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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

LEE PLAN FOR VANISHING V'S envisages giving Ch. 2-8 in to-be-deintermixed markets to Safety & Special Radio Services. FCC majority support not likely (p. 1).

NBC-NIGERIAN TV TIEUP bringing 16-man U.S. team to start 2-area service early next year. Five hours daily initially, spots to be sold (p. 2).

GE'S SATELLITE COMMUNICATIONS WITHDRAWAL understood to mean GE believes FCC predisposed toward international common carriers. Also, it doesn't want to be accused of delays (p. 2).

SPONSOR INFLUENCE—AND FCC'S ROLE—explored via N.Y. network hearing. Most major sponsors candid about script-influencing to preserve sales (p. 3).

IMPROVING CLIMATE FOR TV-RADIO NEWSMEN shown as RTNDA meets in Washington to discuss govt. interference, editorials, public affairs programming, etc. (p. 3).

Consumer Electronics

16-IN. BONDED TUBE with lightweight bulb may be next development in TV. Corning bulb now being sampled to industry. Two more set makers due to offer 27-in. sets (p. 5).

EUROPEAN TV INDUSTRY far outstrips U.S. in automation, top-level RCA team finds on inspection tour. High productivity, full employment, development of common market seen as good signs for U.S. (p. 7).

FORD STILL MULLING Philco's future. Chmn. Henry Ford 2nd declares "We do not plan any moves as of now, but we make no guarantees of any kind" (p. 6).

COLOR SET SALES of one million a year, total TV sales of 7-7.5 million, within 5 years predicted by Zenith Pres. Wright (p. 6).

PHONO SALES SLUMPED in July 15% below year-ago figure, EIA reports, with unduly high percentage of mono sales. Manufacturers optimistic for fall-winter season (p. 8).

JULY PICTURE TUBE SALES set 7-year low for any month in units, but not in dollar volume (p. 8).

REPORT TO SUBSCRIBERS: Approximately 75% of you have already indicated distinct desire for continuing to receive our services—by promptly returning the authorization forms or cards. And they're still arriving at brisk clip. If you have returned one, ignore the card accompanying this issue; service will continue to you regularly from now on.

We intend to merit this vote of confidence. We're still cleaning up "fallout" involved in transition from predecessor Triangle Publications—which has done everything in its power to ease changeover. We have one area of regret—inability immediately to respond to literally hundreds of letters. Time will remedy that. Business has resumed at old stand, Wyatt Bldg., with same phone, Sterling 3-1755.

LEE PLAN FOR VANISHING V'S: FCC's firmest uhf advocate, Comr. Lee, knows what he'd do with the vhf channels which would be taken from the 8 markets Commission proposes to deintermix. He'd give them to non-broadcast users.

His idea hasn't been made public, and his colleagues haven't gone along with him so far. Speculation within Commission is that he won't get majority support, even in rule-making to solicit industry comments, though his adherents insist situation isn't so cut and dried.

Lee would apply plan only to Ch. 2 through 8, not touch Ch. 9-13. He'd give deleted Ch. 2-8—in such markets as Madison, Rockford, Hartford, Erie, Binghamton, Champaign, Columbia and Montgomery—to mobile 2-way radio users in Safety & Special Radio Services. He'd wrap up new users in all kinds of limitations to

insure no interference to other Ch. 2-8 stations. For example, only "base" (stationary) stations in 2-way services might use TV frequencies, while mobile units would continue with non-TV frequencies—thus eliminating danger of mobile units invading other Ch. 2-8 areas.

Lee is said to believe he can gain support from vhf stations—on theory that pre-emption of Ch. 2-8 in certain areas by non-broadcast users would block possibility of dropping in short-spaced Ch. 2-8 stations to slice coverage of nearby co-channel and adjacent-channel stations. Support is also expected from big industries which have been lobbying for more vhf space through National Assn. of Manufacturers—plus police, fire and other safety services.

On political front, meanwhile, all trumps seem to be held by vhf forces resisting deintermixture. Thunderous political power has been commandeered in Congress and in states affected (Vol. 1:2 p1). However, Commission has decided to go through rule-making in conventional fashion, accepting comments and reply comments—turning down petitions asking it to admit error now and rescind rule-making altogether. Whether deintermixture will finally take place is something else. There's distinct possibility Congress may lift matter bodily out of FCC's hands, block proposal by flat law or resolution.

Parties in proceeding—and FCC itself—have nice legal question on hands when it comes to discussing deintermixture. FCC has announced that no off-the-record approaches may be made in the 8 cases. On other hand, no such strictures have been invoked in over-all "help-uhf" rule-making. Then, the over-all proceeding has been "incorporated by reference" in the 8 cases. So what can you discuss freely with commissioners and staff? No one is sure, yet.

NBC-NIGERIAN TV TIEUP: Quiet world-wide scouting, planning and negotiating by U.S. TV entities bore more fruit last week when NBC and Nigerian govt. announced that the former was sending 16-man team to the country in mid-Nov. to establish a national system.

From capital Lagos last week, NBC Chmn. Robert Sarnoff and Nigerian Information Minister T. O. S. Benson described plans, including early 1962 start with coverage of Lagos and Ibadan 5 hours daily. NBC said it is "first U.S. broadcasting company to establish a long-term relationship with an African nation."

Alfred Stern, NBC International Ltd. chmn., in Lagos with Sarnoff, said programming will be: One hour of basic education, agriculture and scientific information; the balance news, public affairs and entertainment. Shows will be locally originated and imported—and spots will be sold. Eventual goal is coverage of whole population, 35 million. NBC said agreement resulted from a year's planning.

U.S. TV entities, including multiple owners as well as networks, have been probing virtually all non-Communist-bloc nations for TV potentials, making tieups. Central America was an early hunting ground. Africa and South America are said to be particularly fertile—and pioneers are breaking ground today.

BEHIND GE'S SATELLITE COMMUNICATIONS WITHDRAWAL: When GE told FCC last week it decided not to fight any longer for a common carrier position in space communications—withdrawing its pending applications—immediate assumptions at FCC and other Washington quarters were:

(1) GE is convinced that Commission has built-in predilection toward giving preference to international common carriers, despite disclaimers.

(2) If U.S. is ahead of Russia in any event of space race, it's in communications. Therefore, GE, which has suffered enough opprobrium from price-conspiracy anti-trust convictions, isn't about to risk accusation of slowing progress by fighting for a carrier position.

So—GE vp George L. Haller told Commission company will "concentrate on its traditional role as a manufacturer of space vehicles and allied equipment." Chmn. Minow thanked him for GE's contributions "of substantial value" to date, said he hopes for company's continued "active participation."

Importance of space communications to President Kennedy was underscored in his UN speech last week when he said U.S. would "propose a global system of communications satellites linking the whole world in telegraph, telephone, radio and television." He envisioned day when UN proceedings would be televised to "every corner of the world" via satellites.

Kennedy's science adviser James Wiesner echoed his chief later in week, in speech before Radio-TV News Directors Assn., saying U.S. "is the strongest scientific nation in the world" and predicting "direct broadcasting from satellites in foreseeable future."

SPONSOR INFLUENCE—AND FCC'S ROLE: As parade of blue-ribbon TV advertisers described their "hands on" or "hands off" policies re network programming, in FCC's hearing in N.Y. last week, fundamental question was raised as to Commission's business probing network-sponsor relationship.

There's no question that Commission has power to examine relationship. But its power to do something about it, if it doesn't like it, is something else. Fact is, there's considerable affection for "magazine concept" at Commission. Some people there believe advertisers should buy time, have nothing to say about programs, leaving networks (and stations) free as birds—and completely responsible for their output. Others there assert that there's considerable magazine concept in the business already, through multiple sponsorships, and that big spenders are always going to have influence—no matter what kinds of rules or laws you write. They also note that print media are not without advertiser influence. Difference is that no gov't. agency can get them to testify to it in hearings.

Commission frankly doesn't know what will emerge from current hearings. Last phase, after advertisers' testimony, will be examination of network policy makers themselves. Then Commission will digest whole mass of programming-process testimony, report to Congress. Commission has already asked for power to apply rules directly to networks, instead of merely to stations. At height of quiz & payola scandals, there would have been strong chance of bill's passage. Heat's off now, and Congress is much less likely to give FCC all it seeks or may seek. Commission isn't likely to ask for less; rather, it will request more regulatory power.

Witnesses for huge TV advertisers—such as Proctor & Gamble, General Motors, Alcoa, Brown & Williamson Tobacco—made it abundantly clear that they don't permit anything on their shows which might antagonize people or disparage their products. They were candid in describing specific instances of altered scripts. Reason: It just isn't good for business.

But Bell & Howell is the leading maverick. Its witness flatly disagreed with fellow sponsors. Not only does B & H love the tough, controversial, public affairs shows (discrimination against Negroes, for example) on principle—but it found that they produce sales, increasing company's share of the market. Standard Oil has similar policy, its witness stating: "We considered it as somewhat pretentious and unrealistic to set ourselves up as arbiters or censors in the field of drama in our democratic society."

IMPROVING CLIMATE FOR TV-RADIO NEWSMEN: Radio & TV newsmen—once mere step-children or non-existent outside of networks—demonstrated growing stature in New Frontier public-affairs climate as Radio-TV News Directors Assn. met in Washington last week. Highlights:

(1) Fight gov't. interference, Pres. Bill Monroe, NBC Washington, urged members. "Broadcast journalism has more to offer the American people," he said, "than the gov't. regulators have to offer them by methods of official persuasion." He noted, however, that FCC Chmn. Minow not only encouraged editorializing but accepted in good humor stations' editorials against his "wasteland" speech.

(2) Ex-pres. Russ Van Dyke, KRNT-TV Des Moines, also talking about editorials, put finger on basic difference between broadcasting and print: Gov't. licenses former. He asked: "Would a station involved in FCC hearings editorialize against Chmn. Minow? Or if, in all honesty, it wanted to come out for Mr. Minow, wouldn't this be misunderstood and thus weaken the whole broadcast editorial function?" A TV workshop session emphasized fact that few stations are adequately staffed to research for editorials.

(3) Public affairs programs are fine—but community must be organized to follow up on them. That was thesis of Westinghouse Bcstg. Co. pres. Donald McGannon. He called attention to forthcoming WBC approach in Baltimore: "Focal Point," which is "the very tight interrelation between a thoroughly organized community-structure and a series of related TV programs."

(4) Reportorial qualifications of man-who-gives-the-news means little to public, a radio workshop concluded. Personality, showmanship—that's the thing.

(5) Income from news, in addition to prestige, stressed by Corinthian Bcstg. Co. pres. C. Wrede Petersmeyer.

CURRENT CAPSULES: More to come in Congress: The first session of the 87th Congress ended with enactment of only 2 major broadcasting measures—FCC reorganization (Vol. 17:35 p3) & sports TV (Vol. 1:2 p3)—but House Commerce Committee Chmn. Harris (D-Ark.) promises more action in the 2nd session. His legislative agenda includes: (1) Deintermixture. (2) Network regulation. (3) License trafficking. (4) Clear channels.

Easier logging rules are in works, FCC Broadcast Bureau Chief Kenneth Cox assured Federal Communications Bar Assn. luncheon meeting last week. He told lawyers Commission is receptive to showings on "burdensome" aspects of FCC's proposed rules. However, he added, more lenient rules will require "fair dealing" on part of stations. As for FCC's authority to elicit information: "Don't waste your powers on false skirmishes regarding problems with First Amendment questions. FCC needs information on programming to do its job. It's simply trying to improve existing tools." He said broadcasters should worry when Commission tries to force or suppress programs. "I don't expect to see that arise," he said.

FCC-broadcaster program-form meeting Oct. 6, 2 p.m., arranged by NAB Pres. Collins (Vol. 1:1-A p2), will feature 16 top-notch broadcasters, including NAB TV board Chmn. Dwight Martin, WAFB-TV Baton Rouge, and radio board Chmn. George Hatch, KALL Salt Lake City.

Official Films has asked SEC (File 2-18998) to register: (1) 232,086 outstanding common shares to be offered for public sale by present holders at over-the-counter or negotiated prices. (2) 65,000 shares to be sold by officers who obtain them under options at \$1.16-\$3 per share.

Treaties ratified: The 1959 Geneva International Telecommunications Convention and a technical agreement covering frequency assignments for radio astronomy & space research were finally approved Sept. 25 by a 66-0 Senate vote. Text of Convention available in 20 pages of Sept. 25 Congressional Record.

Opposition to FCC's proposed FM rules will be expressed by Washington consulting engineers. AFCCE last week agreed that allocation on mileage-separation basis is inefficient.

AM stereo was given quick & brusque brushoff by FCC last week, as expected (Vol. 1:2 p4). It told petitioners Philco, RCA & Kahn Research there's "little evidence of public need or industry desire" for it, and, besides, it's busy with "a host of other current problems." Comrs. Bartley & Cross dissented.

FCC's experimental WUHF N.Y. due to test with temporary antenna this week, start programming near end of Oct. Educational & religious WYAH-TV (Ch. 27) Norfolk began Oct. 1, educational WETA-TV (Ch. 26) Washington Oct. 2, commercial CBXT (Ch. 5) Edmonton, Alta., Can. Oct. 2.

Donald MacDonald leaves Smith & Pepper, Washington law firm, to establish practice in Denver; he's son-in-law of Sen. Carroll (D-Colo.). John Cole takes leave of absence from firm to become asst. to Rep. Flynt (D-Ga.). New associates in firm are: Robert Conn, ex-FCC; Robert Cahill, ex-NAB.

ABC was "clearly derelict" in not informing public that portions of "Untouchables" were fictionalized, FCC told ABC last week, as indicated (Vol. 1:2 p4). If something like this becomes prevalent, FCC said, "serious consideration will be given to appropriate steps to cope with the situation." It didn't elaborate on "steps."

WTSP-TV Inc. (Rahall brothers) tapped for Ch. 10 Largo (Tampa-St. Petersburg), Fla. CP, FCC instructing staff to draft final decision that way, denying 5 competitors, sustaining examiner's initial decision.

CATV system in Lake Arrowhead, Cal., 500 subscribers, sold for \$72,500 to Ontario, Cal. accountant Milton Thurber by George Acker—through broker Daniels & Assoc.

License-fee system, whereby industry would defray FCC's expenses (Vol. 17:27 p1), due for Commission discussion this week.

Annual Federal Communications Bar Assn. outing: Oct. 10, Woodmont Country Club (near Washington), golf, softball vs. FCC, etc.—the traditional good-natured works.

