Hertz operates its own stores in Chicago & N.Y. and has just taken over previously franchised New Brunswick, N.J. Franchised rental stores are operating in St. Louis, Cincinnati, Norfolk, South Bend, Ind., Hartford, Huntington, N.Y., Springfield, Ill.

Former New Brunswick franchiser, Lee Merel, now devoting full time to operation there of his Made-well Furniture Co., told us his experience with TV rentals had been "very good," attributed TV demand to pull of Hertz name and fact that "hardly any dealers in this area rent TV sets."

Hertz Rent-All in Chicago rents 19-in. Motorola, Sylvania & RCA portables for \$20 a month, \$25 with remotes, which, Liss told us, "are quite popular, particularly for sickroom use." For shorter terms, rates are a minimum of \$10, for one week, with free pickup & delivery, \$15 for 2 weeks. Rates last October were \$5 weekly & \$15 monthly, and Liss said higher rates reflect increased operating costs. Average rental span is one month, and primary customer is homeowner whose TV set has broken down.

"We get calls for color TV," Liss said, "and are exploring the possibilities of adding color sets to our rental program." However, Hertz so far has not included color TVs because "they are a good deal more expensive than b&w sets, less easy to handle from a rental standpoint, and present more maintenance problems." Liss said that maintenance on b&w merchandise has been no problem, noted that rental customers are particularly careful with sets. "Our sets have suffered no abuse or damage, beyond the normal wear & tear expected," he said.

Hertz also rents radios & phonos, although volume is nowhere near as high as that for TV rentals. Most radios, table models, are rented for sickroom use. Phonographs are rented principally for parties.

COMEBACK FOR TV KITS? With kit-building fever sweeping America, will TV kits make comeback? Nobody knows, but one new deluxe kit went on market recently, and there are rumors of others to follow.

TV kits today would fulfill different purpose from kits of the late 1940s. In TV's early days, kits offered the venturesome & well-equipped hobbyist a way to save money on sets, which were high priced in completed form. In our Oct. 1949 *Television Factbook*, 8 TV kit manufacturers were listed, and some sources say that kits accounted for nearly 7% of all TV sets sold that year. Our most recent *Factbook* lists 3 kit makers, of which Transvision Inc. (Grey Oaks Ave., Yonkers, N.Y.)—old-timer in TV kit field—is most active.

Today's kit builder isn't really out to save money — but for sheer joy of putting together a complex piece of electronic equipment which works. Aiming at this market, Conar Instruments div. of National Radio

Institute (3939 Wisconsin Ave., Washington 16, D.C.) is offering complete 19-in. TV kit, including cabinet, bonded picture tube, etc. to hobby trade. It's same kit which is supplied to NRI electronics students, but now is available to all comers under Conar trade name.

It isn't particularly cheap, as TV sets go. It costs \$135, or can be bought in 3 "pay-as-you-build" packages at \$36 each. According to NRI, it can be built by average untrained hobbyist in as little as 25 hours, requires no test equipment. It's deluxe set, with Sylvania 114-degree bonded tube, Standard tuner, U.S.-made brand-name components, has 15 tubes, including one GE Compactron.

TV kit was introduced by Conar, according to merchandising mgr. Jack Thompson, "on the theory that a lot of kit builders have put together all the hi-fi equipment they can use and want to go on to something else." Other major kit manufacturers—such as Heath, Eico, Dynaco—won't say whether they plan to go into TV business. However, Muntz recently confirmed that it was "considering" kit version of its \$99 "Metropolitan" portable.

Transvision hasn't found hi-fi kit builder a good prospect for TV kits. Pres. Herbert Suesholtz told us last week his company thinks TV kit constructor is different breed of cat altogether. "Ads in the general electronics hobby magazines pull better for us than ads in hi-fi magazines," he said.

Transvision has two basic models—"Professional" 23-in. chassis kit at \$199 and 27-in. at about \$50 more; "Economy" model at \$168 for 23-in., \$228 for 27-in.—both including picture tube but excluding cabinet. Like Conar's set, these aren't cheap items. By the nature of the business, Suesholtz said, "a kit must sell for more than a finished set—so we stress high quality, high-fidelity sound, and so forth; it's a better set than anyone could buy in completed form."

Like NRI's kits, Transvision's TV kits are now byproduct; in Transvision's case they're byproduct of its school TV receivers & custom installations. Suesholtz said he's seen no recent increase in TV kit business. "Back in the early days," he added, "we did a volume of \$1 million a month in kits." Suesholtz said much of Transvision's volume comes from cabinets, wood panels and other custom-installation accessories for the kits. Transvision now also has course of study, sold in conjunction with kits, with which builder can learn electronic fundamentals while he builds. Suesholtz looks forward to rise in kit sales through more aggressive merchandising, rather than by winning over hi-fi kit hobbyists.

RAULAND COLOR TUBES EARLY NEXT YEAR: Color seems to be here to stay, what with RCA's shorter 90-degree tube due for production in January (Vol. 2:16 p7) and other manufacturers looking for continued sales step-up. This week brought news that Zenith's tube-making subsidiary Rauland has decided to take step into color and its first tubes will come off line early next year.

Rauland's interest in color-tube production was first reported in these pages last January (Vol. 2:4 p7). Color output "for Zenith & others" will be made possible by \$4-million expansion program, involving 50,000 sq.-ft. addition to Chicago plant, which will also make possible increased b&w tube output. Rauland also plans to build 55,000 sq.-ft. lab & administration building at Niles, Ill. and has purchased 45,000 sq.-ft. Chicago building for storage & warehousing.

Hopes that color set boomlet would encourage CBS-TV to burst forth in hue were dimmed last week. Network left door open, however, for couple of color specials next season. It had no color programming at all this season. Spokesman told us there was "some talk of maybe one or 2 individual shows in color during the 1962-63 season"—such as "Wizard of Oz" or one Red Skelton special—but even these plans are nebulous, and network plans "nothing resembling large-scale color programming."

In other color news last week:

RCA gave a little peek at its new color set line, to be shown to distributors next month, in statement by a spokesman confirming it will have "modified chassis" in high-end models permitting field conversion to uhf and "a new RCA remote-control unit." Current 70-degree tube will be used in 1963 line.

Motorola spokesman stated that 23-in. rectangular 90-degree color tube being developed jointly with National Video won't be ready for production this year.

Reporting record first-quarter sales & earnings, RCA said its dollar earnings from sale of color sets again exceeded those from b&w. RCA makes chassis for most color set manufacturers. (Details on p. 12.)

Admiral is 3rd largest in color-TV sales, company officials indicated in commenting on our rankings of manufacturers last week (Vol. 2:16 p7). Any attempt to rank manufacturers in this industry is tricky & dangerous, but we'll stick our necks out again with revised estimate of 1962 color-TV brand rankings: (1) RCA, which apparently is shooting for at least 200,000 this year. (2) Zenith, on record as predicting 100,000 in 1962. (3) Admiral, something more than 50,000. (4) Silvertone (Warwick), about 50,000. If we've slighted anyone else, we'll be glad to correct the record further.

TV-RADIO PRODUCTION: EIA statistics for week ended April 13 (15th week of 1962):

	April 7-13	Preceding wk.	1961 wk.	'62 cumulative	'61 cumulative
TV	131,535	126,241	112,364	1,950,635	1,513,327
Total radio	365,624	351,710	268,604	5,352,418	4,138,745
auto radio	133,376	138,388	83,645	1,922,359	1,256,661

TOPICS & TRENDS

"Chaotic" is word for pocket-radio price situation, with name-brand U.S.-made sets underselling top-brand Japanese receivers. Without announcing it, some manufacturers have quietly entered promotional models which can be sold competitively with RCA's & GE's \$14.95 six-transistor units. Admiral, for example, is understood to be making limited run of last year's shirt-pocket model which can be sold at \$14.95, although its stated price leader still lists at \$16.95.

Emerson chopped nearly \$10 from one gift-packed 8-transistor set, dropping it from \$29.88 to \$19.95, making it competitive with 6-transistor sets by most other U.S. set makers.

FM-stereo broadcasting is available to 70 million listeners, or about 40% of nation, according to report by EIA consumer products staff dir. L. M. Sandwick. As of April 15, he said, 81 FM stations were stereocasting an average of 66½ hours weekly and at least 20 manufacturers are shipping stereo receiving equipment.

U.S. TV-radio manufacturers are becoming important customers of Japanese parts makers. Kataoka Electric Co., maker of TV & FM tuners, switches & variable capacitors, reports 12% of its total sales are made to U.S. companies—and it lists RCA, GE, Motorola & Westinghouse among its American customers.