Oscar Byram Hanson, 67, known throughout broadcast world as "O.B.," died of heart attack in Norwalk, Conn. Sept. 26. A pioneer of pioneers, he served NBC & RCA 38 years, retiring in 1959 as RCA engineering services vp.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

INDUSTRY LOOKS AT 16-IN. BONDED TUBE: There's still industry interest in a smaller picture tube—and Corning has begun sampling a new lightweight 16-in. bonded bulb, essentially a squared-off version of the 14-in. tube. At least one very large set maker has expressed enthusiasm for this size & shape—but it will still be some time before there will be any inkling whether it will ever go into production.

The 16-in. 114-degree bonded bulb is fresh version of the 16-in. "heavy" non-bonded bulb sampled by Corning late last year (Vol. 16:43 p15). That one flopped because it didn't offer enough price & weight advantage over the 19-in.

New bulb is something of a breakthrough in weight, if not in price. As opposed to the 20-lb. bulb & cap for the 19-in., this one weighs just slightly over 10 lb. In quantity, the bulb would be priced at about \$7 (including cap), compared with \$8.80 for 19-in. bulb & cap. The heavy non-bonded 16-in. bulb sampled by Corning last year was quoted at \$7.50-\$8, industry sources say. This price wouldn't have included implosion plate, which is included in price of bonded bulb, of course.

Is this reduction in price & weight sufficient to arouse the widespread industry interest required for tooling up a new tube size? This point is hotly disputed. Some tube makers see absolutely no customer interest in it; others, while not excited, see it as a good possibility. It's believed that Admiral was behind last year's 16-in. activity, but vetoed it after costs were determined. Another big set maker is understood to be mover this time.

What's the reasoning behind idea of a smaller tube? There's a school of thought which believes that the 19-in. size was a mistake. This size has cornered about 40% of TV market, and some set & tube makers claim it has cut into 23-in. set sales because there's not enough difference in size between the two. Whether a new smaller size can rectify this situation is debatable, but at least it would restore some measure of portability to portables, and introduce more variety into TV lines.

As far as Corning is concerned, the official line now is that this would help round out a "family of bonded tubes." Last year, Corning backed the 16-in. size with results of its own consumer surveys, which indicated that many people preferred 16-in. to 19-in. size (Vol. 16:43 p16).

In view of Corning's big drive to reduce weight (and price) of its 19-in. bulb, it's interesting to note that proposed 16-in. bulb has bonded cap which is substantially lighter per unit area than either the 19- or 23-in. cap. Corning's newly designed 19-in. bulb, reported last week, will be "several pounds lighter" than present 19-in. bonded bulbs due to use of less resin and weight savings in glass of bulb itself and cap—not on the basis of a reduction in the amount of resin alone, as was erroneously implied in our story last week (Vol. 1:2 p5).

Tube makers are still uncertain as to whether redesigned 19-in. bonded bulb will make possible tube price reductions, because they say no new price on the bulb has been quoted yet by Corning. New bulb represents latest step in Corning's drive for industry acceptance of 19-in. bonded tubes. Currently only about 5% of 19-in. tubes are of the bonded variety—and this 5% includes not only Corning's but Pittsburgh Plate Glass' bonding process. On other hand, it's estimated that 60%—possibly even more—of 23-in. tubes being made today are bonded.

Pittsburgh bonding process, incidentally, is now being used with at least 3 different sizes of TV picture tubes—19-in., 27-in. and 21-in. color. Although all tube manufacturers are currently either using Pittsburgh process or experimenting with it, nobody seems willing to say whether it is cheaper than the Corning process. One tube maker did tell us that preliminary indications were that cost will be about same, due principally to cost of glass panel (about the same as Corning's molded cap) and the Mylar tape required in the Pittsburgh process (22¢ or more for a 23-in. tube). He said labor costs are about equal for the 2 processes.

While tube sizes may be getting smaller, they're still getting bigger, too. Following Admiral's recent introduction of 27-in. set with Pittsburgh bonded implosion glass (Vol. 17:36 p15), it's known that at least 2 more set makers will add 27-in. sets to their lines before year's end. In addition to Admiral, 27-in. sets are now being sold by Magnavox, Du Mont and Packard Bell.

FORD STILL MULLING PHILCO'S FUTURE: "We do not plan any moves at all at Philco as of now, but we make no guarantees of any kind." So said Ford Chmn. Henry Ford 2nd in Philadelphia last week in response to queries regarding the future of Philco's consumer products business. "We have no plans as of today to get out of any of the Philco business," he continued. "We will analyze all facets. Maybe in a month or so we'll know more than today."

Ford journeyed to Philco's Philadelphia hq in response to a request for a meeting from the Quaker City's Mayor Richardson Dilworth. Mindful of Ford's closing of its nearby Chester, Pa. assembly plant earlier this year, spilling some 1,500 workers into the Greater Philadelphia labor market, Dilworth sought the session to determine the effect of Ford's proposed takeover of Philco (Vol. 1:1-A p5) on the city's economy. The bulk of Philco's 26,000 employes work in the Philadelphia area.

Although he would give no assurances about Philco's role after his company completes the purchase, probably by early December, Ford was firm about its geography. The motor company does not intend to "close down Philco" in its hq city, Ford said, adding: "We're not going to move out of Philadelphia—not with the investments Philco has here." Mayor Dilworth, summing up his private 15-min. session with Ford, commented: "We hope Philco under the Ford Co. will grow in Philadelphia, but Mr. Ford can't commit himself now." He said "no conclusions were reached" at the meeting. With Ford at the session was Ford Co. General Products Div. vp Irving A. Duffy.

Status quo at Philco will undoubtedly continue—for a while, until Ford Co. has had an opportunity to digest and become acquainted with what it has acquired. Speculation in electronics industry is that little if any changes will develop for 6 months after Ford takes over—then things will begin to happen. One extremely savvy industry executive predicted to us that Ford will carry Philco's TV-radio lines for about a year, conclude that the low-margin business isn't worth the headaches, and junk it to use production facilities for more profitable operations.

Philco Pres. James M. Skinner Jr. believes Ford "will be interested in preserving & enhancing all phases of Philco businesses," including the Consumer Products Div. which "represents a large percentage of our assets and our total current business." However, with "total current business" reflecting a first-half loss of \$4.4 million (Vol. 17:33 p20), there's increasing industry sentiment that Philco's consumer products days may be numbered—unless Ford can quickly find in them substantial profit which has eluded Philco. Automotive as well as electronics executives point to the Edsel as proof that Ford is quick to amputate decaying limbs, regardless of invested capital & prestige, to prevent the spread of dry rot.

ZENITH LOOKS AT TV'S FUTURE: Although branching out, into "the more sophisticated fields of electronics," consumer-oriented Zenith is one of the few companies which sees electronics' greatest growth potential still in the consumer field. This minority report was filed last week by Zenith Pres. Joseph S. Wright in address to Investment Analysts Society of Chicago.

Of all electronics fields, Wright said, "Zenith anticipates that greatest growth is going to come in consumer products & services." As to TV, he reflected some of RCA's bullishness on color. While he saw "no hope for a near-term breakthrough which would permit a color set to be sold at a reasonable profit under 2 or 3 times the price of a b-&-w set," he predicted:

"We look forward to a possibility of there being a million color sets a year being sold within 5 years." Within same 5-year period, he said, "I would think that the industry can look forward to getting back again to the kind of figures it enjoyed in 1955 & 1956 [7-7.5 million sets], which would be a growth in units of more than 20%, and an even higher growth in dollar sales because of color."

As to Zenith itself, Wright said it expects to produce & sell more than a million TV sets in 1961 for 3rd year in row. Zenith is still breaking its own records, he indicated, citing these distributor-to-dealer sales marks: In TV, "our last 4 weeks' TV receiver sales were the highest in history for a comparable period in 3 of the 4 weeks, and for the total of 4 weeks" In radio, "6 of the last 7 weeks were the best in our history for a comparable period."

WHAT WE CAN LEARN FROM EUROPE: "They're far ahead of us in automation and have developed some extremely clever automatic equipment. As a result of this trip, we're going to put some of our people to work on development of new types of automatic equipment." Delbert L. (Debs) Mills, RCA Victor Home Instrument divisional vp thus summed up to us the most significant observations of a top-level 3-man RCA Victor team on a tour of Europe's TV plants.

Accompanying Mills on the 3-week trip were Bryce S. (Buzz) Durant, RCA Sales Corp. vp for product planning & development, and Earl I. Anderson, Home Instrument chief engineer. We talked with Mills & Durant last week at New York's International Airport shortly after they stepped off the plane which brought them back from their tour of TV production facilities in Germany, England, Holland & Italy. Among highlights of their impressions of the European TV-radio industry and what American manufacturers can learn from it:

"I was impressed most by the productivity of the people," said Mills, who (among his other talents) is a production specialist. "Everybody is at work, everything is very busy and there's a serious labor shortage in Europe. Because of this shortage—particularly in the Netherlands, Germany & England—factories have been pushed into automation." Durant was impressed by an automatic coil-winding machine they had inspected—which handles complete manufacture of complex coils directly from the basic materials.

"Everything is printed-circuit over there," said Mills. "Even in the smaller plants, where automatic component insertion isn't practical, we saw them assembling printed boards—by hand. We were told repeatedly that this is the only way to get the uniformity and reliability required in the European TV market. For the average European, a TV set represents a far greater investment—in terms of the number of man-hours worked to pay for the price of the set—than it does for the average American. And Europeans demand a set they can keep for a long time with few repairs."

European TV sets appear to be "over-designed" compared with American units, Mills & Durant agreed—there's more material in them. Durant pointed out that standards of picture linearity are far stricter in Europe (with consequently higher cost)—principally because all European TV stations project test patterns for all or part of the daytime hours, and viewers are told how to use them to check the performance of their sets. An egg-shaped circle in a test pattern just won't go, even though such distortion in an actual TV picture may not even be noticeable.

European TV sets can't penetrate U.S. market effectively in their present form, said Durant, because extra materials used result in non-competitive prices. The RCA officials quoted the president of a large German company which has tried exporting to U.S. as saying that the American market, while fine for radios & phonos, is not a good one for German TV.

As to new product designs in Europe, Durant said he saw "some interesting products, but nothing startling that would go over here—nothing that particularly interested us that we didn't know about already."

They found much interest in color in Europe, but little inclination to be in a hurry. They viewed the Sylvania-Thorn "Zebra" tube—somewhat similar to Philco's "Apple," and were told that practical development is at least 2 years off.

As to stereo, "they don't think much of it over there," said Mills. "They think we've overrated it. Records are high priced there, and people just don't have the money to pay for stereo discs."

Both Germany & Italy now have 2-network competition, with the "2nd channel" on uhf, but the RCA team said there have been no European breakthroughs in uhf tuner sensitivity. The design of German & Italian uhf tuners & converters permits pre-selection of channel by the consumer, so that the switch from the vhf to uhf channel may be made by pushbutton. All new sets sold in Germany & Italy contain uhf tuners.

There's little worry in Europe about Japanese imports of either components or transistor radios—and Mills & Durant gave these probable reasons: The Japanese are concentrating on the U.S. & Canadian markets now, and tariff regulations in Europe are less favorable to the Japanese.

European TV distribution & marketing patterns were intriguing to the RCA experts in that many manufacturers make several different brands—each with its own marketing organization, distribution channels, etc., all selling against one another.

"The European economy appears to be 4-5 months behind ours," said Mills. "They're coming out of their recession now, with full employment everywhere and all of the economic indicators good." British recession last year was particularly severe, but temporary lifting of 55% purchase tax has effectively

liquidated topeavy TV inventories. Purchase tax has been reinstated, and British manufacturers are predicting production of 1.6-1.8 million sets this year. Magnitude of their inventory problem earlier this year is apparent in the fact that 2.8 million TVs were produced there last year.

How about American vs. European consumer electronic products on world market? "Even with their lower wages, we can compete successfully today," Mills told us. "As their standard of living rises, we can compete better. Right now, in the TV business, we can hold our own and beat them at cost."

PHONO SALES SLUMPED IN JULY: Blame it on the weather, the recession, FM-stereo confusion or what-have-you—retail sales of phonographs just weren't up to snuff in July.

Just-released EIA figures show that 203,759 phonos were sold to consumers in July 1961, about 15% fewer than in July 1960. The July figure is low even in comparison with July 1959's 207,721 phonos.

Although EIA's released statistics cover total unit sales only, they carry strong indication that dollar sales were down even more sharply. They show that nearly 30% of the phonos sold last July were monophonic—which generally indicates the very lowest price bracket—as opposed to less than 22% in July 1960 and the general 1960-61 trend of 76% stereo, 24% mono.

For the first 7 months of 1961, retail phono sales totaled 1,868,116, down about 11% from the 2,104,779 units sold in the same 1960 period. Retail sales for both 1960 and 1961 have been quite erratic, seeming almost to defy past seasonal patterns. In Jan. 1961, sales were 28% below the same 1960 month, dropping in Feb. to low point of 36% below 1960. Pickup began in March, when sales were only 3% behind the same 1960 month, with April sales 23% ahead of a comparatively poor April 1960, rising in May to 42% ahead. Then June 1961 dipped about 4% below a strong June 1960, followed by July's 15% drop.

Factory sales have been slow, too, and there seem to be no serious inventory problems—factory sales running about 120,000 behind retail sales for the first 7 months of 1961. In July, factory phono sales were 18% below July 1960, in keeping with a 17% cumulative drop for the 7 months.

Despite this summer slump, there's absolutely no inclination to pessimism among phono manufacturers. New models, FM stereo and increasing personal income are still being counted upon to produce record or near-record stereo sales this fall & winter.

Here are EIA's final monthly figures on retail phono sales, together with its tabulation of factory sales. EIA discontinued compiling TV, radio & phono retail statistics with the July figures (Vol. 17:22 p16).

Month	PHONO FACTORY SALES						Month	PHONO RETAIL SALES					
	1961			1960				1961			1960		
	Mono	Stereo	Total	Mono	Stereo	Total		Mono	Stereo	Total	Mono	Stereo	Total
January	80,366	211,383	291,749	118,400	341,329	459,729	January	105,753	271,124	376,877	150,688	368,964	519,652
February	50,710	204,638	255,348	92,648	324,666	417,315	February	61,646	255,722	287,368	102,063	347,860	448,128
March	62,396	227,469	289,865	63,264	242,523	305,787	March	64,138	237,537	301,675	61,249	249,497	310,746
April	53,074	152,974	206,048	30,962	142,409	173,371	April	56,312	182,773	239,085	41,503	152,141	193,644
May	53,887	142,450	196,337	36,793	146,176	182,962	May	62,328	194,891	257,319	39,734	141,080	180,814
June	61,533	197,170	258,703	69,293	198,407	267,700	June	49,183	152,950	202,133	44,925	165,339	210,264
July	70,681	171,331	242,012	70,992	222,559	293,551	July	59,839	143,920	203,759	58,787	180,949	239,746
TOTAL ..	432,647	1,307,415	1,740,062	482,353	1,618,069	2,100,422	TOTAL ..	459,199	1,408,917	1,868,116	499,750	1,605,029	2,104,779

TV-RADIO PRODUCTION: EIA statistics for week ending Sept. 22 (38th week of 1961):

	Sept. 16-22	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	141,662	143,430	143,808	4,243,006	4,221,481
Total radio	411,264	400,235	424,457	11,528,455	11,886,225
auto radio	96,977	89,551	176,733	3,598,808	4,517,015

TUBE SALE TRENDS: Fewer picture tubes were sold in July than in any month since 1954. EIA reports factory sales of 457,181 picture tubes at \$9,364,364 for the month, and a search through the records discloses that the unit sales figure—but not the dollar figure—is a 7-year low for any month. The July figures compare with 806,852 at \$15,887,776 in June and 681,785 at \$13,898,468 in July 1960. The January-July total for 1961 was 5,032,378 at \$100,335,883 vs. 5,136,581 at \$102,497,735 in January-July 1960.