"Japanese" radios are coming into Canada duty-free & quota-free, reported EIA of Canada in brief submitted to Canadian Tariff Board. Radios assembled from Japanese designs & Japanese parts, in Shannon, Eire, where Sony has factory, are shipped to Canada duty-free under British preferential tariff, whereas U.S.-made radios are subject to 20% duties. EIAC noted that about 10,000 radios were imported from Eire duty-free in first 10 months of 1961, and asked establishment of 15% British preferential duty on radios, TVs, phonos & recorders.

You can expect more & lower-priced FM sets from Japan next year. This will come with opening of home FM markets in Japan, which should spur research & development there and help amortize larger production runs of FM radios, bringing down costs. Japanese govt. announced it will begin regular licensing of FM broadcast stations in October. FM broadcasting in Japan is now on experimental basis.

Westinghouse has discontinued suggested list prices on consumer electronic products.

Walter Voss Inc. has been appointed eastern U.S. sales agent for West Germany-made Uher tape recorders and Metz console stereo & radio instruments. Vim Stores will continue to distribute some of Metz line in metropolitan N.Y.

Philco's first-quarter sales of its Town & Country portable TV are running 3 times ahead of 1961's top 19-in. Philco portable. T&C model also has accounted for 40% of company's portable business so far this year.

Trade Personals

S. M. Fassler, GE TV receiver dept. mktg. mgr. since 1960, becomes clock & timer dept. mktg. mgr. May 1.

Elof Sandstrom, one of Oak Mfg.'s founders, will retire as chmn. at month's end. Vice Chmn. Robert A. O'Reilly is slated to become chmn. Finance vp Frank A. Astrologes is scheduled to succeed Sandstrom on Oak's board.

C. Gus Grant appointed Ampex mktg. vp, a new post. . . . Richard Helhoski, ex-Magnavox, named Blonder-Tongue Labs mktg. dir. . . . Daniel F. Neumaier, Bell Sound audio & tape recorders sales mgr., has resigned to join Glendale Electric Supply, Detroit distributor of Bell, V-M, other product lines, as consumer products sales mgr. . . . Gordon L. Duern named Dominion Electrohome consumer products styling coordinator; secy.-treas. Donald S. Sykes also assumes responsibility for all consumer products.

Joseph Lydon, former mgr. of Philco's defunct "Instant Dividend Plan" (Vol. 2:9 p7), has resigned.

Anthony J. Froio, former Allen B. Du Mont Labs, joins Kudner Agency as group account exec.

J. Lee Lockard, former Argus Cameras controller, appointed Sylvania Home & Commercial Electronics Div. controller, succeeding Douglas L. Hamilton, named controller of Electronic Systems Div., Waltham, Mass. Lockard will headquarter in Batavia, N.Y.

B. E. Vinkemulder, Centralab mktg. mgr., elected pres., Assn. of Electronic Parts & Equipment Mfrs. Other elections: first vp, Walter A. Clements, Littlefuse sales vp; 2nd vp, Norman Triplett, Triplett Electrical Instrument mktg. mgr.; treas., J. Wayne Cargile, United Catalog mid-west mgr.; Kenneth C. Prince re-elected exec. secy.

Edward F. Hoy, one-time General Dynamics Telecommunications Div. production planning mgr., promoted by United States Instrument Corp to mfg. vp.

E. R. Wagner, former Datronics Engineers vp-gen. mgr., named vp & asst. to pres., Emertron Inc.

Richard K. Mosher named pres. of Lab for Electronics' LFE Electronics operation.

Dr. Jay Tol Thomas, ex-Sylvania, Minneapolis-Honeywell, appointed dir. of newly established Siegler Research Labs, Los Angeles. . . . Dr. Ernest E. Pittelli, ex-Philco, appointed physics specialist, Sylvania Applied Research Lab, Waltham, Mass.

Lucien E. Rawls promoted to DECO Electronics senior vp, Washington; William S. Alberts moves up to vp, Leesburg, Va.

W. R. Johnson named branch mgr., David C. Miller branch sales mgr., Philco Distributors Inc., Houston. . . . Paul S. Hefin named vp-Newark operations, General Instrument rectifier div.

Salary & stock ownership of Magnavox officers, as reported in proxy notice for May 2 annual meeting (1961 figures): Chmn. R. A. O'Connor, \$65,000 & 227,106 shares; Pres. Frank Freimann, \$75,000 & 586,784 shares, including 173,592 shares held by Ft. Wayne National Bank, Ft. Wayne, Ind., as trustee pursuant to agreement executed in 1943 by bank & Freimann's deceased mother; Gerard M. Ungaro, vp, secy. & gen. counsel, \$40,000 & 41,621 shares.

TV SALES UP, PHONOS DOWN: First public EIA release of distributor-to-dealer sales figures showed TV up 18%, radio up 13%—and phonos down a surprising 17% during first 2 months of 1962. However, February phono sales were slightly ahead of last year. Unofficial estimates indicate that TV-radio rise continued in March (see p. 7). Here are EIA sales figures for TVs, radios & phonos for first 2 months of 1962, with comparative 1961 figures:

TV-RADIO DISTRIBUTOR SALES

Month	TV		Radio (excl. auto)	
	1962	1961	1962	1961
January	465,836	403,570	562,869	471,518
February	521,275	428,705	697,893	640,379
TOTAL	987,111	832,275	1,260,762	1,111,897

PHONO DISTRIBUTOR SALES

Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	48,423	171,305	219,728	71,197	203,639	274,836
February	50,563	188,857	239,420	48,219	189,679	237,898
TOTAL	98,986	360,162	459,148	128,978	421,633	550,611

PHONO FACTORY SALES

Month	1962			1961		
	Mono	Stereo	Total	Mono	Stereo	Total
January	68,545	191,014	259,559	80,366	211,383	291,749
February	52,566	202,846	255,412	50,710	204,638	255,348
TOTAL	121,111	393,860	514,971	131,076	416,021	547,097

Reports & comments available: CTS Corp., prospectus, Goldman, Sachs & Co., 20 Broad St., N. Y. 5. Cenco Instruments, discussion, A. M. Kidder & Co., One Wall St., N.Y. 5. Collins Radio, comments, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4. TV Shares Management, analysis, Wedbrush & Co., Airport Station, Los Angeles 45. International Resistance, review, Butcher & Sherrerd, 1500 Walnut St., Philadelphia 2. Raytheon, review, Sutro Bros. & Co., 120 Broadway, N.Y. 5. Loral Electronics, prospectus, Lehman Brothers, One William St., N.Y. 4. GT&E, prospectus, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4. The Japan Fund, prospectus, Bache & Co., 36 Wall St., N.Y. 5. International Resistance, review, Sincere & Co., 231 W. LaSalle St., Chicago 4. Western Union, discussion, William M. Rosenbaum & Co., 331 Madison Ave., N.Y. 17. Almo Industrial Electronics, prospectus, Harrison & Co., 67 Wall St., N.Y. 5. Minnesota Mining & Mfg., technical memo, Auchincloss, Parker & Redpath, 52 Wall St., N.Y. 5. Newark Electronics, prospectus, H. M. Byllesby & Co., 405 Lexington Ave., N.Y. 17.

New plants & expansions: GE will spend \$3 million to expand its electronic capacitor plant at Irmo, S.C. Half of the funds will go to expanding manufacturing & research space by 40%. Balance will be used for additional equipment. Ampex will begin construction this summer of a 150,000-sq.-ft. hq complex on newly-acquired 25-acre site at Redwood City, Cal. Project, including land purchase, will total \$5 million, is slated for completion by mid-1963. New hq center will consolidate departments now housed in 17 leased buildings scattered throughout Redwood City. Muntz TV will add 36,000-sq.-ft. of production space to its new 70,000-sq.-ft. Wheeling, Ill., plant which it occupied last July. The \$240,000 expansion program is slated for completion within 3 months. Fairchild Camera & Instrument's Semiconductor Div. is nearing completion of \$1-million plant at South Portland, Me., will initiate pilot production this fall.

RCA SCORES RECORD QUARTER: RCA opened 1962 with highest first-quarter sales & earnings in its 43-year history. Sales climbed 18% to \$425 million from 1961's opening quarter, profits jumped 21% to \$14.5 million (see financial table). Chmn. David Sarnoff & Pres. Elmer W. Engstrom attributed rise to "major upsurge in all the principal areas of RCA's business," forecast continuing upward trend balance of year. "We expect this year to be one of the most rewarding & productive in the history of our company," they said.

Sarnoff & Engstrom reported that "sales of color TV receivers & picture tubes continued to set the pace in consumer products & components," noted that "dollar earnings from the sale of color TV again exceeded those of b&w set sales" as they did in 1961's 4th quarter. Sales of b&w receivers "maintained a steady improvement."

NBC also set first-quarter sales & profit records, they said, and defense & space activities "maintained their strong cycle growth." Although over-all computer business continued in red, this activity contributed to improved profit "through reduction in costs & increased sales volume."