Receiving tube sales for July totaled 27,566,000 at \$20,979,000 (factory value), down from June's 31,463,000 at \$25,989,000 and considerably below the 34,883,000 at \$28,810,000 reported in July 1960. During the first 7 months of 1961, receiving tube sales were 206,320,000 at \$171,479,000 vs. 229,307,000 at \$195,207,000 for the same 1960 period.

WEEKLY Television Digest

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

COLLINS' CURRENT POLICY & POSTURE: Let public know that industry, not govt., is responsible for improvements. New public relations series proposed—Collins interviewing public figures (p. 1).

MINOW'S VIEWS ON PROGRAMS & CENSORSHIP: His program preferences carry no "or else" threat. Trying to encourage "greater use of radio" (p. 2).

"I'M NO COP," SAYS FTC'S DIXON in interview on his first 6 months in job—which have failed to produce expected crackdown campaigns on TV advertising (p. 2).

FCC PONDERING REORGANIZATION PLANS, including 3-man employe review board, retention of opinion writers in "pool," case-by-case delegation (p. 3).

PROGRAM & LOGGING FORM COMPLAINTS DELUGE FCC, broadcasters finding censorship and nonsense in Commission's proposed rules (p. 3).

PAY-TV TROUBLE IN ETOBICOKE cited in resignation blast by director of Paramount's operating subsidiary, who says system is losing \$11,000 per week (p. 4).

TV MAGAZINE CONCEPT REJECTED by Lever Bros. at network hearing. FCC is reminded: Public blames advertisers for shows, but not for print-media stories (p. 4).

Consumer Electronics

FALL BUSINESS solid & improving, industry-wide survey indicates. No runaway market, but business is steady, with little dumping. Shortages developing in some models (p. 7).

SECOND THOUGHTS ON "FULL LINES" expressed by manufacturers & distributors in light of Philco troubles. Some RCA & Whirlpool distributor realignment seen (p. 8).

TV'S ELECTRIC BILL, to keep home screens lighted, now totals nearly half billion dollars yearly—some indication of stake of utility companies in TV set sales (p. 9).

3-YEAR MOVE TO UHF suggested by Admiral, which proposes use of excise tax exemptions to ease transition for set makers & public (p. 9).

COLLINS' CURRENT POLICY & POSTURE: On eve of NAB fall conferences—first one in Dallas Oct. 9—Pres. Collins is convinced, more than ever, that posture NAB has assumed since he became head of association is the most correct and protective one.

His philosophy, as he restated it to us last week: "A few people in the industry would have had NAB attacking any criticism that came from the govt. This would have had the govt. calling for improvement while we resisted it. This would be an untenable position. We can't give the impression of being hauled unwillingly by the govt." He quoted from his Sept. 29 speech in Minneapolis:

"Our responsibilities as broadcasters do not begin and end with 'hands-off' statements directed to govt. Certainly we can and should urge positions for govt. to take or not take. But what means most is the positions we take—what we do upon our own initiative and with our own brains and resources."

He asserted that relations with govt., notably FCC, have improved markedly—in such areas as collaboration on program-form and logging modification. "They could not have worked with us in this spirit," he said, "if we at NAB had created an atmosphere of furor and distrust by screaming invectives, as some of the observers of the broadcasting scene would have had us do."

Collins insisted that freedom of speech isn't being jeopardized, that he'd be first to recognize and fight any invasion.

Among other things on Collins' mind is need for greater industry financial stability. He repeated his belief that FCC is authorizing too many radio stations, said that station rates should be firmer and that NAB will increase its efforts to improve industry's efficiency.

It's understood that NAB has up its sleeve, for board and membership consideration, a novel public relations ploy: video tapes, kines and audio tapes of Collins interviewing prominent public figures in

Washington, interspersed with Collins' strong pitch to public about TV-radio's role. First rough pilot, presumably to be shown in Dallas, features 30-min. program of interviews with Commerce Secy. Hodges and Senate Minority Leader Dirksen (R-Ill.), 15-min. each. Called "Meet the Man," program focuses on personal side of interviewees—philosophy, childhood background, religious outlook, etc. Half dozen programs yearly are contemplated. Concept is in line with Collins' long-held opinion that broadcasting can do much more to promote itself through own facilities.

Balance of the one-day conferences, to which non-NAB broadcasters are invited this year: Oct. 13, St. Louis; Oct. 18, Salt Lake City; Oct. 20, San Francisco; Nov. 10, Boston; Nov. 13, Pittsburgh; Nov. 15, Minneapolis; Nov. 20, Jacksonville.

MINOW'S VIEWS ON PROGRAMS & CENSORSHIP: We confronted FCC Chmn. Minow last week with a question continuing to bother a lot of people:

"How do you square your pitches, in many speeches, for kinds of programs you consider good—children's, public affairs, prime-time news, etc.—with your assertion that you're not seeking to impose your beliefs on the industry, a form of censorship? A lot of people think that your voicing such preferences is a threat that industry better follow them—or else."

Minow's response: "I've never threatened anyone with an 'or else' based on my thinking about programming. But the Communications Act says that we should encourage the greater use of radio, and that's what I'm trying to do. I don't think that anyone in the industry should try to censor me any more than I should censor him. For many years, the Commission has said that programming in various categories is in the public interest. I go along with that. Now, if a broadcaster promises certain programming and doesn't deliver, I think it's our duty to find out why. Really, have I been saying anything that the Commission hasn't been saying for years? I don't understand why anyone is surprised at what I say."

'I'M NO COP,' SAYS FTC'S DIXON: What's with FTC Chmn. Paul Rand Dixon? Since he took advertising-guard post on New Frontier March 21 (Vol. 17:13 p8 et seq.), heralded in trade press as anti-business zealot, broadcasters & admen have waited—more or less apprehensively—for FTC crackdowns on TV-radio practices. They haven't come.

Broadcasting was FTC Target No. 1 under Dixon's Republican predecessor Earl W. Kintner, who rode TV quiz & payola scandals to page one headlines. It was common assumption that Democrat Dixon would carry on in TV-radio field—and more so. Yet in contrast to Kintner regime, Dixon's FTC administration so far has been marked by: (1) No launchings of big cases against big TV advertisers. (2) No stern, finger-wagging reform-or-else ultimatums to broadcasters. (3) No public inquisition sessions for network officials. And payola cases have been dropped.

We made 6-month check-up on Dixon recently in effort to learn what gives. We found him at his Washington desk, fuming over takeout in copy of U.S. News & World Report which was headlined: "Business & Kennedy—Why a Growing Rift." Article said businessmen have plenty of reason to view New Frontier agencies with alarm. "I'm a little annoyed," Dixon told us. He swung at once into theme he has stressed in his few public speeches: FTC is court-like law-enforcement—not crusading—agency, responsible for protecting U.S. economy from anti-free-enterprise competitive practices.

"I'm no damned policeman or cop," Dixon said, brushing magazine aside. We suggested that some operators in broadcasting industry nevertheless had been expecting him to act like one in clean-up campaigns started by Kintner. Dixon waved suggestion down. On TV commercials: "I have noted no increase in complaints about them." On payola: "America is full of payola. This [record-promotion practice] was just one that got out in the public eye." On NAB Codes: "Self-regulation is highly desirable." But no responsible broadcaster should need industry rules to tell him what's right or wrong in free competition with other media. On TV generally: "I thoroughly enjoy TV. Some of the things I see I don't want to comment on, one way or another, however."

What's ahead at FTC for broadcasting industry, if there's been honeymoon up until now? Dixon told us FTC would call its shots as it finds them, that he wants to put more TV-radio monitors at work in agency, that he had no predictions which might be either reassuring or menacing to broadcasters. He added: "You can't promise them that we're going to come blazing in with guns at either hip." FTC staffer close to Dixon told us later that industry can count on one thing: Sponsors of phony commercials will know they've been hit when they're hit. FTC complaints will be followed up swiftly with stop-it orders.

FCC PONDERING REORGANIZATION PLANS: Presented with a workload-lifting law by Congress, FCC is due to dig into implementation ideas today (Oct. 9) in special meeting. In addition to their own ideas, commissioners are understood to have these staff recommendations before them:

(1) Set up 3-man employe review board.

(2) FCC delegate matters to review board on case-to-case basis at first, holding itself free to take over major cases—such as renewals & revocations—at all times.

(3) Opinion writers in Office of Opinions & Review should be retained in a pool rather than split up and assigned to commissioners' staffs.

(4) Use of review staff should be readily available to panels of commissioners or review board.

(5) FCC should decide whether to delegate cases to review board or to commissioner panel after exceptions have been filed to initial decisions.

(6) Oral argument should be heard by commissioner panel or review board at request of any party—unless request is frivolous.

Staff offers no recommendation on whether individual commissioners should write decisions. Commissioners have considered this practice impractical for FCC. However, it's the only regulatory agency that doesn't do it.

PROGRAM & LOGGING FORM COMPLAINTS DELUGE FCC: Seldom has FCC come up with a less popular set of rules than the changes it proposed in program form and logging. Mass of industry comments filed with Commission last week attacked almost every facet.

Commission staff is studying the stack, but, as far as we can gather, found few surprises so far. Prediction still is that staff will recommend changes easing about 80% of complaints about logging and that Commission will buy them. In program form, however, there seems less likelihood of substantial modification of proposal. We've been alerted to anticipate some easing. For example, instead of requiring each station to submit big report analyzing composition and needs of community, local university might do job covering most questions for most stations. Here are some of objections found in last week's filings:

(1) Extensive inquiry into programming is censorship—in form of implied subsequent punishment.

(2) Broadcasters are constantly determining their communities' needs, don't need FCC to tell them how to survey them.

(3) Why the emphasis on local news? That's a station's business, not FCC's.

(4) Why ask broadcasters to submit "selected week" as typical of their output—along with present "composite week"? Latter is adequate; no need for more paperwork.

(5) Counting "interruptions" make no sense in modern radio. Times have changed to short-spot technique.

(6) Why should wire news be termed "recorded" if read verbatim, "live" if rewritten?

(7) Why in the world must "unusual" programs be described?

(8) Why shouldn't religious music be classified as "religious" programs?

And so it goes. Basically, broadcasters just can't understand why FCC asks for all this information unless it intends to indicate what is "good" or "bad" programming—and that, they maintain, is censorship.

Informal FCC-broadcaster confab Oct. 6, arranged by NAB, established at least 2 factors clearly: (1) FCC is quite firm about retaining the "survey community needs" concept. (2) FCC isn't trying to create logging chores so burdensome that hiring of extra people will be necessary.

Only time Commission really bristled was when industry representative suggested that "you don't trust us when you ask for community surveys." Comrs. Ford and Lee, particularly, were disturbed at that, pointing out that they're after the "bad actor," not the vast preponderance of reputable broadcasters.

NAB's representatives made it clear they were reserving right to object to any aspect of FCC's approach remotely resembling censorship. Meeting was informal, generally quite amicable, all commissioners on hand except Bartley and Cross.

PAY-TV TROUBLE IN ETOBICOKE: After nearly 2 years of operation, Paramount Pictures' pay-TV system in Toronto suburb Etobicoke still is losing \$11,000 per week, longtime director Norman S. Robertson of operating subsidiary Famous Players Canadian protested in resigning last week.

Paramount is "milking" Canadian company to pay for losses on pay-TV setup developed by International Telemeter, Robertson said in quitting post he had held 20 years. He asserted shareholders of Famous Players Canadian, which had already invested \$2 million in system, were unaware of continuing losses.

It's "completely ridiculous" that shareholders "should be barraged with laudatory press releases about what is happening in Etobicoke without being informed of the full story," Robertson went on in blast against Paramount management. He said he had submitted resignation in August, but had held it up in hope that Paramount would make full disclosure.

"The experiment was never designed to make money," spokesman for Paramount retorted in N.Y., but refused comment on Robertson's estimate of losses. Famous Players Pres. J. J. Fitzgibbons also said Robertson displayed "impatience & misinformation." For one thing, Fitzgibbons said, International Telemeter had agreed "to bear all expenses of the experiment" since Jan. 1 without depriving Famous Players of its rights in system.

TV MAGAZINE CONCEPT REJECTED: TV critics at FCC & elsewhere who want to divorce advertisers from all control over programming forget one thing when they advocate magazine formats instead, Commission was told last week. There's a big difference between TV & print media.

This primer lesson was spelled out at FCC's N.Y. hearings on network-sponsor relations (Vol. 1:3 p3) by Lever Bros. advertising vp Samuel Thurm: Readers don't hold companies responsible for editorial content of publications in which ads appear. Viewers identify advertisers directly with TV programs they sponsor.

That's why magazine concept won't work and why most sponsors will continue to insist that they have something to say about what goes on air under their names, Thurm said. He also made these points: (1) TV advertisers risk much money on programs over long periods of time. Print-media advertisers don't. (2) Newspapers & magazines offer guaranteed circulations and known editorial content. TV can't.

Thurm's testimony helped wind up sponsor phase of proceedings at which FCC's network study chief Ashbrook P. Bryant presided. Other witnesses (U.S. Steel, Westinghouse, General Foods, Bristol-Myers, Revlon) generally supported his argument that TV advertisers just can't afford to buy magazine-format shows sight unseen. Next to be heard from (time & place unscheduled): Networks themselves.

CURRENT CAPSULES

Vote on Indianapolis Ch. 13 expected this week. In June, FCC instructed staff to draft decision taking channel from Crosley (WLWI), giving it to WIBC (Vol. 17:25 p8). Majority voters were Minow, Bartley, Ford & Lee. Hyde & Cross were for Crosley, Craven not voting. "Concentration of control" issue is believed to weigh heavily in majority thinking.

Oral argument on option time—whether it should be abolished—comes before FCC Nov. 3, following last week's filing of briefs. Of the few new elements in briefs was mention of CBS's sliding compensation plan. Anti-option time forces, such as KTTV Los Angeles, Station Representatives and Ziv-UA, said, in effect, that CBS plan shows that networks can come up with something even worse than option time unless FCC clamps down. SRA asked that stations be prohibited from carrying more than 3 network hours during each of day's segments. Ziv-UA said: 2½ hours. KTTV says all "tying" arrangements must be prohibited. Networks argued that FCC has learned nothing new to counter its basic and original finding that option time is necessary for networking—and that networking is vital. Network affiliate groups agreed. NBC affiliates went step further, indicated that CBS compensation plan shows that undesirable relationships will arise if option time is abolished.

"Dealing With the White House," valuable tips for PR men, interview with Pierre Salinger, Kennedy's news secy., in summer issue of "Quarterly Review of Public Relations," Box 114, Springfield, Va.

Release of network documentaries for foreign showings through USIA was objective of President Kennedy's luncheon meeting at White House last week with network heads, USIA Director Murrow and NAB Pres. Collins. Network chiefs indicated concern lest they compete with themselves via USIA, but Kennedy said he was thinking of distribution in remote countries, wouldn't want to put networks at commercial disadvantage. President also asked Collins what had happened to latter's suggestion that U.S. back an anti-illiteracy TV-radio project for some backward country. Collins wryly informed him that it was somewhere in bowels of State Dept. Present at lunch: ABC's Goldenson, CBS's Paley, NBC's Sarnoff.

"Mr. Minow, you could catch some fish." That's advice given by Dr. Frederick J. Stare, Harvard School of Public Health, referring to "melodious incantations of nutritional nonsense" carried by 60 radio stations, which he offered to identify. Dr. Stare spoke last week in Washington at a National Congress on Medical Quackery, sponsored by AMA and Food & Drug Administration. FCC sources say they've been looking into case. It involves one Carlton Fredericks; AMA & FDA have been attacking his programs for 14 years. FCC isn't inclined to get into portion of the controversy which involves conflicting claims of vitamin value, etc.—but it's delving into other aspects of program.

"Children's Hour" concept of 3-network cooperative effort, proposed by FCC Chmn. Minow with blessing of Attorney General Kennedy (Vol. 1:2 p2), has petered out. ABC said it would go it alone, so CBS and NBC called it quits, noting that they have and will have programs of value to children. Minow isn't dejected about situation, believes networks have shown willingness to give greater attention to subject.

Station-union dealings aren't FCC's business, Commission majority said last week (Minow & Bartley dissenting) when it approved sale of radio KQBY San Francisco. NABET had asked FCC to disapprove sale, saying transfer would cause "personnel displacement" and "be otherwise contrary to public interest." Commission said station-union matters "involve business management and policy, matters which the Supreme Court has held are not within the supervisory control of the Commission." Minow & Bartley were dissenters again in another sale approval, radio WOGA Chattanooga. They argued that: (1) Extent of commercialization proposed by buyer Dick Bcstg. Co. casts doubt on its financial ability and raises question whether there's real need for station; (2) Concentration-of-control question is raised by proximity of buyer's WIVK Knoxville and WQOK Greenville.

Denison, Tex. CATV system, 2,000 subscribers, bought by RKO General, which had entered CATV field (15 systems) through purchase of late Henry Griffing's Video Independent Theatres Inc., Oklahoma City. Griffing holdings included theatres, TV, radio, microwave (Vol. 17:17 p7). Denison sale broker was Daniels & Assoc.—its 45th CATV transaction.

Another trimmed tenure: FCC gave radio WHOL Allentown, Pa. one-year renewal (Hyde & Craven dissenting) on promise-vs.-performance grounds. Station had said it would offer substantial religious, agricultural, educational, live, etc. programming—but didn't carry through. When Commission asked "how come?" station revised its showing Sept. 1, promising more in such categories. Commission quoted its KORD decision (Vol. 17:29 p1): "The licensee cannot disregard the proposals in the hope that he will simply be permitted to 'up grade' when called to account."

Maine Gov. John Reed wants Ch. 7 shifted back to Calais from Bangor for ETV use, told FCC he's calling special session of state legislature Nov. 27, to consider funds for ETV, asked Commission to hold everything until then. FCC made his message public, invited comments. Background: Reed is seeking to outpolitic Sen. Muskie (D-Me.), who also wants credit for fostering ETV.

"Equivalent protection" of short-spaced vhf drop-ins has been "clarified" by FCC in a supplement to its Aug. 3 decision amending engineering standards. Commission said it's apparent people are confused as to just how new stations are to protect old. Copies of supplement available from Commission.

Alleged TV-radio bias against small-time advertisers in favor of big sponsors will be explored Nov. 6-7 in long-threatened & long-delayed hearings by House Small Business Subcommittee headed by Rep. Alford (D-Ark.). Subcommittee counsel J. Allan Sherier told us NAB & 4-A spokesmen will be among witnesses testifying about "quite a few complaints" from small businessmen that they can't get time on air. Also in offing—but unscheduled yet—during Congressional recess: (1) Another round of TV crime-&violence hearings by Senate Judiciary Juvenile Delinquency Subcommittee. (2) Another equal-time go-around by Senate Commerce Freedom of Communications Subcommittee, which wants to probe state & local political broadcasts.

Unique call letter arrangement approved by FCC permits separately owned WRDW-TV & WRDW Augusta, Ga. to continue with those call letters. Commission accepted stations' word that public isn't confused and that changes would bring hardship; it granted waiver of rules, said it would look at situation again at renewal time.

Tall TV tower roundup by FCC lists 101 more than 1,000 ft., with 1,676-ft. KFVS-TV Cape Girardeau, Mo. still tallest. Joint tower of WRBL-TV & WTVM Columbus, Ga. will hold record when built—1,749 ft. List is Mimeo. 10449, Public Notice B.

BBG rejected ABC's bid to buy 25% of CFTO-TV Toronto (Vol. 17:36 p11), explaining Sept. 28 that it isn't "prepared to recommend any transaction involving financial participation of American networks in Canadian TV stations." BBG member Edward Dunlop dissented, arguing that the turndown "would impair the interests" of CFTO-TV.

It's a federal crime now for anybody to do malicious damage to TV, radio or other communications systems which may be needed for govt. use. New legislation setting up stiff prison terms & fines for sabotage (Vol. 1:2 p4) was signed by President Kennedy.

Govt. manual on codes used by all advertising-industry segments will be published by the Commerce Dept. under supervision of its advisory committee of admen, with Eldridge Peterson of Printers' Ink as editor in charge.

Handy texts of all anti-deintermixture bills may be found in Sept. 26 Congressional Record, put there by Rep. Roberts (D-Ala.).

Sale of KOCO-TV (Ch. 5) Enid, Okla., from Caster-Robison TV Corp. to Capital City Investment Co., for \$1,376,320, approved by FCC.

Storer Bcstg. Co. buys 37,500 shares of its Class B stock held by estate of late J. Harold Ryan, senior vp, will hold them in its treasury.

"Advertising Won More Decisions Than it Lost" is title of quick rundown on Congressional action, available from AFA Washington vp Don Wilkens, 1145 19th St. N.W.

Radio-TV News Directors Assn. elects: pres, Dick Cheverton, WOOD-TV Grand Rapids; first vp, Bill Garry, WBBM-TV Chicago; radio vp, Ed Ryan, WTOP Washington; TV vp, Bert Cannings, CFPL-TV London, Ont. Board: John Thompson, NBC & KCRA-TV Los Angeles; Jim Bennett, KLZ-TV Denver; Ray Moore, WSB-TV Atlanta; Bob Gamble, WFBM-TV Indianapolis.

FCC Comr. Bartley missed FCC-broadcaster program conference Oct. 6 to be near his cancer-stricken uncle, House Speaker Sam Rayburn, with whom he has extremely close relationship.

Transmitters stereo type-accepted by FCC: Standard Electronics 5-kw Model 2012-5, 250-w Model 930.

Add Rochester Ch. 13 applications: Genesee Valley TV Co. and Rochester Metropolitan Area TV Assn.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

FALL BUSINESS—SOLID & IMPROVING: The predicted post-Labor-Day pickup has come, and all manufacturers see a strong, healthy tone in the TV-radio-phono business. Not sensational, but good—and with profit.

September's distributor sales to dealers didn't blaze any trails—they're estimated at about 500,000 this year, up very slightly from the 497,000 of Sept. 1960. Yet there's entirely different feeling in the trade than last year. It's a rising market, not a declining one. Unlike in Sept. 1960, which paved way for October's sales collapse, there's virtually no dumping, no distress merchandise, few special price promotions today.

We talked last week with nearly every top manufacturer, and rarely have we seen such unanimity. General view is that this solid September is prelude to good & orderly fall-winter business. But unlike last summer's rather wild optimism, there's spirit of realism today. Most manufacturers are planning on basis of industry-wide sale of around 6 million TVs this year—some even less. To go above 6 million would require 4th-quarter production and distributor sales of 21-22% greater than last year.

Several manufacturers reported back-ordering & shortages of some models—but nobody was particularly unhappy about this. Inventories have been so tightly controlled this year that there seems to be little chance of major dumps or price weakening. And it's good reasoning that a few spot shortages would be better than overproduction. Thus industry enters big selling season with TV sales (distributor-to-dealer) slightly below 1960 (for first 9 months) but with pickup beginning and all signs pointing to strong business.

Highlights of comments of manufacturers on post-Labor-Day TV-radio phono sales and prospects for rest of year:

Admiral Sales Corp. Pres. Carl E. Lantz: "So far there's been a marked improvement over last year, across the board. Sales have taken off considerably faster than they did a year ago. There's been a sizable improvement in color TV." Another Admiral spokesman told us that the company is already back-ordered on its new 27-in. bonded-tube sets, TV-stereo combinations and some 23-in. sets. Radio also is doing well, he said, and stereo sales are beginning to pick up. As to prediction for industry-wide TV distributor sales, Lantz foresees about 6 million sets.

Emerson Pres. Benjamin Abrams: "In TV & radio, we're ahead of last year by 10-12% and are now in a position where we must allocate merchandise in 90% of our line. Our business is limited by what we can deliver. At the consumer level, things have been moving more briskly than a month or 2 ago, and better than last September. In stereo, we're shipping all we can make, but we're not in it as heavily as last year." Abrams said he thought industry's volume would be limited by the number of sets which could be produced. While the holding down of inventories may limit sales, he added, its effect on profits will be beneficial. As to year's TV sales, he predicted they would be "around 6 million, within 2 or 3%."

Motorola consumer products marketing vp S. R. (Ted) Herkes: "Business is fairly buoyant—but no runaway. All along the line, particularly at the distributor level, there's a jubilant feeling. Unlike this time last year, we can't find a negative, there seems to be no drop-off in the wind. It looks like a steady pickup from here on in. Everything is up—that includes TV, stereo, home, clock & portable. We're selling what we can produce and having trouble keeping up. If the industry figures don't seem to back up our optimism, watch October. I believe we'll see quite an increase for the whole industry." Motorola, said Herkes, is still basing its planning on sales of about 6.25 million sets this year.

Olympic Pres. Morris Sobin: "We're very happy with the way things are going. It's not spectacular, but very steady, very solid. There's a much better feeling than last year. Prices are being maintained well. Radio & hi fi are outstanding. TV is solid, too, but percentage-wise the increase isn't as great. And best of all, there's no price-cutting or manipulation like last year. We see industry distributor sales of 5.95-6 million sets this year."

Sylvania senior marketing vp George C. Connor: "Our surveys indicate that shortages are developing in distribution channels in certain models now. We originally expected this in November [Vol. 17:35 p17], but apparently the consumer rush has already started." Sylvania Home Electronics Pres. Peter J. Grant told us: "During September, each week's sales have been progressively better. At the present time, our sales are most gratifying. We are continuing to estimate that 1961 industry retail TV set sales will hit 6.2 million."

Westinghouse: An official said September was the company's best month this year "by a sizable margin" and that sales were "excellent." The company is back-ordered on some models in TV & radio. The Westinghouse spokesman said the industry will "do well to sell 6 million sets this year."

Zenith Sales Corp. Pres. Leonard C. Truesdell: In telegram to all distributors last week, he said: "Congratulations on last week's sales to dealers. National sales of TV were highest for any week in our history. Radio sales to dealers were highest for any week in our history except during month of December. September was biggest September we ever had in TV, radio & phonos." Truesdell told us that response to Zenith's new color line has been "fantastic." With the expected continued good sales picture, however, he said industry will be "lucky to hit 6 million" in distributor sales of black-&-white sets.

SECOND THOUGHTS ON 'FULL LINES': Remember the mid-fifties when the battle-cry was "you gotta have a full line"? When such TV-oriented companies as Philco, Admiral & RCA expanded heavily into major appliances, and GE's appliance-oriented Hotpoint expanded into TV?

A few companies bucked this trend, and presumably were headed for oblivion. In TV-radio-phono they were companies called Zenith, Motorola, Magnavox. In appliances, Frigidaire, Tappan, Kelvinator, Norge.

Battle of the full line is still being fought. But there's considerable manufacturer sentiment now away from full-line concept. Full-line specialist Philco, for example, showed loss while electronics-only specialist Zenith was racking up sales records. Hotpoint dropped TV. And now there are some indications of marital problems within the RCA-Whirlpool family.

Strong distributor set-up may well be most important key to success of any TV or appliance line, and this, of course, was behind full-line thinking of most manufacturers in past decade. Full-line concept still has its champions, who put forth logical & convincing arguments: brown & white goods complement each other in seasonal patterns; both have traditionally shared same distributors, and many of same retail outlets.

One of biggest distributor realignments in recent times came after complicated RCA-Whirlpool-Seeger "merger" in 1955. Called at the time "the biggest merger in appliance history," it gave birth to "new giant in the white goods market." RCA merged its Estate Range business with Whirlpool, and Seeger Refrigeration merged with the resulting company (then known as Whirlpool-Seeger), which was 18% owned by RCA, with about the same ownership participation by Sears Roebuck, for whom Whirlpool-Seeger made home laundry equipment & refrigerators.

Distributors were encouraged to carry full RCA Victor & RCA-Whirlpool lines, and there were a number of changeovers of distributors who previously had carried one line or the other. (At time of merger, only 17 of RCA's distributors also handled Whirlpool line.)

But some say full lines create more problems than they solve. They argue that while the largest big-city distributors can specialize in many fields, most of the smaller distributors are oriented either toward white goods or electronics—rarely both. A successful major appliance distributor won't necessarily be tops in TV-radio—and vice versa. An appliance line may "dilute" the effort of a good one-man electronics distributor—or, again, vice versa.