Common Stock Dividends

<i>Corporation</i>	<i>Period</i>	<i>Amt.</i>	<i>Payable</i>	<i>Stk. of Record</i>
Andrea Radio	Q	.12½	June 15	June 1
Allied Radio	Q	.08	May 22	May 8
Avco	Q	.17½	May 20	Apr. 27
Canadian GE	Q	.05	July 3	June 12
GT&E	Q	.19	June 30	May 22
Indiana General	Q	.20	June 11	May 18
National Video-A	Q	.12½	May 18	May 1
Stewart-Warner	Q	.35	June 9	May 18
Texas Instruments	New	.20	June 1	May 1
Wometco				
Enterprises-A	Q	.17½	June 15	June 1
Wometco				
Enterprises-B	Q	.06½	June 15	June 1

Magnavox racked up first-quarter gains of 65% in earnings & 33% in sales over 1961's initial 3 months (Vol. 2:16 p12). Pres. Frank Freimann reported TV & radio sales up 40% in the quarter, stereo phono ahead 100%. He said that sales of hi-fi sets topped TV volume by a "substantial margin." Sales of government & industrial electronic products rose 25%, and he attributed this smaller-than-usual gain to "slow test & acceptance of certain items."

Muntz TV is "well on its way" toward achieving previously predicted annual sales of \$12 million & earnings of \$1.1 million for its 1962 fiscal year ending Aug. 31, Pres. Wallace A. Keil said last week. Announcing a planned 50% expansion of company's Wheeling, Ill. plant, Keil said the additional production space would enable Muntz TV to reach its goal of 3% of national TV market within 3 years.

Textron Electronics reversed 1961's first-quarter loss of \$276,000 with earnings of \$372,000 in 1962's initial 3 months. Sales increased to about \$6.9 million from \$5.5 million in the year earlier period. Chmn. Rupert C. Thompson told annual meeting: "Indications are that operations will continue profitable in 1962."

Movielab Film Labs has been renamed Movielab Inc.

CBS's Bright Outlook: "Delighted" was word used by both CBS Chmn. William S. Paley and Pres. Frank Stanton, as they reviewed & previewed for stockholders at meeting in Los Angeles, the first held outside N.Y.

Said Paley: "I am delighted to be able to report that CBS has just completed the best first quarter in its 34-year history . . . For 1962 as a whole we look forward to a strong year. We hope to post increases both in sales & profits."

Stanton reviewed activities of CBS's 7 divisions. Among notations: Coverage of Glenn space shot cost CBS "just over a million dollars." CBS-TV is almost sold out for fall—"the earliest this has ever been accomplished." CBS will fight anti-trust suit on "incentive compensation plan" (Vol. 2:16 p2) which is embodied in contracts with only 31 of its 188 TV affiliates. "International Program Exchange" with 7 foreign countries starts shortly—with England, Canada, Australia, Mexico, Argentina, Italy, Japan. CBS Radio looks for sales equal to or better than last year's. CBS International had best year in 1961, and prospects of bettering it in 1962 are bright.

GT&E Rings Up Record Sales: GT&E reported first-quarter profit gain of 13% to \$18.2 million as sales rose 10% to record \$318 million (see financial table). Chmn. Donald C. Power forecast record sales & earnings for total 1962.

Sylvania had a good quarter, too, Power noted, adding: "The main pressure on earnings last year came from certain aspects of the Sylvania subsidiary's operations. Consequently, I am very pleased to tell you that Sylvania's earnings in the first quarter were more than double the first quarter of 1961. We anticipate continued progress in Sylvania's sales & earnings during the remainder of the year."

First-quarter sales of GT&E's manufacturing subsidiaries, led by Sylvania, increased 10% to record \$179.3 million. Earnings improved to \$6 million from \$5.2 million.

Electronic Transmission Corp. filed registration statement (SEC File 2-20008) for 125,000 shares of common stock at \$3 per share to be sold by V. S. Wickett & Co., N.Y. Statement also includes 15,100 outstanding common shares to be sold by the holder to Wickett for \$151, and 5,000 shares to be issued in lieu of interest on \$60,000 in loans to Electronic Transmission. Company constructs & installs closed-circuit TV systems. Proceeds of sale will be used for loans, promotion, advertising, and to invest in subsidiary Musi-Paks Inc. and Shamark Industries. Outstanding common stock totals 197,000 shares, of which Pres. Lawrence Kanover and Constance Schwartz own 16.2% each, and management officials as a group, 49.4%.

Indiana General expects "1962 sales & earnings to increase at least 15% from 1961 to new records," Pres. Robert F. Smith reported. First-quarter sales & profits set records (see financial table) and Smith based his optimism on "the expected rise in general business conditions and several new products in the magnetic materials & precision motor fields." In 1961, Indiana General earned \$1,790,663 (\$1.56 a share) on \$22,034,915 sales.

Fairchild Camera & Instrument has acquired Di-Tran Corp., Los Angeles maker of electronic testing equipment.

NT&T stockholders have approved change in name to National General Corp. (Vol. 2:5 p12).

WEEKLY **Television Digest**

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

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WHAT'S ON TAP AT FCC—program form & logging rules, FM rules revision, GE license renewals, Denver pay-TV test, option time, network regulations, staff Review Board (p. 1).

'DEFENDERS' BRINGS FEW DROP-OUTS, SOME DELAYS—11 stations rejecting CBS episode on abortion, 15-20 picking post-children-bedtime period (p. 2).

COMMERCE DEPT. LUKEWARM ON ALL-CHANNEL BILL, Acting Secy. Martin telling Senate he likes objectives—but lists downbeat aspects (p. 2).

FTC's ELMAN FINDS NO TV COMMERCIALS 'TRIVIAL', thus departs from position in Gimbel's newspaper case, pays tribute to TV's effectiveness (p. 2).

CATV'S BIGGER-CITY TREND includes franchise for Jerrold in Binghamton. Firm teams up with KNTV in Salinas-Monterey 7-way contest (p. 3).

FCC WEIGHING NEW FM ALLOCATIONS PLAN, considering new table of assignments, minimum mileage separations, compromise with AFCCE proposal (p. 3).

FCC NEEDS MONEY, MEN, MANAGEMENT to carry out "staggering" responsibilities, according to management consultants Booz, Allen & Hamilton (p. 3).

'SECOND GENERATION' CONELRAD SYSTEM IN WORKS as Defense Dept. decides present emergency broadcast setup no longer necessary (p. 4).

Consumer Electronics

1961 PRICE HISTORY—EVERYTHING DROPPED. Average TV price slipped \$10 below year-earlier levels. Radios, phonos also showed decline (p. 7).

FORD'S PHILCO—AFTER 4 MONTHS. First evidence of Ford's impact on Philco consumer products will be seen in upcoming TV line, Pres. Charles E. Beck tells us (p. 8).

OLYMPIC TO IMPORT JAPANESE TV, becoming first U.S. manufacturer to do so. Up to 20,000 19-in. models from Nippon Columbia due this year, possibly more in 1963. Pres. Sobin calls move necessary for profit (p. 9).

WHAT'S ON TAP AT FCC? FCC has spent extraordinary amount of time on Capitol Hill—testifying on deintermixture, satellites, daytime radio hours, etc.—but has many matters of its own it hopes to get back to soon. Let's tick off some top topics in broadcast field:

(1) Program forms & logging rules. Coming up fast, likely to be finalized as indicated earlier—most of industry's objections satisfied.

(2) FM rules revision, due for May 10 special discussion (see p. 3).

(3) GE license renewals, in light of price-fixing anti-trust convictions. Presumably will get cleared as did Westinghouse—maybe a little more knuckle-rapping.

(4) Pay-TV test in Denver. Application not yet accepted. Theater owners will demand hearing, have at least fair chance of getting it. They'll also appeal to Supreme Court the Court of Appeals ruling supporting FCC's go-ahead for Hartford test.

(5) Option time. Uncertain. Staff expected again to recommend barring practice—but commissioners may not buy that. No action imminent.

(6) Big project in network regulation & proposed legislation—lots of work to be done yet.

(7) Staff Review Board. Coming up fast. New candidates mentioned, to add to previous list (Vol. 2:16 p3): Sol Schildhouse, Sylvia Kessler, Evelyn Eppley, Philip Cross.

'DEFENDERS' BRINGS FEW DROP-OUTS, SOME DELAYS: CBS-TV Defenders case seems to be going as expected (Vol. 2:17 p1). Of the 180 CBS affiliates, only 11 said they wouldn't carry April 28 "Benefactor" episode dealing with abortion. Additional 15-20 planned to run it at time later than scheduled 8:30 p.m.; these include CBS o&o's in St. Louis & Chicago, which set it for 10:15. Canadian Bcstg. Corp. rejected it, too, substituting another *Defenders* episode.