In the case of non-full-line electronics manufacturers, there have always been good companion white goods lines to share billing under aegis of big distributors. As one manufacturer (who makes TV-radio-phono only) expressed it to us: "Our most successful distributors have been exclusive. We feel that we have a more than equal opportunity of succeeding with a single line because we can put more effort behind our products."

Arguments can be, and have been, made on both sides of the full-line fence. But there's growing feeling now that full line under one roof may create as many problems as it solves. As to RCA & Whirlpool, they still share most distributors (including 6 RCA-owned distributors), but there has been a developing tendency to separate in some areas. Whirlpool recently has established factory branches in 4 locations. It's not known how "official" the separation policy is, and neither company will comment at this time.

TV'S ELECTRIC BILL—\$500,000,000 A YEAR: American public is now spending close to half-billion dollars annually for electricity to keep TV screens lighted.

This figure gives some idea of stake the nation's electrical utility companies have in the TV industry. Based on figures supplied us by Edison Electric Institute, it's obvious that utilities are receiving big bonanza from TV boom, and if 2nd sets were added to all homes without them, TV would be pouring close to a billion in electrical company coffers.

It's no wonder, then, that both Edison Institute and local utilities have been participating heavily in Corning's "Operation Snowball" 2nd-set promotion in Kansas City. The figure also gives rise to question of whether industry has solicited enough assistance from utilities in pushing concept of 2 sets in every home.

Here are latest Edison Institute figures on nation's TV power consumption (updated to July 31): Average U.S. household uses 3,945 kilowatt-hours of electricity a year at 2.46¢ per kw/hr, for a yearly electric bill of \$97.05, or about \$8.09 a month. Average black-&-white TV set consumes 345 kw/hr per year, or about 9% of the average family's electrical consumption. Thus the average household pays about \$8.49 a year (or 71¢ a month) to operate the TV set.

Color sets consume about 450 kw/hr per year, or \$11.07 in terms of average annual bill. Thus color sets already are bringing electrical utilities some \$6 million in gross income annually.

Based on some 56 million TV sets now in use in U.S., and about a half-million color sets, total electrical company return is some \$480 million a year—or more than half of the total factory TV sales dollar volume of last year.

Despite these phenomenal figures, TV actually presents an electricity bargain, due to comparatively low power consumption per set. Compared with black-&-white TV's 345 kw/hr, a frost-free refrigerator consumes 1,625 kw/hr per year, or close to \$40 worth of electricity. A conventional refrigerator consumes 845 kw/hr on the average, an electric range 1,225, an air conditioner 1,265.

Down near bottom in power consumption is the lowly radio, which perks along for full year (on basis of average family use) on 90 kw/hr, at cost of \$2.21—less than the average family pays during the year for power to operate its electric coffee maker. Radio-phono uses 105 kw/hr, costing about \$2.58 a year.

ADMIRAL SUGGESTS 3-YEAR MOVE TO UHF: Use of excise-tax exemptions to ease 3-year transition of all TV from vhf to uhf was suggested last week by Admiral engineering vp William L. Dunn. Admiral's proposal was one of several made in response to our survey of TV manufacturers on how to encourage growth of uhf, short of legislation banning vhf-only receivers. Earlier replies were digested in our Sept. 25 issue (Vol. 1:2 p7). Admiral's proposal:

(1) "An interim period of 3 years for manufacturers & broadcasters to convert to uhf production & telecasting. During this 3-year period, federal excise taxes should be removed on TV receivers shipped with installed continuous uhf tuners so the consumer would not be penalized for the higher cost."

(2) "At the beginning of the 3-year transition period, excise taxes should be removed on all vhf receivers in inventory at all levels on that date, and on any vhf receivers produced during the period. In lieu of the excise tax, manufacturers would provide uhf converters for these sets at no additional cost to the distributor, dealer or consumer." Unless this were done, Dunn notes, industry could be penalized as much as \$20 million (on basis of average inventory of 2 million sets at all levels).

(3) "At the end of the 3-year transition, the vhf band would be eliminated. All telecasting & TV production after that time would be in the uhf band. On the date the order for complete uhf operations becomes mandatory, the excise tax would be reinstated on uhf receiver production."

TV-RADIO PRODUCTION: EIA statistics for week ending Sept. 29 (39th week of 1961):

	Sept. 23-29	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	150,901	141,662	150,503	4,397,333	4,373,121
Total radio	448,769	411,264	521,194	11,980,604	12,408,377
auto radio	124,724	96,977	264,212	3,730,053	4,780,922

TOPICS & TRENDS: Lowest list price to date for color set is Sears Roebuck's \$449.95 on its Silvertone consolette, unveiled last week. Sears will have 3 models—the consolette plus 2 consoles, ranging to \$579.95. They're assembled by Warwick.

September color set sales to dealers by RCA distributors were up 105% over Sept. 1960, RCA Sales Corp. announced last week, adding that there has been "an even greater increase" since start of accelerated new-season color programming.

P. J. (Pat) Casella, former RCA exec. vp in charge of consumer products, who joined Endicott Johnson Corp. last May, was elected president of the shoe company last week.

Assn. of Discount Merchants is new trade group established last week as "the official voice" of the discount-house trade by a group of nation's largest discount merchants.

First legal test of use of "manufacturers' suggested list prices" in comparative advertising will begin Nov. 7 when FTC is due to start hearing appeal by George's Radio & TV Co., big Washington chain, from cease-&-desist order issued by FTC last July.

New FM-stereo starter: KCMO-FM is due to open up the Kansas City market for FM stereo today (Oct. 9) when it begins multiplex stereocasts.

Two-year labor contract with IBEW was signed last week by Admiral, covering all of its electronics plants. It provides for no wage increase first year, 8¢ raise 2nd year. IBEW Local 1031 (Chicago area) Pres. M. Frank Darling, explaining deferral of wage hikes, blamed imports of Japanese components and "govt. policy" of transferring military electronics contracts to West Coast. Similar contracts were signed with Webcor and Appleton Electric.

First LP record, made in 1945, was presented to Smithsonian Institution last week by CBS Labs Pres. Peter C. Goldmark.

British exports of electronic equipment to U.S. during first quarter of 1961 totaled \$4,557,000, up 6% from the \$4,298,000 in the same 1960 period, but down from \$4,805,000 during 1959's first quarter, according to Commerce Dept.'s Business & Defense Services Administration. More than one-half of the amount in 1961 was represented by record-playing mechanisms—up 26% to \$2,302,000—but most end-products, such as radio and phonos, were down sharply.

Zenith's battle for Britain: The largest U.S. hearing aid manufacturer announced in London plans to set up network of "hearing centers" to cater to about 5 million Britons with hearing problems. Zenith thus takes on giant EMI, England's biggest hearing aid manufacturer.

Packard Bell's Eastern drive took on more steam last week with naming of Wallace T. Powell as Eastern sales mgr., with responsibility for building Packard Bell's direct factory-to-dealer program in East, South and Midwest. Powell was formerly merchandising dir., Home Instrument Div., Capitol Records Distributing Corp., Hollywood.

Imports of Japanese radios have helped pioneer new market which has aided American manufacturers of transistor radios. So said Electronics Industries Assn. of Japan in statement filed with House Labor Subcommittee investigating impact of imports on U.S. employment. Statement said U.S. electronics exports last year were 3 times as great as imports (\$466 million vs. \$142 million), that import of Japanese components totaled only 3/10 of 1% of U.S. production, that import restrictions would hurt U.S. industry by weakening Japanese ability to buy from U.S.

WEEKLY **Television Digest**

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

ZENITH & RKO UNFAZED BY ETOBICOKE LOSSES, spokesmen stating that their thinking about Hartford plans remains undisturbed (p. 1).

THOSE TROUBLED MIAMI CHANNELS: Proposed Ch. 6 winner charged by FCC Broadcast Bureau with faking letters to Commission. Supreme Court lets Ch. 10 decision stand (p. 1).

MINOW'S NO MENACE, SAYS COLLINS in NAB conference key-note. He pooh-poohs fears that "white knight's" policies jeopardize freedom of air (p. 2).

SATELLITE PLANS LAUNCHED by FCC's Ad Hoc Carrier Committee, which recommends non-profit group to manage space system, private ownership of satellites (p. 2).

"ACCOUNTS RECEIVABLE" headache in spot TV-radio: Nearly \$9 million in billings overdue in average month as result of paperwork blizzard (p. 3).

LEE COVERS THE WATERFRONT in Wis. speech, would give Ch. 6 to FM, laments FCC lack of authority in station sales approval, commends "search out needs" policy (p. 3).

Consumer Electronics

HERTZ TV-RENTAL BUSINESS booming. Offers 19-in. portables at \$5 weekly, \$15 monthly, and has increased its rental stock 10-fold since rental service began a year ago (p. 6).

TV-RADIO PRICE HIKES eyed by manufacturers, but no break in dike is seen. Granco factory prices raised 3%; Emerson & Du Mont adjustments being studied (p. 7).

SEMICONDUCTOR PROFITS still shrinking as price cutting continues unabated. Our talks with industry leaders reveal concern over fierce competition, maintenance of quality, continuation of R&D activities (p. 7).

TV MANUFACTURERS & BROADCASTERS—should they work together to improve medium which supports them both? Motorola thinks so, putting million dollars in 3 specials. "We want to join in this effort," says Galvin (p. 8).

TV OUTPUT PASSED 1960 figure in August, but no inventory problems are seen. Cumulative radio production lags behind 1960, due to slow auto radio business (p. 9).

ZENITH & RKO UNFAZED BY ETOBICOKE LOSSES: Paramount's problems with wired pay-TV system in Toronto suburb Etobicoke don't disturb Zenith and RKO, according to their spokesmen. Norman S. Robertson, a director of Famous Players Canadian, Paramount's pay-TV operating subsidiary, had resigned with blast stating that Paramount had failed to tell stockholders project was losing \$11,000 weekly (Vol. 1:4 p4).

Zenith Pres. Joseph Wright told us last week: "The events in Etobicoke don't affect our thinking about Hartford at all. Wired systems have certain disadvantages costwise. That's why we've worked so hard on an air system. It's a different animal in business considerations. We haven't seen Paramount's figures. I doubt whether anyone knows them except Paramount."

RKO General Pres. Thomas O'Neil was out of country last week, but a company spokesman told us: "We've always projected a loss for the Hartford test, so a loss for Etobicoke would come as no surprise."

In D.C. Court of Appeals, meanwhile, FCC defended itself against movie exhibitors who have challenged its authority to grant the Hartford test. Commission filed brief stating that it had jurisdiction to grant trial, that RKO met its conditions, that station licensee responsibilities wouldn't be impaired, that RKO supplied adequate information on programming.

THOSE TROUBLED MIAMI CHANNELS: Just as Miami Ch. 10 case reached the late, late stage last week—U.S. Supreme Court refusing to upset FCC and Court of Appeals ruling shifting channel from National Airlines to L. B. Wilson—city's Ch. 6 ran into problems.

FCC last spring instructed staff to draft final decision giving Ch. 6 to South Florida Amusement Co., denying Coral TV Corp. and Publix TV Corp. Coral later asked case be reopened, charging, among other things, that South Florida Pres. Sherwin Grossman faked letters to FCC members when he ran uhf WBUF-TV Buffalo.

Letters purported to come from Buffalo civic leaders, urging shift of WBUF-TV to Ch. 8. FCC turned Coral's petition down, saying it didn't have acceptable proof.

FCC's Broadcast Bureau then got into case, had letters examined by documents expert Albert W. Somerford of Post Office, who said 49 letters were typed on same machine used by Grossman and that 13 were signed by same person, using community leaders' names. Broadcast Bureau last week asked Commission to reopen case to examine "grave" charges, including in petition statement from WBUF-TV secretary Betty Lou Paupst, who said she was directed to write the letters by Grossman and exec. vp. Gary Cohen. Cohen isn't a principal of Miami (Perrine) application.

In Ch. 10 case, first of the hot "influence" cases involving former FCC Comr. Mack, apparently all that's necessary now is for Commission to tell WLBW-TV when to take over from WPST-TV. WLBW-TV has said it's ready on 15 days' notice; it has facilities built, skeleton staff standing by. It will take over ABC-TV affiliation. Next question: Will WLBW-TV hang onto channel? FCC said it could have it for 4 months, then it would have to seek renewal. It's assumed other eager aspirants will try to wrest channel away.

MINOW'S NO MENACE, SAYS COLLINS: Broadcasters might as well face up to fact that FCC Chmn. Minow has established himself with public as "the 'white knight'—the people's champion for improvement in TV programming," NAB Pres. LeRoy Collins said last week.

TV industry muffed chance to assume role itself, ignoring long-festering "public disaffection" for some network shows—and Minow just "moved in," Collins told NAB fall conferences in Dallas & St. Louis in keynote speech.

Collins developed & sharpened themes which he had outlined for us week earlier in interview (Vol. 1:4 p1), warning that it does no good for broadcasters to strike back furiously & blindly at such critics as Minow, inside or outside govt.

Minow "overstated his cause" in "vast wasteland" address to NAB convention in Washington in May (Vol. 17:20 p1), Collins said, but "there was justification for much of his criticism." At same time, Collins pooh-poohed fears expressed in some industry & trade-press quarters that FCC under Minow was out to subvert Constitution and deny broadcasters their freedom-of-air rights. "I simply do not believe the facts justify the extremism that has been expressed," he told conferences, which applauded him warmly.

SATELLITE PLANS LAUNCHED: After 75 meetings & good deal of fizzing, Ad Hoc Carrier Committee designated to design launching pad for controversial White House-FCC satellite-communication system proposals (Vol. 17:31 p3 et seq.) last week produced 31-page blueprint for non-profit corporation—and more arguments.

Industry group obviously had eye on Congress in recommending to FCC that development, construction and operation of system be controlled by non-profit setup. Hill critics have denounced original White House-FCC plan as scheme to give monopoly in space to private U. S. companies—particularly AT&T.

But private ownership of satellites themselves was urged by Ad Hoc Committee. It said any eligible FCC-recognized carrier should "participate in joint ownership" so long as it kicked in \$500,000 for venture. And each carrier would be permitted to "establish & operate its own ground stations." Investments would be counted in carriers' bases for FCC rate-making purposes.

General recommendations were signed by all 9 companies (10th invited company, U. S.-Liberia Radio Corp., didn't participate) represented on Committee. But RCA (which expressed wait-&-see doubts about plan), Western Union (which said it excluded too many companies) and other carriers required 26 appendix pages to record their qualified agreements with it.

Committee report disagreed with FCC itself on one significant point. Commission had limited participation in proposed private satellite consortium to established international carriers, excluding General Telephone. Inclusion of General Telephone was provided in broader definition of international carrier as any U. S. communications company which "participates in international communications."

Non-profit corporation would be headed by directorate, number undetermined. President Kennedy would appoint 3 directors. Each authorized participating ownership company would be entitled to name 2 directors. Another would be designated by non-owning carriers.

AT&T pledged \$50 million for venture initially—and \$15 million more if needed. RCA said it wasn't

ready to put any money up—that it has “espoused no particular form of organization & ownership of communications satellites.” Western Union said it would put up no more than \$5 million, that satellite ownership should be open to all U. S. “carriers, aerospace companies, equipment manufacturers, and the general public, to avoid dominance.”

“Political realists” on Committee were credited at FCC with proposal for non-profit setup to allay Congressional suspicions of original plan. We were also told at Commission that any action on recommendations is unlikely soon, although they have “high priority” on FCC’s agenda. And it’s anybody’s guess what Congressional critics of satellite policy will do with plan after they come back to Washington in January. Senate Small Business Monopoly Subcommittee will get first crack at it in Nov. 8-9 hearings.

SPOT TV’S ‘ACCOUNTS RECEIVABLE’ HEADACHE: In any average month, more than \$6 million in national spot TV billings (add another \$2.8 million for spot radio) is 60 days overdue. That’s about 16% of all national spot business done by U.S. commercial stations. About half that figure is in arrears for 90 days or more. Some is as much as a year behind.

This measure of financial foot-dragging by major agencies & advertisers is from a new study of spot-handling practices made by Central Media Bureau Inc., latest firm to declare itself in the race to establish a centralized spot clearing house to accelerate cash flow to reps & stations. Other study highlights:

(1) It takes an average of 8 different paper forms, which differ widely between agencies, reps & outlets, just to process a single spot TV buy. Result: a paper blizzard.

(2) About 53% of the working time spent by the average agency timebuyer, 42% of the rep salesman’s work effort and between 6 and 15 man-days per station each month is devoted to time-consuming, payment-delaying paperwork.

(3) A big N.Y. agency spends \$500,000 each year in non-timebuying, routine servicing of spot TV-radio campaigns, of which \$65,000 goes for salaries of personnel involved in clearing discrepancies between what agency ordered and what station billed.

“The complexity of spot is defeating its purpose,” said CMB Pres. Kenneth C. Schonberg in N.Y. last week. “Constant earned-rate adjustments, package plans and policing problems are actually making it cheaper, in many cases, for agencies to process network buys rather than spot.”

CMB hopes to reduce paperwork load of admen, reps & broadcasters with billing-paying system that uses standardized forms, facilities of C-E-I-R Inc. (which has aided in CMB financing).

LEE COVERS THE WATERFRONT: FCC’s blunt-spoken, jovial Comr. Lee was in usual free-wheeling form last week in speech before an “FM Clinic” at U. of Wis. Admitting that some of his ideas are unpopular—“some would like to drop my weighted body into the Potomac whose polluted waters are quite convenient for the purpose”—he made these points:

(1) “I believe that the 72 mc of frequency space which the vhf TV stations occupy should be put to better use.”

(2) He’d give all or most of Ch. 6 to FM. Recently, he suggested that Ch. 2 through 8, in deinter-mixed markets, be given to mobile radio services (Vol. 1:3 pl).

(3) Everyone should be happy with FM stereo, because it “obsoletes nothing in hands of public, dealer, manufacturer or distributor.” Stereo standards are “very high” but “all this will go for naught if the heat of competition results in killing the goose that will lay a beautiful golden egg.”

(4) “It was the faith of the Commission that kept this FM band from being encroached upon by other communications users who demonstrated a valid need for additional facilities.”

(5) He’s unhappy about fact that FCC “has so little authority” in approving station sales: “We have seen a bothersome number of established well-programmed stations sold to rock’em, sock’em licensees who will program anything that sells.”

(6) He finds “far-reaching and invigorating significance” in FCC’s denial of FM applicant (Suburban) for Elizabeth, N.J. for “failure to ascertain the needs of the community” (Vol. 17:27 pl). He said he’ll be glad to see courts pass on FCC’s authority in this area “once and for all.” The public, he added, “should be given a voice in the nature and character of programs of proposed stations.”

CURRENT CAPSULES

Clear summary of industry opposition to FCC's "tough" policy efforts was presented by Washington attorney James McKenna to Alabama Bcstrs. Assn. Oct. 13. He traced history of TV and radio development, emphasized their differences, said Commission is seeking to apply 15-year-old standards to radio and is leaning toward "unconscious and unintended censorship." He noted that Congress gets tough when FCC is lenient, and vice versa. He ended on optimistic note: "Since the quiz scandals, we have been in a period of increasing regulation. There is reason to believe that we will soon reach the apex of this period, following which there will again be a decline in FCC attempts to regulate programming."

A different view was offered to Connecticut Bcstrs. Assn. Oct. 12 by Washington attorney Morton Wilner: "The new leadership at the Commission have exhibited absolute integrity in their conduct—and consistency in their decisions. Their public interest thrust is not new. It carries over from the immediate past chairman. The rule-making on programming information is a sincere effort to obtain meaningful information—and is not directed toward censorship or placing of licensees in a straitjacket. These men, although young, have had too much prior successful experience in dealing with people and industry not to recognize honest human error. This successful experience, in my opinion, will not permit them to depend on a mere arithmetical basis to determine the licensees' competence or artistic skill . . . I suggest that broadcasters not read the headlines but rather thoroughly digest the new proposed revision of [the program form]. Some might get some ideas that will induce more dollars in profit."

Chicagoan FCC Chmn. Minow has been bombarded with several hundred complaints from good-music lovers living near Skokie, Ill. They object to interference to FM station WFMT Chicago, caused by new Class A WRSV which began operating Aug. 20. WRSV on 98.3 mc, WFMT on 98.7 mc, comply with Commission rules—and stations had agreed to accept any interference caused. But listeners to classical-music WFMT obviously aren't interested in rules. Minow has form letter telling complainants to try high-gain directional antenna, get serviceman to adjust set—and that WRSV is welcome to shift to another Class A channel, if it can find one.

RCA raises price 5% Nov. 1 on all TV, radio and closed-circuit TV equipment it makes. This excludes equipment, such as towers, it gets from other manufacturers. C. H. Colledge, vp-gen. mgr. of Broadcast & TV Equipment Div., said boost was caused by "increased engineering and manufacturing costs involved in turning out the more complex equipment required by current high standards" and that such equipment hadn't risen in price recently while other types of capital equipment had.

New applications for Syracuse, Rochester and Grand Rapids—for recently dropped-in vhf channels—will be accepted by FCC at least until Nov. 1, Commission announced. It said it wouldn't designate pending applications for hearing before that date. At the moment, there are 7 on file for Syracuse's Ch. 9, 5 for Rochester's Ch. 13, only one for Grand Rapids. There are more in works, particularly for Grand Rapids, according to Commission staff. (For details of applications filed, see recent TV Addenda.)

Big NAB had nose tweaked by a tiny FM applicant last week. Y T Corp., Class A applicant for Palo Alto which had been opposed in hearing by CBS's KCBS-FM because of interference potential, asked FCC to ignore an NAB petition which would have supported CBS. NAB had asked that Commission hold off action on applications such as Y T's pending finalization of new FM standards. Said Y T: "Regardless of what position NAB envisages for itself as a Cerberus in the nether world of FM allocations, it is clear beyond all doubt that it is not, and cannot be, a 'party in interest' to the adjudicatory proceeding being held . . ."

Add foreign TV growth: Sweden's Erik Esping, technical director of Swedish Telecommunications Board, reports that 2nd network is expected by 1965, color following year. He said 5 million of country's 7.5 million people are in range of TV. Our Spring-Summer TV Factbook shows 1,150,000 sets in use. . . . Canadian Bcstg. Corp. sends 2-man team to Ghana for 2 years, C. W. Harvison to advise govt. on technical matters, Frank Goodship on programming.

Martin Codel, ex-publisher of Television Digest, now industry consultant, returns this week end from 10-week TV-radio survey of South America.

"All FCC matters fade into insignificance compared with speculation about supergrades." So commented a top Commission staffer last week. He referred to fact Congress is allowing a few hundred more govt. employes in top grades—up to Grade 18, which pays \$18,500. Along with all other govt. agencies, FCC must go through "comparative proceeding" before Civil Service Commission which decides who gets what—and doesn't have to tell why. FCC is asking Grade 18 for 6—4 bureau chiefs, general counsel and chief engineer. It's likely to get few, if any, competing as it does with such huge establishments as Defense Dept.

First action on new "Sec. 307(b) withdrawal" rule was taken by FCC last week. It refused to let Lamar, Mo. AM applicant withdraw from competition for 1560 kc with Joplin, Mo. applicant on payment of \$194 expenses, which would have left Joplin free for CP. Commission noted that cities are 32 miles apart, that Joplin has 3 stations, Lamar none. It ordered Lamar applicant to publish fact of his withdrawal, invited new applications for Lamar for 30 days.

Election campaign debates on TV should be shunned by incumbents, former President Eisenhower told CBS-TV's Walter Cronkite. Interviewed on "Eisenhower on the Presidency" show, Gen. Eisenhower said: "I can't think of anything that's worse. Any man that is an incumbent has to stick to the facts. He is a responsible man debating with someone who, if he chooses, can be irresponsible." The Eisenhower advice to politicians: "When you're in, never debate with an outer."

Product "puffing" on TV came under skeptical scrutiny by FTC at hearing on recommendation by examiner William L. Pack that deceptive-advertising case against Colgate-Palmolive and Ted Bates agency be dismissed (Vol. 17:22 p9). Pack held that "sandpaper" commercials for Rapid Shave cream were "harmless exaggeration or puffing." But most FTC members at hearing indicated they didn't go along with examiner's tolerant reasoning, that they thought commercials were questionable—harmless or not.

Storer's deal to buy radio WINS N.Y. for \$10 million has been called off and Storer has reached agreement to acquire WMGM. FCC has been holding up WINS renewal, questioning whether management was implicated in disc jockey payola; vote on renewal is expected this week. Crowell-Collier agreement to purchase WMGM was called off after Commission questioned Crowell-Collier's qualifications in operating other stations (Vol. 17:28 p10).

W. D. (Dub) Rogers' \$3.8-million sale of his KDUB-TV & KDUB Lubbock and KEDY-TV Big Spring, Tex. to Grayson Enterprises Inc., whose Pres. Sidney A. Grayson owns 15% of KSYD-TV Wichita Falls (Vol. 17:27 p16), has been approved by FCC.

Liquor commercials must be kept off air, Texas Assn. of Bcstrs. said in resolution adopted after NAB's fall conference in Dallas (see p. 2). Calling on all state TV-radio organizations to join in reaffirmation of NAB Code policy, resolution said: "We do not believe such advertising is in the public interest."

New advertising-traffic patrolman has been put on TV-radio beat by FTC Chmn. Paul Rand Dixon. Veteran FTC lawyer Frank C. Hale will be program review officer—new job in which Hale will "study the various areas of our economy, locate the primary trouble spots, and make recommendations."

KATU (Ch. 2) Portland, Ore. plans "early 1962" start, reports Vp-Gen. Mgr. William J. Hubbach. GE transmitter is being installed on Livingston Mountain, and test pattern is due Nov. 1. Studios at 2153 N.E. Sandy Blvd. are to be completed in Dec. Katz is rep, and staff is being recruited now.

FCC Chmn. Minow's views on TV programming are shared "personally" by more than 90% of 408 advertising executives polled by Printers' Ink magazine, which said that most respondents expect "evolutionary program improvement through changes in public taste and sponsor outlook."

Vhf translator rules have been finalized to permit a translator to feed more than one 1-watt final RF amplifier to serve different communities, FCC warning that no combinations of amplifiers will be permitted to increase radiation in any direction. It's Doc. 14132, amending Sec. 4.735(a).

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

HERTZ TV-RENTAL BUSINESS BOOMING: Growing volume & profit are being mined, apparently, by giant Hertz Rent-All Corp. in a field which has proved barren for many TV dealers—the short-term rental of TV sets to consumers.

"TV represents one of our better business items—despite the fact that we don't really promote it," Hertz Rent-All vp-gen. mgr. Harlan Liss told us last week. "It's only one of numerous products we offer. If we really merchandised TV, I'm convinced we could rent all the TVs we wanted to handle."

Hertz Rent-All has been renting TVs since its formation last November (Vol. 16:40 p16) as a subsidiary of the worldwide car & truck rental & leasing organization. The rental operation now embraces 3 company-operated stores in Chicago. Slated for opening next month is a posh showroom in New York, at ground level of Newsweek Bldg. at 444 Madison Ave. In addition, Hertz Rent-All has franchise operations in South Bend, Ind., Norfolk, Va., and New Brunswick, N.J., a franchiser scheduled to open in Cincinnati, and 4-5 other franchisers slated for other areas of the country. "We hope eventually to be in every major city in the country," Liss said.

Rental firm offers a broad range of merchandise, found an instant demand for TVs. "We started with a minimum inventory a year ago," Liss told us. "Today our TV rental stock is 10 times greater than it was when we started." Hertz offers Motorola & Sylvania 19-in. portables, charges \$5 weekly, \$15 monthly. "It's really an emergency rental service," he said, noting that his No. 1 & 2 customer groups are home owners with guests and TV owners with broken sets.

Hertz has had some calls for color sets but doesn't handle them. "I'm not convinced that they are mechanically feasible for this type of business," Liss explained. "Rental equipment must be simple and easy to operate, because service can eat away your margin quickly. Even on b&w TVs we have service calls for problems a child could solve." Over-all, service & damage represent minimal problems. "The vast majority of people who rent are responsible, take care of the merchandise and will pay for any obvious damage above normal wear & tear."

A "very successful" operation, is the way Liss summed up his TV rentals. The profit potential is so attractive, he said "that I'm convinced we could do well if we stocked TVs the year round for rental only for the World Series and the 4-5 other major sports events of the year. The World Series cleaned us out—and we rented our sets on an all-games basis."

We spoke also with Hertz's New Brunswick franchiser, Lee Merel, who shares Liss's optimism for TV rentals despite a sad experience. Merel opened his Hertz Rent-All just before the World Series, but his TV stock hadn't arrived by the final game. He will offer Philco & Sylvania 19-in. portables, at \$7 weekly, \$21 monthly. He buys his TVs direct from the TV companies, is handling his own service. He, too, has had calls for color sets but has no plans to carry them because "it will take too long to get the investment back on a rental basis."

Despite Hertz's seeming success, few TV dealers apparently have been able to make a go of TV rentals. NARDA Chmn. Mort Farr told us that to his knowledge there are few dealers in the country who rent. Farr operates a big TV retail outlet in suburban Philadelphia and used to rent sets—"but we found that it did more harm than good."