Virtually all stations dropping program are in areas with heavy concentration of Roman Catholics, whose tenets reject abortion: WHDH-TV Boston, WBEN-TV Buffalo, WBAY-TV Green Bay, WKBT La Crosse, WISN-TV Milwaukee, WWL-TV New Orleans, WPRO-TV Providence, WHEC-TV Rochester, WHBF-TV Rock Island, WCNV-TV Watertown, WOW-TV Omaha. WNBF-TV Binghamton pulled out then came back in.

Of those delaying program, comment of WBTV Charlotte was typical. It called program "one of the finest TV presentations we have ever seen" but "suitable only for adult minds." It was set for 11:20 p.m.

CBS issued statement terming program "another step in TV's continuing march to maturity." However, it added, "we recognize and respect the right of each station to make its own determination as a broadcasting licensee of what it will broadcast in its own community." Program was offered to other stations in drop-out markets—but CBS reported no acceptances at week's end.

NAB Code Authority Dir. Robert Swezey, who previewed show and evaluated it for members, said very little comment had been received from stations.

COMMERCE DEPT. LUKEWARM ON ALL-CHANNEL BILL: Our reading of Commerce Dept. comments on all-channel-receiver legislation comes up with conclusion Acting Commerce Secy. C. D. Martin Jr. isn't very enthused about it—but doesn't intend to offend the boss, President Kennedy. Meanwhile, bill goes to House floor for debate May 1.

In letter to Senate Commerce Committee, Martin said he's much in favor of bill's objectives, then went on to list rather bearish factors: (1) Set sales might slow down because of price increase of \$25 or so. (2) It would take 6-8 years to have substantial effect. (3) Bureau of Standards engineers say new techniques might double availability of existing vhf channels. (4) Vhf propagation is better than uhf.

FTC'S ELMAN—NO TV COMMERCIALS 'TRIVIAL': "Scant," apparently, is the kind of comfort TV industry may extract from FTC Comr. Philip Elman, who recently toasted advertisers' cockles in dissent lambasting colleagues for nit-picking. In Gimbel Bros. misleading newspaper advertising case, he had jabbed FTC majority for "swatting flies with a sledgehammer" (Vol. 2:10 p5).

First, Elman is frequently a maverick, departing from majority's views. Second, he doesn't think any TV advertising is trivial. In interview with us last week, matter of fact, he actually paid tribute to TV commercials' effectiveness while asserting that FTC must watch it carefully.

Asked if FTC is frittering energies on insignificant TV matters, he stated: "Definitely not. TV is a unique medium. When you're dealing with nationwide networks or stations in large markets, reaching millions of people, no advertising can be classed as trivia.

"The nature of the medium is such that if there is any deceptive advertising, the impact is usually greater than in other media. There are a number of reasons for this. With magazine advertising, for instance, you can skip over it without any difficulty; but TV audiences are semi-captive. They don't jump up and shut off the set when the commercials come on, and even if they leave the room, the sound can follow them.

"Another important thing to remember is that TV ads are short and concise—they hit the viewer quickly; he usually doesn't have a chance to think about them. With other media, say magazines, he can examine them carefully, read the fine print to determine if there are any qualifications in the claims. For this reason, there shouldn't be any inkling of deception in TV ads.

"There's more to be done in the field of TV advertising. I think the FTC should work more closely with the FCC. TV monitoring could be done jointly; at present they have people doing it and so do we. Also, broadcasters could help themselves by watching what the FTC is doing."

Actually, FCC doesn't monitor in sense FTC does. It monitors only for technical & legal violations, not for advertising deception.

CATV'S BIGGER-CITY TREND: CATV pioneer Jerrold Electronics Corp. is in middle of gradual build-up to status as major operator of systems, after having sold 9 systems for \$5 million to H & B American Corp. 2 years ago (Vol. 16:33 p8).

Last week, it obtained city council franchise to build in Binghamton, N.Y., which will make it largest CATV city of all. City has 2 stations—WBNF-TV & WINR-TV—and CATV system will feed subscribers 8 channels. Maximum installation fee will be \$50; maximum monthly charge, \$3.75.

In Salinas-Monterey, Cal., where 7 applicants vie for franchise, Jerrold & KNTV San Jose have teamed up in joint venture; among their competitors for franchise is KSBW-TV. Plan is to carry the 2 local stations, 5 San Francisco.

In last year, Jerrold has built systems in Ottawa & Marseilles, Ill., will build soon in Streator, Ill.—all jointly with big theater-chain owner Alliance Amusement Co.

In addition to those, Jerrold is building 12 for others (cities undisclosed), each with capacity of at least 9 channels.

Trend is sometimes difficult for telecasters to handle. Some station operators are fighting 'em, some joining 'em. No question about it, viewers will pay for the great variety of signals CATV can provide—and telecasters would do well to face up to it, determine where their interests lie.

FCC WEIGHING NEW FM ALLOCATIONS PLAN: New FM allocation plan, re-establishing table of assignments with minimum mileage separations, is under consideration at FCC. It's understood Commission will discuss it at special meeting May 10.

New staff proposal is said to be compromise between substantial changes in existing rules proposed by Commission in July 1961 and a counter-proposal by Assn. of Federal Communications Consulting Engineers (AFCCE). It's designed to protect existing stations to their 1 mv/m contours and anticipate future community needs. However, compromise would allow relaxation of general restrictions to permit:

(1) First FM to a community. (2) Station which would give first urban service of 1 mv/m or better or first rural service of 100 uv/m or better. (3) Replacement of daytime or marginal unlimited AM station in a community without better AM facilities. (4) Easing of interference through channel changes. (5) Improved urban service through across-the-board power increases.

Also under consideration is plan whereby FM channels would be made available for all existing AMs.

FCC NEEDS MONEY, MEN, MANAGEMENT: FCC now has 600 pages of analysis of its innards by management consultants Booz, Allen & Hamilton, commissioned by Budget Bureau for some \$63,000.

Report is chock full of ideas, most of which you can expect Commission to pooh-pooh. FCC has already discussed preliminary findings (Vol. 2:8 p3), emphatically agreed that it doesn't want an all-powerful "executive director," attached to chairman, between it and staff. It might go for straw boss to keep things hopping—but not to influence policy.

Report insists law gives chairman large responsibilities, that Commission doesn't let him exercise them—but should. Both commissioners & Congress made it clear, in debates on Reorganization Act passed last year, that they don't want chairman to have too much power, so they're likely to take it easy in that area.

Report goes through Commission, office by office, finds good & bad—and staff members react to report accordingly.

FCC needs much more money & men for its "staggering" responsibilities. That's basic conclusion of report. But it also finds areas of inadequate organization & management. Actually, consultants say, "FCC is a viable agency doing reasonably well under many handicaps." Following are Commission's basic weaknesses, according to report:

Management of work load is "informal, loose, and too dependent upon voluntary consent arrangements." "Internal management at operating levels frequently is insufficiently tight." Commission frequently doesn't give "definite body of policy or explicit instructions for staff guidance." Commissioners spend too

much time on operational detail, not enough on policy. Staff productivity is "marginal, and morale would benefit from the adoption of more explicit performance standards & improved supervision." "Many FCC personnel, particularly at key leadership levels, need to be upgraded in terms of stature, competence, and capacity." "Commission tends to respond to, rather than anticipate, emerging issues."

Consultants' recommendations include: Make chairman "chief executive officer" in fact as well as in name. Give him an executive director. "Bureau & office internal organization should be rationalized by a number of consolidations, transfers, and other adjustments . . ." Create a staff Review Board and give it all the less significant cases. Give staff in general wide latitude in handling cases for which policy has been set. Get a real recruiting & training program. Improve enforcement activities. Strengthen the 3 operating bureaus to "undertake economic and social analysis and to pursue lines of inquiry and develop recommendations on major matters of policy." Make more use of electronic data processing systems. Improve budget-determining processes.

Staff reactions ranged from "it's a crock" to "a lot of crud." Govt. employes appear to differ little from private employes confronted with management consultants' reports.

'SECOND GENERATION' CONELRAD SYSTEM IN WORKS: Ten-year-old CONELRAD emergency broadcasting setup got heave-ho by Defense Dept. last week, will continue in effect while modernized system is developed. Dept. informed FCC system restricting broadcasting to 640 & 1240 kc during defense emergency no longer is necessary, will be changed to "insure more effective presidential and civil defense communication with the public in the event of a national emergency."

FCC Defense Comr. Bartley, in address to Ore. Assn. of Bcstrs., predicted new system would include: (1) Some stations in multiple-station markets will still be shut down or placed in stand-by status to reduce interference. (2) Stations will receive fall-out protection surveys and emergency power equipment from Defense Dept. (3) State defense network FM stations will have top priority in getting this assistance. (4) Acceleration of development of "Restore Projects" ("survivable communications") and expansion of FM defense network to a national network.