"There's very little reason for people to rent TV sets today," Farr said. "People with broken sets usually can get a replacement from their service dealers while their sets are being repaired. A good many dealers offer this service. It seems to me, however, that there's little of this 'emergency' interest in TV anymore. Even TV interest in the World Series was way down. I don't think there's much percentage in trying to build a rental business on the basis of 'emergency' customers. As for me, I don't want my new sets misused on a rental service and I don't want the headaches of renting trade-ins."

TV-RADIO PRICE HIKES IN WORKS? Cost-price squeeze is getting tighter for many manufacturers. Business looks good for rest of year. There's very little dumping. Is this the time to raise prices? Several set makers are studying question closely.

There's been no break in price dike yet—but maybe a little leak. Emerson will increase factory prices of its entire Granco radio line by 3% across the board Nov. 1, with readjustment of list prices. Move was prompted by increases in labor and material costs.

Does this foreshadow TV price hikes? As to Emerson and Du Mont lines, Pres. Benjamin Abrams told us at week's end: "We don't know yet. We're studying it. On the basis of costs, we think there should be increases generally."

In an unrelated price action, Sylvania has dropped all suggested list prices. Official reason, as given by Sylvania Home Electronics Pres. Peter J. Grant: "We feel that they have lost some of their significance because of varying marketing conditions across the country." Company intends to issue no retail pricing information either to distributors or to public.

Factory prices of Sylvania products have not been changed with the dropping of list prices. Whole area of list prices continues to be extremely touchy; pilot case on use of list prices in comparative advertising is due for FTC hearing Nov. 7, on appeal by big Washington retailer George's Radio & TV (Vol. 1:4 p10).

SEMICONDUCTOR PROFITS STILL SHRINKING: It's getting tougher than ever to make a buck in semiconductors, and there's no relief in sight. What is in sight—unless pricing stabilizes quickly and cutthroating is stopped—are a drop in product quality, a curtailment of development & research activity, and an increase in the number of manufacturers who will be squeezed into merger or bankruptcy. That's the consensus of industry leaders with whom we spoke last week.

Virtually all report that current sales & profits conform with the general industry pattern—which at halftime saw sales up 46.4% over 1960, but dollar volume ahead by only 2.7% (Vol. 17:34 p14). Most are offering considerably more semiconductor types than they were this time last year, and areas of competition are increasing. Sprague Electric believes that specialization is one answer to the industry problem and is also moving in the direction of specialty semiconductors.

There's general agreement that industry is suffering effects of 3 "Os"—over-optimism, which led to over-capacity and over-board spending. One knowledgeable sales executive told us that the profit squeeze has become so fierce that his company was able to get a duplicate reorder on a 1960 contract involving several hundred thousand pieces only by cutting the price to less than half the 1960 figure. "What we're beginning to run into now," he said, "are discounts and discounts on top of discounts—the kind of throatcutting that was once so prevalent in the electron tube field."

Most of the companies we spoke with are taking this kind of competition in stride and showing their confidence by expanding. CBS Electronics was the most recent major to quit the semiconductor field (Vol. 17:37 p13), but Raytheon has taken over the former's model plant at Lowell, Mass. as the hq of its expanded Semiconductor Div., and Sprague purchased from CBS specialized manufacturing equipment which will increase its transistor production by about 30%.

Here is a sampling of the thinking & planning we found in the semiconductor industry last week:

GE Semiconductor Products Dept.: Product planning mgr. E. O. Vandeven told us GE is now producing 25% more transistor types than it did a year ago and "we foresee a definite increase in types by us

and industry" to meet increasing needs of customers. He thinks the industry eventually will shakedown to both broad-line companies as well as specialists.

GPE's Kearfott Semiconductor Corp. subsidiary: Special projects mgr. Saul Liss looks forward to a good 1961 but agrees that increasing competition is thinning the profit margin. He attributes industry's plight to "the tremendous number of over-optimistic manufacturers who over-expanded and now find themselves in a fiercely competitive situation." He foresees more semiconductor companies stabilizing on fewer semiconductor lines, and more standardization coming to transistor types.

Motorola Semiconductor Products Div.: Vp Dr. C. Lester Hogan told us 1961 business is "up substantially" over 1960 and Motorola "looks for a satisfactory profit in spite of the fact that there are competitive forces at work, that there are more manufacturers in the picture and that production capacity has greatly increased." He noted that Motorola is continuing to expand its line "in breadth & depth" and believes that throughout industry "semiconductor products will continue to increase in number & capability."

RCA Semiconductor & Materials Div.: Vp-gen. mgr. Dr. Allan M. Glover said that the profit pinch is getting tighter and that it is impossible to forecast 1961 business "because of the current unsettled conditions" in the industry. RCA has introduced a number of new transistor types this year and will continue to broaden its line. The recently introduced RCA "universal" silicon transistor (Vol. 17:34 p14), which can perform the functions of upwards of 40% of the more than 2,000 transistor types now on the market, reflects one trend "we will accentuate," Dr. Glover said.

Raytheon Semiconductor Div.: A spokesman noted that unit sales are up & dollar volume down from a year ago, "but we're demonstrating our faith in the industry" with new plants in Maine & Massachusetts. Raytheon Pres. Richard E. Krafve, he noted, forecast recently that today's multiplicity of manufacturers would dwindle to about a dozen in 5-10 years. Krafve declared: "The shakeout is on in the semiconductor field and the race will go to the lean and the hard and the hungry."

Sprague Electric Transistor Div.: Gen. mgr. Robert L. Parrish told us that "sales are up moderately but we're having to ship considerably more units to equal 1960 billings." Sprague has broadened its line in 1961, is also moving into specialization. "We hope we will not be entirely dependent on switching types of transistors where the major price cutting is taking place," Parrish said. "We hope to lead the development of our new products into the area of specialization. Competition is very strong. This is a hard business and it's disappointing to see it come to this. The product is difficult to make, and all this price cutting could affect quality in the industry. That's the real problem—that companies unable to take the competition will cut corners at the expense of quality. Sprague is one company that won't compromise with quality."

Sylvania Semiconductor Div.: Vp-gen. mgr. Dr. William J. Pietenpol termed the profit squeeze "an impossible situation, a very serious thing that can have the obvious effect of curtailing developments for the future." R&D represents one area in which manufacturers can cut costs, he said, "and this would be bad for the industry and for national defense." Pietenpol said Sylvania's 1961 dollar volume is about the same as a year ago, but unit volume is up considerably—reflecting the profit squeeze. He believes the glamour of transistors was overplayed, "resulting in the tremendous influx of manufacturers—well over 150 today—and a serious overcapacity in the industry." He forecast that more mergers and dropouts will develop in the near future, that the big manufacturers will continue to offer broad product lines, that "specialization may be the salvation of small manufacturers."

TV MANUFACTURERS & THE TV MEDIUM: Nobody has come up with satisfactory formula for the relationship of TV program quality to TV set sales in today's saturated market. However, just as the radio makers were the first sponsors on network radio, so TV set manufacturers were among the earliest on TV—feeling a deep obligation to help provide attractive programming to encourage set purchases.

From TV's less saturated days, memory still serves to identify TV makers with quality programming—Admiral with the Max Liebman-produced Sid Caesar variety shows, Westinghouse with Studio One, Philco & Motorola with top live drama shows. GE & Westinghouse, advertising their broad range of consumer products, and RCA, pushing color, are still identified with top-quality TV programming.

Has the TV manufacturer a responsibility to foster improvement & "uplift" in the medium which supplies his bread & butter? In recent years we have heard little on this subject except from Zenith, which feels that real answer to improved programming lies in pay TV, and is backing this conviction with action.

About half of the major TV manufacturers, in fact, have chosen to leave TV alone as a national ad medium—preferring to concentrate on magazines, newspapers, billboards, presumably as more efficient way to contact prospective TV set purchasers.

After an absence of 7 years, one large set maker, Motorola, has returned to network TV this season, investing a million dollars in series of 3 prestige specials. Already this season, it has presented the 60-min. "Carnegie Hall Salute to Jack Benny" and is scheduled to sponsor the 2-hour dramatization of The Power & the Glory (Laurence Olivier, Julie Harris) and the Bing Crosby Christmas program.

Motorola Pres. Robert W. Galvin recently broke industry silence surrounding discussion of TV program quality. We think his remarks are worth summarizing here.

Pointing out that it may be "shrewd" for manufacturers to sponsor private eyes, Westerns, etc., "regardless of their lulling effects on intelligence & cultural standards," Galvin said: "We feel that this attitude is not compatible with the leadership that industry covets in our national economic & cultural life. True leadership can come only from high-purposed convictions and from supporting actions which beckon all people to higher levels of intellectual interest and emotional experience. Leadership today requires facing up to life's realities rather than fostering escape routes."

Praising efforts of networks to upgrade program quality, Galvin tackled question of whether TV receiver manufacturers also shared some responsibility. Praising such advertisers as U.S. Steel, Du Pont, Hallmark, Bell & Howell and GE, he added:

"Respect & admiration for others is not enough. We want to join in this effort. We want to help insure the future importance and the significance of TV as a dynamic force in man's progress through better quality, more meaningful program products. In the final analysis, we believe this conclusion is a practical one. For as the importance of the information & entertainment beamed by TV grows, so goes the marketability and the personal value of the receiver."

The trio of shows is only "a beginning" for Motorola, said Galvin, whose comments seem to us to effectively tie in Motorola's drive to build an image of quality & leadership with its serious concern for the well-being & value of the medium which gives Motorola its sustenance.

Whatever Motorola's self-interest in this pronouncement of its obligation toward the TV medium, we feel it is the type of enlightened self-interest which will at least open for discussion the whole subject of the relationship between TV broadcasters and their "circulation managers"—the manufacturers, distributors & dealers of TV receivers. We'd be interested to know what you think.

TV OUTPUT PASSES 1960 FIGURE: Production of TV sets caught up with last year during August, official monthly EIA figures show—with 8-month production for 1961 almost identical to 1960 (3,699,188 vs. 3,694,187).

Despite fact that TV production this year almost certainly will be greater than last year, there seems to be no industry worry about overproduction. Already there are reports of shortages and expected shortages in some models (Vol. 1:4 p7), and business for rest of year should be better than last year. Last August, if you'll recall, was the month that many manufacturers began to tighten reins on production because of consumer buying slow-up.

EIA figures show radio production slightly behind last year—but all of this lag (and then some) is represented by slowdown in auto radio production first half of this year. Incidentally, August was first month this year when auto radio output exceeded that of comparable 1960 month. Cumulative FM radio production appears to be sharply behind last year—but remember, EIA's figures cover table models only, don't reflect this year's increased use of FM tuners in hi-fi phonos & combinations. EIA's 8-month production figures:

Month	TELEVISION				RADIO					
	Total Production		Uhf Production		Total Production		Auto Radio Production		FM Production	
	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960
January	367,935	526,494	25,270	50,119	1,090,073	1,355,788	387,136	632,461	50,421	33,816
February	444,418	503,453	24,514	43,537	1,115,029	1,442,368	387,973	596,872	41,357	56,515
March	497,458	549,500	21,450	45,411	1,384,052	1,667,550	384,227	633,761	75,044	83,127
April	405,808	422,551	19,095	39,240	1,124,924	1,230,323	375,570	399,963	51,260	68,196
May	470,399	442,176	22,782	32,295	1,196,949	1,277,040	408,875	463,165	49,705	65,438
June	615,118	518,870	34,641	34,245	1,626,263	1,551,451	518,010	596,870	88,808	105,317
July	383,378	268,854	23,233	14,621	1,030,399	890,359	320,123	328,009	48,114	49,707
August	514,674	462,286	33,946	26,829	1,385,101	1,048,406	451,374	340,860	69,090	71,125
TOTAL.....	3,699,188	3,694,184	205,011	286,297	9,952,790	10,463,285	3,153,293	3,991,961	473,799	565,665

TOPICS & TRENDS

Charge of import "counterfeit" has been made in U. S. District Court in Chicago by Pickering & Co., which has named as defendant Wico Corp., Chicago importer-distributor. Patent-infringement suit charges Wico copied Pickering stylus assemblies used in Seeburg juke boxes and has been selling them direct to juke operators. It's no small-time business; Pickering Pres. Walter O. Stanton told us needle-replacement trade among operators of Seeburg juke boxes "runs well into 6 figures annually, since needles are changed as often as once a month." Pickering charges Wico's Swiss-made sapphire styli have been "exactly copied" from its designs. Wico denied the charge.

GE's sales & earnings were a little higher than 1960 levels in the 3rd quarter. Its sales rose 3% to \$1,063,621,000, earnings a fraction of one percent to \$57,516,000 (65¢ a share). Chmn. Ralph J. Cordiner said consumer goods sales were about same as the accelerated shipments of the pre-strike 3rd quarter of last year.

"Receiver Certificated With FCC." That's all a label on receiver need say, EIA told FCC, responding to recent proposal regarding radiation-labeling requirements. It recommended that no specific size of label be required, only that it be "accessible, clearly legible and readily identifiable," and that Commission be sure to apply rule to imported sets. Electronic Industries Assn. of Japan, through Washington counsel M. William Tanaka, said it agrees with FCC proposal "in principle" but suggested label be ½ x 1 ½-in. instead of 1 x 3-in. because receivers are getting smaller & smaller.

New Jerrold jobs: Kenneth E. Farr, ex-Philco, Westinghouse and Hazeltine, has been appointed chief engineer of Jerrold Electronics' expanding industrial products div. at Huntingdon Valley, Pa. John W. Black Jr., ex-Bendix and Tele-Dynamics, heads new products design div. in lab there.

Emerson stockholders will be offered 320,000 common shares of subsidiary Emertron's stock on subscription basis of 7 shares of parent's stock for one of Emertron, which concentrates on missile & aircraft subsystems. SEC registration (File 2-19107) listed F. Eberstadt & Co. as chief underwriter, didn't specify subscription price.

New head of electronics div. of Commerce Dept.'s Business & Defense Services Administration is E. MacDonald Nyhen, who became acting dir. in August when Donald S. Parris was promoted to chief of industrial equipment div. (Vol. 17:34 p15).

Automatic civil defense alarm-radio has been developed by GE and demonstrated to Office of Emergency Planning in Washington. The 2-Compactron set would utilize OEP's proposed NEAR (National Emergency Alarm Repeater) system, which activates civil defense warning signal via power lines. In event of emergency, GE's alarm radio would sound buzzer and automatically tune to civil defense radio frequency when activated by NEAR signal on power line. GE's receiving tube dept. said it can make a kit containing essential parts available to radio manufacturers.

New Philco producer in France: Schneider Radio has been licensed by Philco Corp. to make Philco brand TVs, radios, and phonos for sale by Philco International in France and other European countries.

Not waiting for "the big boys," Pilot Radio has signed with New York's WQXR-FM to sponsor 8 hours of midday stereo programming weekly beginning Oct. 23, supplying dealers with programming to demonstrate FM stereo receivers during store hours.