CURRENT CAPSULES

Senate Commerce Committee ended hearings on communications satellite bill (S-2814) last week with testimony from USIA Dir. Edward R. Murrow, Sen. Kefauver (D-Tenn.), Deputy Atty. Gen. Nicholas deB. Katzenbach. Murrow expressed misgivings about user costs of system, said his agency couldn't afford it unless it receives special "affordable" rates. If USIA had TV circuits to 7 foreign countries, used average of 1½ hours daily, cost would be \$900 million a year, Murrow claimed. And he compared that with USIA's annual budget of \$115 million.

Sen. Kefauver, who has been holding his own hearings on monopoly aspects of system, told committee he preferred gov't-owned corporation similar to TVA. He also suggested delaying legislation for 18 months, but got short shrift from committee Chmn. Pastore (D-R.I.). Katzenbach expressed general satisfaction with bill but he urged Congress to give FCC more flexibility in determining who should construct and own ground stations.

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Every major school in U.S. probably will have own ETV system in 10 years, according to U. of Chicago graduate library school dean Lester Asheim. This is one of views & predictions in new Stanford Institute for Communication Research 375-page "Educational Television, The Next Ten Years." Summarizing views of 19 ETV experts, Asheim ventures that by 1971, as much as 50% of college degree programs will be available for credit on TV. Other points brought out in the study: (1) According to Institute analyses directed by Wilbur Schramm, 21% of students learned more from TV instruction than from conventional teaching, 65% showed no significant difference; 14% learned less. (2) Doubling of stations from 60 to 120 in 10 years will take at least \$30 million, plus \$15 million for operating expenses; closed-circuit systems may cost \$50 million, with annual operating cost of \$150 million.

Personals

Hubbell Robinson, CBS-TV senior vp and National Academy of TV Arts & Sciences trustee, appointed to U.S. National Commission for UNESCO . . . Paul Good promoted to ABC News Caribbean correspondent, Mexico City . . . Gilbert S. Cohen promoted to ABC Films International sales asst. dir., a new post. . . Thomas Petree promoted to NBC-TV central div. sales service mgr.

Sol Schreiber, MGM-TV operations dir., elected Tel-Fil Group chmn.; Sid Smith, UA, named vice-chmn. . . Francis P. Barron promoted to vp, Gail Yingling to treas., Storer TV Sales Inc. . . Robert Huber promoted to WJW-TV Cleveland program dir.

Marion Harper Jr., Interpublic Inc. chmn. & pres., re-elected AAAA chmn.; Arthur E. Tatham, Tatham-Laird Inc. chmn., named vice-chmn.; John H. Hoefler, Hoefler, Dieterich & Brown Inc. pres., elected secy.-treas.

Richard Solomon, chief of Justice Dept. anti-trust div. appellate section, former FCC asst. gen. counsel, appointed FCC gen. counsel as of April 30.

Richard Brandt elected Trans-Lux Corp. pres.; Percival Furber remains chmn. & chief exec. officer; Aquila Giles named exec. vp.

Richard Caffey, ex-Paramount, named gen. production mgr. of AB-PT's Selmur Productions. . . Larry Lowenstein, General Artists Corp. advertising & PR vp, named TV div. acct. exec. . . Lloyd M. Jones, KMUZ(FM) Santa Barbara, also becomes chief engineer, KEYT there.

Donald V. Taverner, U. of Maine development dir. and Eastern Educational Network trustee, named educational WQED (Ch. 13) Pittsburgh gen. mgr., succeeding acting gen. mgr. Thomas Petry, who begins graduate work at Columbia U. under CBS news & public affairs fellowship in fall.

James Dunn promoted to ARB asst. gen. mgr.; J. Ralph Crutchfield advances to station sales mgr.; James Rupp, station services marketing dir., also becomes market reports asst. product mgr.; John Thayer, market report technical dir., assumes additional post as standard services technical dir.

James P. Storer promoted to WJW-TV Cleveland gen. mgr., succeeding James E. Bailey, retiring. . . Jack Dorr, ex-WBNS-TV Columbus promotion dir., named WRCV-TV & WRCV Philadelphia advertising & promotion mgr., succeeding John P. Wiley, recently promoted to WRCV-TV sales mgr.

Gary Eckard, ex-Charles Harriman Smith Associates partner, named Bolling sales development, research & promotion dir. . . Carl Russell, ex-Ziv & I.T.C., named Tele-Synd central div. mgr.



Wilmer, Cutler & Pickering is big new Washington law firm formed by attorneys drawn from 3 firms: Wilmer & Broun; Cox, Langford, Stoddard & Cutler; Haley, Wollenberg & Bader. First supplied 10; 2nd, 8; 3rd, one. The lawyers: Richard H. Wilmer, John H. Pickering, J. Roger Wollenberg, Marshall Hornblower, Reuben Clark, William R. Perlik, Lloyd N. Cutler, Hugh R. H. Smith, Charles C. Glover III, Henry T. Rathbun, Samuel J. Lanahan, Samuel A. Stern, Arnold M. Lerman, Robert P. Stranahan Jr., Thomas G. Watkinson, Max O. Truitt Jr., Arthur Z. Gardiner Jr., Allen H. Harrison Jr., Ezekiel G. Stoddard. Office: Transportation Bldg. (Republic 7-7474).

Video-tape producers backed out of American TV Commercials Festival, scheduled to open May 4 at N.Y.'s Waldorf-Astoria. Withdrawal from event was announced last week when it was learned that Festival group planned to exhibit film commercials on motion-picture screens, tape commercials on TV monitors, and show only film commercials at highlight luncheon, screening tape commercials before & after luncheon. At press conference last week, tape producers explained that since TV commercials are prepared for viewing on TV screens, all commercials should be shown on monitors. Festival director Wallace Ross replied that decision to use theater screens was made "by a counsel of top advertising people . . . so that a thousand people in the ballroom can see." Tape commercial producers withdrawing were CBS-TV Special Projects, KTTV & KTLA Los Angeles, MGM Telestudios, Tele-Tape Productions, Videotape Center, Video Tape Unlimited, WFAA-TV Dallas, and VHF Inc.

U.S. TV exports lack quality, giving nation false image abroad, according to Philip H. Coombs, Asst. Secy of State for Educational & Cultural Affairs. He told National Assn. of Foreign Student Advisors meeting in Washington that he has encouraged U.S. broadcasters to export "more documentaries, music, dance and cultural stuff." He also proposed foreign language dubbing for better programs sent abroad. Noting increase of foreign students in U.S., he urged more imports of high-quality foreign TV productions.

Polish TV & press got tongue-lashing from Communist boss Wladyslaw Gomulka, who said they are deferring to Western ways. At recent Communist Party conference in Warsaw, he criticized 2 recent Polish TV shows. One was documentary on U.S. land reclamation, other a news background discussion of international affairs with top Polish journalists paraphrasing views of Communist and free world leaders. Gomulka apparently saw program, thought President Kennedy's viewpoint got best of debate.

First N.J. uhf station is virtually assured, now that federal funds are available, according to Orville J. Sather, pres. of N.J. ETV Corp. Group is also making plans for 5-station state network, engineering done by committee comprising: Sather; G. Edward Hamilton, engineering dir. of ETV for Metropolitan Area; John Wentworth, RCA; Paul Godley & Rodney Chipp, consulting engineers; James Valentine, ITT engineering dir.

Radio "overpopulation" conference between FCC and industry, agreed upon at NAB convention (Vol. 2:15 p1), is expected this fall. There's been no formal understanding about date, but high-level assumption at Commission places session in fall. On May 1, NAB Pres. Collins discusses radio in speech before Washington Ad Club.

FCC Chmn. Minow's upcoming appearances: April 29, Boston, on *Prospects of Mankind*, with Mrs. Eleanor Roosevelt; May 4, Milwaukee, speech before Jewish Community Council, followed by citation from Board of Milwaukee Radio & TV Council; May 16, Miami Beach, on panel at Mayors' Conference.

New Lebanon station "Telibor," Beirut—established by ABC International TV, subsidiary of AB-PT—starts April 30. Danny Thomas, whose forebears were Lebanese, will be guest of honor. Gina Lollobrigida and Anita Ekberg round out cast of participating stars.

New TvB members: TvAR, KTVU San Francisco, KRLD-TV Dallas-Ft. Worth, KRIS-TV Corpus Christi, KCSJ-TV Pueblo, WLBW-TV Miami.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Amphenol-Borg-Electronics	1962—qtr. to Mar. 31	\$20,021,427	—	\$ 412,384	\$0.30	1,388,677
	1961—qtr. to Mar. 31	15,227,558	—	59,270	.04	1,371,472
Beckmon Instruments	1962—9 mo. to Mar. 31	52,394,399	\$5,853,830	3,223,830	2.11	1,529,237
	1961—9 mo. to Mar. 31	50,610,254	5,587,249	2,773,249	1.93	1,437,818
	1962—qtr. to Mar. 31	17,843,930	1,980,917	1,130,917	.74	1,529,237
	1961—qtr. to Mar. 31	17,702,749	1,986,791	1,040,791	.72	1,437,818
Capitol Cities Bcstg.	1962—qtr. to Mar. 31	—	521,302	241,962	.21	1,149,798
	1961—qtr. to Mar. 31	—	442,255	206,107	.18	1,149,798
Dynamics Corp. of America	1962—qtr. to Mar. 31	18,254,593	1,752,656	853,626	.25	2,995,365
	1961—qtr. to Mar. 31	12,285,942	976,553	528,792	.15	2,787,027
Fleetwood Corp. (Conoda)	1961—year to Dec. 31	14,243,236 ¹	—	855,093 ¹	—	—
	1960—year to Dec. 31	11,381,423	—	658,978	—	—
Friendly Frost	1962—year to Jan. 31	29,273,895	404,934	300,934	.32	937,620
	1961—year to Jan. 31	25,693,162	903,899	574,899	.66	866,569
General Bronze	1962—qtr. to Mar. 31	3,518,297	9,457	9,457	.02	391,820
	1961—qtr. to Mar. 31	4,836,471	(442,877)	(212,877) ²	—	391,820
GPE Story on p. 11	1962—qtr. to Mar. 31	48,300,000	—	866,000	.46 ³	1,643,101
	1961—qtr. to Mar. 31	62,896,867	—	1,333,239 ⁴	.80 ³	1,496,795
Globe-Union	1962—qtr. to Mar. 31	16,488,298	1,338,000	623,362	.72	867,462
	1961—qtr. to Mar. 31	12,864,000	764,000	356,870	.42	851,714
Internotionl Rectifier	1962—9 mo. to Mar. 31	12,850,172	—	859,546	.36	2,412,028
	1961—9 mo. to Mar. 31	10,763,278	—	928,201	.38	2,405,708
	1962—qtr. to Mar. 31	5,101,371 ¹	—	358,133 ¹	.15	2,412,028
	1961—qtr. to Mar. 31	3,821,446	—	325,997	.14	2,405,708
Ling-Temco-Vought	1962—qtr. to Mar. 31	82,346,650	—	2,222,928	.80	—
	1961 ⁵	—	—	—	—	—
MCA	1962—qtr. to Mar. 31	—	7,338,346	4,203,841 ¹	1.04 ¹	4,040,735
	1961—qtr. to Mar. 31	—	4,173,253	2,019,553	.50	3,995,735
Ook Mfg.	1962—qtr. to Mar. 31	7,415,802 ¹	569,463	276,013	.42	655,794
	1961—qtr. to Mar. 31	5,182,930	109,412	66,912	.10	655,794
Howard W. Soms	1962—9 mo. to Mar. 31	9,148,366	—	647,442	1.21	500,550
	1961—9 mo. to Mar. 31	7,487,519	—	462,749	1.08	500,550
Sonotone	1962—qtr. to Mar. 31	5,088,321	—	38,676	.03 ³	1,169,137
	1961—qtr. to Mar. 31	4,723,472	—	(89,741)	—	1,158,745
Standard Kollsman	1962—qtr. to Mar. 31	23,436,676	—	850,381	.37	2,179,686
	1961—qtr. to Mar. 31	24,670,723	—	770,149	.35	2,080,556
Stewart-Worner	1962—qtr. to Mar. 31	29,427,178	3,581,657	1,743,657	.52	3,332,803
	1961—qtr. to Mar. 31	26,345,096	2,819,422	1,346,422	.41	3,318,721
Technicolor	1962—qtr. to Mar. 31	14,796,100	—	567,326	.22	2,623,218
	1961—qtr. to Mar. 31	11,807,564	—	451,479 ⁹	.18	2,543,179
Thompson Romo Wooldridge	1962—qtr. to Mar. 31	111,670,230 ¹	5,914,766	2,878,166	.83 ³	3,384,679
	1961—qtr. to Mar. 31	96,735,704	3,008,937	1,490,037	.45 ³	3,186,457
United Artists	1961—year to Dec. 31	112,717,000	—	4,042,000	2.34	1,729,373
	1960—year to Dec. 31	108,531,000	—	3,498,000 ⁷	2.02	1,664,218
Varion Associates	1962—26 wks. to Mar. 31	34,348,760	—	1,737,885	.45	3,844,833
	1961—26 wks. to Mar. 31	27,322,793	—	1,716,501	.50	3,461,744
	1962—13 wks. to Mar. 31	18,116,294	—	912,538	.24	3,844,833
	1961—13 wks. to Mar. 31	14,574,861	—	851,493	.25	3,461,744
Westinghouse Story on p. 12	1962—qtr. to Mar. 31	460,466,000	21,178,000	11,778,000	.32 ³	35,618,153
	1961—qtr. to Mar. 31	436,103,000	14,967,000	9,067,000	.25 ³	34,837,472
Zenith Story on p. 11	1962—qtr. to Mar. 31	81,520,763 ¹	—	4,728,794 ¹	.52	9,033,177
	1961—qtr. to Mar. 31	63,965,865	—	3,446,030	.39 ⁸	8,864,352 ⁸

Notes: ¹ Record. ² After \$230,000 tax credit. ³ After preferred dividends. ⁴ Before \$545,258 net from sale of property. ⁵ Not available. ⁶ Includes non-recurring income equal to 46¢ a share. ⁷ Before

special credit of \$797,000. ⁸ Adjusted to reflect 3-for-1 stock split Nov. 1961.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

1961 PRICE HISTORY—EVERYTHING DROPPED: Recap of last year's industry statistical breakdown shows that 1961 was year when all prices dropped—in TV, radio & phonos.

Average factory price of a TV set last year was \$135.23, according to our calculations (total factory sales of 6,155,222 units at \$832,345,000). This is a drop of \$10 below 1960 average, and ends 4-year progression of rising average factory prices. Here are average TV factory price trends since 1947 (rounded to nearest dollar):

1947.....	\$280	1951.....	\$177	1955.....	\$138	1959.....	\$141
1948.....	\$235	1952.....	\$172	1956.....	\$127	1960.....	\$145
1949.....	\$193	1953.....	\$170	1957.....	\$130	1961.....	\$135
1950.....	\$180	1954.....	\$140	1958.....	\$136		

Industry's efforts to upgrade TV market through introduction of 19- & 23-in., therefore, must be written off as failure—for time being at least. Certainly, expansion of portable market has been at expense of part of market formerly represented by 21-in., and some in industry argue 19-in. tube is "too big" and has therefore cut sharply into 23-in. market. Table-portable category increased sharply last year, at expense of consoles. Distributor-to-dealer sales of TV sets were broken down this way in 1961: Total sales, 5,773,931; table-portables, 3,401,716; console, 2,146,035; combination, 226,180.

Taken in terms of percentages, table models & portables accounted for 58.9% of distributor unit sales last year, consoles 37.2%, combinations an all-time high of 3.9%. This means portables & table models constituted highest percentage of total industry sales since 1956 & 1957. Here's breakdown of historical sales by type of set since 1953 (1953-60 sales are retail; 1961 are distributor; rounded to nearest percentage point):

Year	Table-Portable	Console	TV-Phono Comb.
1953.....	46%	51%	3%
1954.....	55%	43%	2%
1955.....	57%	41%	2%
1956.....	64%	35%	1%
1957.....	60%	38%	2%
1958.....	56%	41%	3%
1959.....	58%	39%	3%
1960.....	54%	42%	4%
1961.....	59%	37%	4%

Transistor radio competition took domestic prices down to lowest average level in history last year—\$18.05 at factory (11,588,859 units at \$209,132,000). Last year marked 3rd consecutive year of declining radio prices. Before that, prices wandered up & down with no apparent pattern. Here's average factory unit price trail blazed by radios (excluding auto) in last 10 years:

1952.....	\$22.92	1954.....	\$22.06	1956.....	\$21.37	1958.....	\$26.90	1960.....	\$20.13
1953.....	\$22.73	1955.....	\$20.23	1957.....	\$24.25	1959.....	\$21.21	1961.....	\$18.05

Average phono factory price dropped little more than \$3 from 1960 to 1961, despite fact that greater percentage came from factory equipped with radio. Here is phono factory sales pattern for last 3 years:

Year	Unit Sales	Dollar Volume	Average Price
1959	4,303,617	\$372,747,000	\$86.60
1960	4,523,385	394,515,000	87.22
1961	3,988,680	334,586,000	83.88

Both TV & radio appear to be headed for even lower average prices this year as result of price-cutting in popular-model category and vastly increased emphasis on portable TV. Price changes & innovations at new-model time could modify this situation, however. While low-end phono category seems to be getting biggest play this year in many lines, inclusion of factory-installed FM stereo tuners could lift average price somewhat.

FORD'S PHILCO — AFTER 4 MONTHS: First evidence of Ford's impact on Philco consumer products will be contained in forthcoming new TV line, slated for introduction to distributors in early June. So we were told by Pres. Charles E. Beck during recent visit to see what changes were evident at Philadelphia firm in the 4 months since Ford's takeover (Vol. 1:14 p10).

Although no details are available on TV innovations, the forthright, purposeful Beck makes it obviously clear that (1) he's already at home in home electronics field, (2) new atmosphere of decision, action and follow-through is energizing Philco, (3) Ford's rules to succeed by are being transplanted quickly at Philco. Here's sampling of his thinking:

Product planning: "If you follow competition you are always late. You may guess wrong if you want to be a leader, but if you make decisions the odds are that you'll make more right decisions than wrong ones. If the market calls for a \$125 TV set, you don't strip a \$150 set and call it a \$125 model. You've got to design a \$125 quality set. This business requires nimble decisions. In the automotive field we have longer lead time and a different distribution setup—but the principles of sound management are the same. Some fruits of our labor will be seen in the spring line."

Consumer products: Beck made it clear that Ford is aiming to make Philco's consumer products business go. He termed it a "hard core business," said "we want to build it into a year-in, year-out business." He observed that consumer products "are not characterized by high profits" but emphasized that "the competition makes money out of it and there's no reason why we can't."

Beck has broad view of role of consumer products in Philco's over-all operation. "Consumer products represent a worldwide business," he told us, "and we intend to run it that way. Growth here in the U. S. is moderate. But on a worldwide basis, with a flow of goods both ways, consumer products become very profitable." He made very clear his one-world market concept: "We will buy, make and merchandise products anywhere in the world to meet market demand. That's the new concept we have introduced at Philco. We are not here to see how little we can do or how little we can get away with. If you want to stagnate a business, just leave things as they are."

"People" play major role in Ford-Beck thinking. "My job is 95% people," he said, explaining Ford-tested concepts which are being applied at Philco. "We are instituting autonomous divisions with strong central staff," he explained. "This is something it took us 15 years to develop at Ford. You don't have to be in a business for 20 years to learn it. You have to learn to delegate authority and responsibility. You have to have people who know what they're doing, who know how to run the business, but who are also interchangeable. We've filled Philco with men who are interchangeable—but we didn't drain Ford to do it. It is Ford training that enables us to move key men into key spots, wherever they develop. As a matter of fact, we plan to transfer people from Philco to Ford. Any man with leadership qualities qualifies for any executive post in all Ford divisions."

Distributor-Dealer Council, offshoot of another successful Ford technique, is in the making (Vol. 2:6 p7) and "we'd have one today except that our general manager has been on the job only a few weeks," Beck said. "We want to be understood in the marketplace," he continued, "and the Distributor-Dealer Council will serve as a means of understanding mutual problems of company, distributor and dealer—all as a team. I want to know what their problems are. I plan to sit in on these meetings. We're going to run the company, but we want to know their problems to guide our thinking. This is a team effort, and we have no less interest in a dealer even if he carries 5 or 6 other lines."

From start, Ford visualized Philco as 5 separate businesses, Beck told us. "This was a preconceived notion, and one we worked on in Dearborn long before we took over." The 5 businesses: (1) Consumer Products, including TV, white goods, international operation. (2) Communications, both commercial & government. (3) Space, through Philco's Western Development Labs. (4) Computer Division, which also ties into communications. (5) Components, through Philco's Lansdale Division.

Summing up, Beck told us reorganization has whittled division management teams to point where decision-making now is matter of consultation with only a few key people. "It's not difficult to make the right decision with the right facts," he said, "and now I'm getting facts. I'm used to that from my Ford background. We have people getting us the facts here, and there are very visible signs of progress."

OLYMPIC TO IMPORT JAPANESE TV: First American TV manufacturer to import Japan-made sets will be Olympic—which, after year of soul-searching & negotiation, announced deal with Nippon Columbia to bring in up to 20,000 19-in. sets this year, possibly more next year.

"We don't want to do it, but we're being forced into it," we were told by Pres. Morris Sobin of the profit-minded TV-radio-phono div. of Siegler Corp. In Olympic's announcement, Sobin said: "Current factory prices on portable TV sets have reached a point where adequate profit margins are not possible. This condition prompted our decision to seek products that can be sold competitively at a profit."

Deal with Nippon Columbia provides for Olympic to be its exclusive TV customer in U.S., and for sale in Japan of Olympic-designed sets by Nippon Columbia on royalty basis. Olympic will supply design, engineering, manufacturing & procurement assistance. Sobin said addition of Japanese-made portables to line should add about 10% to Olympic's over-all TV volume next year.

Move is taken as sign of Olympic's determination to be as competitive in portables as it has been in combinations & consoles. More than 60% of Olympic's business is now in latter 2 categories—and company never has been big in portable field. Olympic is traditionally a "dealer's line" without widespread consumer advertising but with attractive prices & mark-ups on relatively moderately priced big-cabinet merchandise.

In non-TV goods, Olympic has always specialized in console phonos—but this year it started pushing hard on radio line, part of it Japanese-made, with surprising results. "The upswing in our radio business pulled our stereo phonos to a higher level," said Sobin. He attributes increase in Olympic's phono business to access of the brand to new dealerships opened by radio line. Olympic will continue to expand radio business next year with broader line, including 2-piece FM-stereo table model.

Olympic's color sales are expanding, too, Sobin told us—"at the rate of about 50% a year." Company now buys chassis from RCA, but plans to produce its own sets beginning next year, when new RCA 90-degree tube becomes available (Vol. 2:16 p7).

Olympic's deal with Nippon Columbia for 19-in. portables appears to put it into direct competition with Delmonico (Thompson-Starrett Co.), headed by 2 former Olympians, Albert Friedman & Herbert Kabat. Delmonico is only company now importing large-screen TVs from Japan in quantity, has brought in more than 10,000 sets so far this year.

Only other major TV importer at present is Sony Corp. of America, subsidiary of Japanese Sony, which has brought about 6,000 battery-operated transistorized 8-in. sets to this country so far this year. Although Toshiba, Matsushita & Star-Lite have announced small-screen sets for import to U.S. this year, there is still no evidence of any mass shipments.

Except for Delmonico—and now Olympic—almost all announcements about TV imports have been concerned with specialty items, tiny-screen units not handled by U.S. manufacturers. Newest category of miniature TV is just beginning to show up in Japan and undoubtedly will eventually be seen on U.S. market. It's "micro TV," now down to size of first portable radios. Mitsubishi announced it will start marketing 6-lb. set with 6-in. screen (measuring 6x6x6-in.) in Japan this year. Sony will have 5-in. micro set (around \$165 in Japan), and undoubtedly others will announce similar models—whether they're ever produced or not. They're transistorized and designed for playing in home or auto (rear seat, please).

Though Olympic is first U.S. TV maker to announce import of complete TV sets, many other manufacturers are increasing their use of foreign parts in U.S.-assembled sets. Undoubtedly, "all-American" TV set will soon be thing of the past.

TOPICS & TRENDS

Some 75% of music stores carry TVs, radios or phonos, according to study by National Assn. of Music Merchants. Highlights of survey: "Typical" gross margin on TVs (in stores doing more than \$100,000 total annual business) is 28.7%; on radios & phonos it is 32.8%. Both are less profitable than pianos (40%), organs (36%), musical instruments (45.4%) & phono records (33.3%). Radios & phonos account for 12% of music store's annual dollar volume, TV 6.6%, compared with records (11.5%), pianos (22.8%), organs (18.3%), instruments (17.4%).

Some TV stands and "bases" are subject to 10% federal manufacturers' excise tax, Internal Revenue Service ruled last week. Here's gist of ruling: If it's merely a "table" to support table-model or portable set, it's not taxable. But if it "encloses" set on sides & top, it's technically a cabinet and therefore taxable as "TV component."

Big pitch for FM-stereo table radios will start this spring, when nearly every set maker will have model (or mock-up) to show distributors & dealers. Two approaches are being used—2 separate pieces joined by cable, and single-piece model in which one or more speakers can be extended for greater separation. Latest to join single-piece approach is Arvin, whose \$169.95 unit is due for shipment this week. Olympic is planning 2-piece unit, which presumably will sell for less than \$100 (see p.9).

Advance in microcircuit technology, announced at week's end by Sylvania Pres. Gene K. Beare, could have eventual implications on consumer electronic devices—in costs, miniaturization & reliability. Sylvania announced it has achieved new method of forming silicon semiconductors directly from vapor on ceramic wafers, without need for crystal growing, cutting, polishing, etc. Developmental process makes possible application of entire "thin film" circuits at one time. For example, transistors, diodes, resistances, capacitances & inductances can all be formed at once in microscopically thin deposit. Beare predicted that vapor-formed diodes & transistors "will be major factors in the integrated microcircuit field within 3-5 years."

Electronics offers inviting future for prospective small businesses, despite increasing competition, Small Business Administration reports. New publication, "A Study of Small Business in the Electronics Industry," prepared for SBA by Stanford Research Institute, points out that greater investor interest, stable production and marketing methods, and other features especially favorable to a small business will continue to characterize industry. Most firms, however, rarely compete in consumer products field, SRI report notes, but specialize in selected areas, mostly for military market, including communications, test instruments, optics, nuclear products, radar. Copies may be obtained for \$1.25 from Supt. of Documents, Washington 25.

Montgomery Ward will sell color sets under its own Airline Brand name next fall. RCA-built chassis will be incorporated in sets to be sold in 175 Ward retail stores, mostly in major market areas. Companies major retail stores have been selling RCA color sets for 3 years.

CBS's earnings in 1962's 2nd quarter should rise 20% from 39¢ a share earned in year-earlier period, treas. Samuel R. Dean reported. He said that first-quarter sales probably topped \$126-million volume of Jan.-Mar. 1961, forecast that 2nd-quarter sales would be "somewhat" ahead of \$115 million posted in 1961's 2nd quarter. For total 1962, Dean said earnings of \$2.75 a share (vs. \$2.55 in 1961) on 8.9-million shares outstanding is "reasonable" estimate, added that sales "could be as good" as \$473.8 million posted last year, even though latter figure included volume of now-defunct Electronics Div. Dean attributed anticipated profit gains to increased TV advertising, elimination of losses of Electronics Div., cost reductions.

Admiral has sold to Zenith its 45,000-sq.-ft. Knox Avenue, Chicago building. Plant's production facilities for record changers and metal cabinets for portable TVs have been transferred to Admiral's Courtland Ave. plant, marking "final step" in consolidating production under one roof. Zenith's subsidiary Rauland recently announced entry into color tube production, noted expansion plans which included purchase of a 45,000-sq.-ft. Chicago building for storage & warehousing (Vol. 2:17 p9).

New plants & expansions: Clevite's Electronic Components Div. will complete \$1-million expansion of its Bedford, O. plant by end of August. Enlargement will more than double existing production operations.

Trade Personals

Don G. Mitchell, GT&E vice chmn., resigned April 18 but continues as a consultant and a dir. He was Sylvania's chmn. & chief exec. officer at time of merger with GT&E in 1958, continued as Sylvania's pres. until his appointment to the GT&E post in April 1961.

Marshall M. Bartlett, former mktg. mgr. of GE's audio products dept., appointed to same post in TV receiver dept., succeeding **S. M. Sassler**, now with clock & timers dept. (Vol. 2:17 p11).

William R. Wilson, Philco treas. & finance vp, resigns to become vp of Provident Tradesmen Bank & Trust, Philadelphia, May 1.

John R. O'Brien elected Hoffman Electronics vp, named head of govt. relations.

John W. Lienhard named pres. of ITT Export Corp., ITT's newly-formed export subsidiary which begins operations May 1 at 67 Broad St., N.Y. to promote & expand export sales of products manufactured by ITT's U.S. divisions and ancillary products produced by more than 1,000 non-ITT manufacturers with whom export distribution agreements exist.

Dr. Arthur J. Bruno appointed Audio Devices research & engineering mgr., headquartering at Glenbrook, Conn.

Nicholas Dykstra, Mack Truck pres., elected a dir. of Oak Mfg.

R. A. Cohen, former Telectro asst. sales mgr., joins N.Y. office of Clairtone Sound.

Dr. Frederick Seitz, U. of Ill. physics dept. head, elected National Academy of Sciences pres. . . . **Walter R. Brehm**, Page Communications Engineers Dir. of Administration, named a vp in Washington.

G. Wallace (Wally) Crawford, veteran RCA Electron Tube exec., leaves May 4 for Italy to become tube project mgr. for ATES, electronics firm owned by Italian govt. RCA is furnishing management for ATES . . . **George G. Main** elected chmn. of Westinghouse Credit Corp., succeeding Westinghouse chmn. **Gwilym A. Price**; **Chester F. Gilbert** succeeds Main as pres. of credit subsidiary.

Leon Robbin elected P. R. Mallory senior vp, **Mogens E. Christiansen**, vp; **George Fortheringham** named pres.-treas., P. R. Mallory Foundation. . . . **Frank Pace Jr.** officially stepped out as General Dynamics chmn. and chief exec. officer April 27 (Vol. 2:5 p10), but will continue as a dir. for "limited time."

Fred D. Herbert Jr. named pres. of GPE's newly-formed Aerospace Group, succeeded as pres. of Kearfott Div. by **H. R. Shuart**. Also named to Aerospace Group's management team: **R. N. Brown**, exec. vp; **Shuart**; **J. R. Hiemann**, Aerospace Systems Div. pres.; **T. D. Bannon**, vp-treas.; **S. P. Herbert**, vp-personnel & general services; **M. B. Bassett**, vp-systems management; **D. C. Webster**, engineering vp; **W. S. Smith**, mktg. vp; **Dr. E. T. Feraro**, logistics vp.

Richard C. Sorensen named pres. of Lab for Electronics' Tracerlab Div. and Keleket X-Ray Corp. . . . **William E. Frady**, ex-Ford Aeronautronic Div., named Packard Bell Computer vp & data and industrial systems dir. . . . **E. Douglas Kenna** appointed vp-gen. mgr. of Avco's Research & Advanced Development Div.

Henry J. Lenox appointed mktg. vp, Nytronics Inc., Berkeley Heights, N.J. components manufacturer. . . . **Herman Kornbrodt** named Audio Devices sales vp.

Zenith Nets Record Quarter: Zenith opened 1962 with record quarter as sales & earnings increased markedly from 1961's initial quarter (see financial table). Sales climbed to \$81.5 million from \$64 million in Jan.-March 1961 and record \$68.1 million in 1960's first quarter. Profits rose to \$4.7 million from \$3.4 million a year earlier and record \$3.9 million in 1960's first quarter.

Chmn. **Hugh Robertson** said also that Zenith in first quarter obtained largest share of industry TV sales it ever has held, that production & factory shipments of b&w TV sets during period were highest for any quarter in Zenith history. Officials said that distributor & factory inventories are "slightly higher" than a year ago, but are in line with increased sales and are being held "under close control."

GPE sales & earnings dropped from year-earlier levels (see financial table) but Chmn. **James W. Murray** forecast pickup in 2nd quarter and a good total year. Earnings slumped to \$866,000 from \$1.3 million, sales tumbled to \$48.3 million from about \$62.9 million. "Second quarter results will show improvement over the first quarter's," Murray told stockholders at annual meeting, "and the performance for the year should compare very favorably with 1961's," when GPE earned \$5.9 million on \$234.7-million sales. He forecast 1962 sales "in the neighborhood of \$240 million to \$250 million," said "we expect operating profit—aside from any special gains—to be more than those in 1961." He attributed slow opening quarter to lag between order, production & delivery of equipment. More than 75% of GPE's volume is in military electronic systems.

GE "is on the march again" after "our highly publicized difficulties" in connection with price-fixing conspiracy early last year, Pres. **Gerald L. Phillippe** told annual meeting last week. He said GE prospects for "sustained future growth are being strengthened on a broad front," announced a new "accent on value" program to meet domestic & foreign competition. Phillippe explained: "Competition from low cost producers overseas is making greater inroads in the U.S. & world markets. In this highly competitive situation, the key to business success is to offer customers the finest values—all things considered—that they can obtain anywhere." He said that this approach could be America's answer to foreign competition, that it "certainly is going to be GE's main line of advance in the period ahead."

International Resistance sales & earnings rose about 15% in the 15 weeks to April 15, and vp-treas. **Edward A. Stevens** said "business is coming in fast and we're running ahead of our forecasts." He predicted that if orders continue at current pace, IRC's total 1962 sales & earnings will run 10-15% ahead of 1961. Stevens said IRC is "actively looking for acquisitions, but there's nothing hot now." He noted that IRC is setting up pilot production for a new type of resistor that will be introduced later this year. Pres. **Walter W. Slocum** announced increase in quarterly dividend from 7½¢ to 10¢, payable June 1 to stock of record May 15. He attributed rise to "significant increases" in sales & earnings this year and steady growth in recent years.

General Precision and Japan's **Mitsubishi Electric** have formed a joint manufacturing company, **Mitsubishi Precision Inc.**, which will begin operations with a \$7-million contract for aircraft components awarded by Japanese government.