TV-RADIO PRODUCTION: EIA statistics for week ending October 6 (40th week of 1961):

	Sept. 30-Oct. 6	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	157,656	150,901	131,583	4,554,989	4,505,124
Total radio	451,804	448,769	426,968	12,432,408	12,838,771
auto radio	147,328	124,724	169,171	3,877,381	4,949,698

WEEKLY **Television Digest**

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FORD WORRIED ABOUT RADIO ECONOMICS, urges Congress allocate funds for study to determine whether ruinous competition harms public (p. 1).

TV NEEDN'T BE 'ASHAMED,' SAYS SALINGER, defending programming—particularly public affairs—against critics. White House aide gets Pulse Inc. award (p. 2).

BALABAN UNLOOSES PAY-TV "TRUE FACTS" in blast at critic of Etobicoke test. Paramount chief says experiment is losing only \$3,500 per week, not \$11,000 (p. 2).

ETV HEADS FOR NEW RECORD with 60 stations on air, 8 starters so far in 1961, 3 more due before year's end. Washington's WETA-TV becomes showcase (p. 2).

CANADIAN CATV GROWTH reminiscent of U.S. pattern few years ago, new systems coming to light (p. 3).

Consumer Electronics

COMPONENTS BUSINESS is up & improving. Our discussions with industry leaders reveal confidence in industry growth potential despite headaches of Japanese imports, price cutting and increased competition (p. 6).

NEW COLOR THEORY by Sylvania scientist explains color perception mathematically, may lead to new devices, improvements in color TV. Theory is outgrowth of Land color experiments (p. 7).

WESTINGHOUSE'S VIEW of color: The one company which made rectangular color tubes thinks shape of tube is relatively unimportant. "We believe in color," but time isn't ripe yet (p. 8).

FALL BUSINESS UPSWING documented in Sept. distributor-to-dealer sales figures: TV up 5% from last year, radio up 16%. Inventories continue at comfortable level, below 1960 (p. 9).

FORD WORRIED ABOUT RADIO ECONOMICS: FCC Comr. Frederick W. Ford has added another chapter to what now, clearly, will become a classic—a series of speeches which carves out and illuminates roles and problems of broadcasting in our generation.

Ruinous competition in radio? That's the simple thesis Ford examined last week in speech before Ky. Bcstrs. Assn. in Lexington. It's in tradition of his other addresses in last few years, which covered in same clarifying fashion such subjects as:

Programming, commercial practices, TV allocations, ETV, govt. ethics, CATV, editorializing, FCC and the courts, etc.

Ford's latest suggestion: Let's find out, soon, whether we're hurting the public by putting too many radio stations on air. We needn't worry about TV. That's an economy of scarcity—now.

With customary careful documentation last week, Ford presented basic financial vital statistics, FCC and judiciary policy on subject. In 1946, average radio station had revenues of \$221,000, income before taxes of \$57,100. In 1960, revenues averaged \$153,200, income \$14,900—and 1/3 of stations reported losses.

But here's the legal situation today, Ford reports: "The Commission cannot refuse to consider the economic effects of a new grant where an existing station offers to prove resultant injury to the public at large. Judging by Commission actions over the past 20 years, however, the nature of the evidence produced by the existing station would have to be extremely compelling to persuade the Commission to reach such a finding . . . Has the time come for the Commission to re-examine its thinking? . . .

"A careful analysis of all the factors involved in the rapidly growing number of AM radio stations should be made to determine whether they are all properly evaluated. For example, 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? These and many other subjects should be thoroughly explored so that whatever actions are taken will be based on a sound factual background which will give

some degree of certainty to the predictable effects of such actions. I hope that funds will be sought from the next session of Congress to make the study to which I refer.

"I am sure that radio broadcasters generally are worried about the economic future of their business as it affects their ability to comply with our program policy. During recent weeks, I have become increasingly concerned myself."

Few Ford recommendations—whether as FCC staff member, top Justice Dept. official, GOP FCC Chairman, or commissioner—have ever been tossed aside casually, by colleagues, Congress or commonwealth. We suggest you write him for full text of his talk.

TV NEEDN'T BE 'ASHAMED,' SAYS SALINGER: Despite blasts by FCC Chmn. Minow & other critics who think TV programming needs bettering, networks & stations have been doing good job and owe no apologies, according to President Kennedy's press secy. Pierre Salinger.

"You don't have to be ashamed of what you have been doing," he told broadcasters in N.Y. Oct. 18, accepting Pulse Inc.'s 1961 "man of the year" award for arranging live coverage of White House news conferences.

Salinger denied "poaching on Newton Minow's territory" in making his own appraisal of programming, but said he wanted to make this observation: "Whatever else it has done, the debate certainly has focused attention on the job the networks & the stations are doing in the field of news, information and public affairs. I think it is highly significant—as well as gratifying—that the quality of the job being done is almost universally praised. You don't have to be ashamed."

BALABAN UNLOOSES PAY-TV 'TRUE FACTS': Squall stirred up among Famous Players Canadian stockholders over losses in Telemeter's Etobicoke pay-TV venture (Vol. 1:4 p4) has blown lid off some closely-guarded trade secrets of operation in Toronto suburb.

"True facts" of situation were produced publicly for first time by Pres. Barney Balaban of parent Paramount Pictures in 4-page singlespaced letter to Famous Players Canadian Pres. John J. Fitzgibbons. Dated Oct. 12 & released by Paramount 4 days later, letter said veteran dir. Norman S. Robertson didn't know what he was talking about when he resigned, accusing Paramount of "milking" Canadian operating company.

Etobicoke losses are running \$3,500 per week before depreciation—not \$11,000, as Robertson reported, Balaban said. Current weekly loss is under \$7,500 even if amortization of pay-TV system is added, he maintained.

"It costs money to make these tests and to maintain a proving ground for testing purposes," Balaban wrote, adding that it's only "common sense" to regard losses as "cost of pilot operation which could not possibly show a profit on its present narrow base."

Paramount has taken financial load off Famous Players, agreeing to make arrangement "retroactive" to Jan. 1, Balaban reminded Fitzgibbons in letter. He said he was "shocked" that Robertson "rushed into the press" with blast just before Paramount lawyers completed "remaining details" of deal.

Special pay-TV shows "cost us far more than we could possibly recoup" from 5,000 Etobicoke subscribers now linked to system, Balaban went on. But he said he was encouraged by "very significant" response to extra-added features. Examples: "Show Girl" with Carol Channing drew 35% of subscribers at \$1.50 per home. Local pro football games on pay TV have drawn 15% at \$2 while other games were on free TV at same time. Movies have been bought by half of subscribers at \$1 following "full theatrical release."

Pay-TV "vicissitudes" don't faze Paramount at all, Balaban concluded in his counter-blast at Robertson. "We plan to move ahead in major TV markets of the world."

ETV HEADS FOR NEW RECORD: Sixty educational TV stations were on air last week and 3 more are due before Dec. 31, promising to make 1961 biggest year in ETV history with 11 new starters in addition to launching of Midwest Project on Airborne TV Instruction (Vol. 17:21 p8).

At least 24 more prospective ETV outlets were listed for us by Washington office of National Educational TV & Radio Center (NET) as likely starters within next several years—and that cautious tally doesn't include WNTA-TV Newark-N.Y., whose purchase by ETV group has been challenged by N.J. Gov. Robert B. Meyner (Vol. 1:2 p4).

Newest stations on ETV operating roster are KTPS (Ch. 62) Tacoma and WHRO-TV (Ch. 15) Norfolk, which vied with Washington's new WETA-TV (Ch. 26) in race to get ready for opening of new school year, brought 1961 starting total to 8. Expected on air before year ends are WSTU-TV (Ch. 8) Carbondale, Ill.; WXGA (Ch. 8) Waycross, Ga.; WCBB (Ch. 10) Augusta, Me. Previous record: 10 in 1959.

Washington became national ETV showcase following Oct. 16 start of regular in-school programming by WETA-TV for 250,000 pupils in suburban Md. & Va. communities—but not in Capital itself, where school authorities have refused so far to participate. Despite D.C. boycott, WETA-TV hopes that station's impact will help persuade Congress to pass federal-aid-to-ETV legislation (Vol. 17:34 p8). First week's operation was reported generally successful, although some schools weren't ready and others needed antenna & set adjustments to correct faulty reception.

Big problem at WETA-TV is being seen in Washington, where all 4 commercial stations are vhf. Station had no estimate at last week's end as to how many sets in Washington homes had been converted for uhf reception, but demand by householders for adapters was enough to exhaust many dealers' supplies. Conversion wasn't complete even in FCC offices, although Chmn. Minow & Comr. Lee had their home sets ready for WETA-TV.

Cost of installing adapters was stickiest part of problem. One suburban dealer offered do-it-yourself equipment for \$19.95. Other TV service shops offered installation estimates of around \$24. But these prices seemed to be exceptions. One of first Washington householders to have his set fixed for uhf—David C. Stewart, who has dual job as NET's Washington dir. & secy. of Joint Council on Educational Bcstg.—got bill for \$89.59.

CANADIAN CATV GROWTH: As in U.S. a few years ago, community antenna systems keep popping up unexpectedly in Canada. Benco TV Associates Ltd., Rexdale, Ont., substantial equipment maker, recently supplied us with list of systems we didn't know about when we compiled directory in our most recent Factbook. Some are fair size, some tiny, some several years old, some new—but all new to us. Here's Benco's list:

Ontario: Red Rock, Madsen-Red Lake, Hearst, Cochenour, Renabie. British Columbia: Beaverdell. Alberta: Hinton, Red Deer. Quebec: Chandler, Grande Riviere, Quebec, Port Cariter, Valleyfield, Notre Dame de Laus, St. Justine, St. Joseph de Mekinac, St. Rene de Goupil, Gaspe.

In U.S., Entron Inc. reports supplying equipment to systems in Ft. Pierce and Vero Beach, Fla.; Emporia, Kan.; Big Spring, Tex.; Idabel, Okla.

CURRENT CAPSULES

WLBW-TV takes over Miami Ch. 10 from WPST-TV Nov. 20, FCC setting date last week, marking first time operating TV station has ever been taken off air. Though given only nominal 4-months' license, WLBW-TV is expected to keep channel in face of possible competition. One top FCC staff member mused about situation thus: "WLBW-TV is owned by out-of-town interests. Assume that Miami group challenged it; such a group would have advantage in local ownership. However, WLBW-TV would have a 4-month record to point to—and you can damn well bet it will be loaded with public service. This will balance the 'local ownership' angle." WLBW-TV starts with full 316 kw, 500 ft., plans 1,000 ft. Year ago, it sought to buy WPST-TV facilities, was asked \$5 million, declined. Spokesman says no negotiations are underway again for equipment purchase. WPST-TV property is said to be valuable real estate.

Reruns of 2 old "influence" cases featured FCC's hearing schedule last week. Full Commission heard arguments by Boston Herald Traveler's WHDH-TV that it should be reinstated in its Ch. 5, from which it was ordered evicted last year for alleged back door approaches to FCC members. WHDH-TV also said that Ch. 5 applicant Greater Boston should be disqualified because its corporate character was changed by resignation of stockholder Richard Maguire, who joined White House staff (Vol. 17:32 p9). Meanwhile, FCC examiner James Cunningham took another look at award of Jacksonville Ch. 12 to WFGA-TV, whose principals were accused of ex-parte dealings with ex-Comr. Richard A. Mack (Vol. 17:16 p5). In response to rare subpoena issued by FCC to a member of Congress, Rep. Herlong (D-Fla.) testified that even before Mack took office he confided that he was committed to Mitchell Wolfson, whose Wometco Enterprises is minority stockholder in WFGA-TV. Herlong said he found this out when he called Mack in behalf of loser Jacksonville Bcstg. Co.

All letters to FCC were genuine, South Florida Amusement Co. informed Commission last week, submitting affidavits to refute questions raised by FCC Broadcast Bureau in Miami Ch. 6 case (Vol. 1:5 p2). South Florida Pres. Sherwin Grossman, whose application has been favored over 2 competitors, submitted affidavit quoting various Buffalo civic leaders as stating they had authorized and signed letters (or authorized signatures) to FCC members, supporting efforts of Grossman's uhf WBUF-TV to obtain a vhf channel. South Florida urged Broadcast Bureau to withdraw its petition to reopen record.

Minow is known to be disappointed with uhf activity of ETV forces, is understood to be telling them: (1) They've been lax about promoting uhf. (2) All the vhf channels in nation wouldn't be enough for ETV's needs. (3) They should marshal strength to get all-channel-set legislation through Congress, at same time encouraging purchases of uhf converters and vhf-uhf sets. (4) Not enough ETV program showmanship.

In action to be made public this week, FCC has unanimously voted for Chmn. Minow's plan to encourage ETV within Commission. A new Research & Education Div. has been created to replace Economic Div. within Broadcast Bureau. H. H. Goldin will head Div., but chief of Education Branch is yet to be selected. Budget of Branch is tiny, \$18,000, covering salary of chief, secy., other expenses.

Worldwide "on-the-minute" news telecasts will come soon via satellites, Senate Commerce Committee Chmn. Magnuson (D-Wash.) predicted in speech to American Rocket Society in N.Y. He called on FCC to get together now with other govt. agencies on over-all, coordinated U.S. allocations plans to submit to 1963 International Telecommunications Union conference.

Worldwide TV is "pie in the sky" to people who think instantaneous satellite communications will be "panacea" for international cooperation & goodwill, according to FCC's specialist in such matters—Comr. Craven. It won't be that easy, he said in panel discussions at American Rocket Society meeting in N.Y. "Even if otherwise practicable," Craven said, "international TV will fail as a means of achieving understanding & cooperation among nations until diplomatic efforts have succeeded in alleviating the fears & suspicions."

FCC should reject satellite plan drawn up by its Ad Hoc Carrier Committee (Vol. 1:5 p2), House Judiciary Committee Chmn. Celler (D-N.Y.) said—as expected. Longtime foe of AT&T, Celler protested that it would dominate communications system, no matter how many ways capital investments are cut up under proposals by international carriers. "AT&T's power, potency and usage in the satellite system in relation to the other international carriers would afford it clear dominance," Celler wrote FCC Chmn. Minow. Deadline for comments on Committee's recommendations was extended meanwhile from Oct. 30 to Nov. 13 by Commission, which said General Telephone wanted more time.

New NAB Code Authority dir. Robert D. Swezey will be no "czar," but he'll keep "nagging" broadcasters until "our house is clean & in order so that we can stand & defend it in good conscience." This was theme of Swezey's speech at NAB fall conference in Salt Lake City—his first appearance as administrator of TV & Radio Codes. He said he sees his role as "industry conscience."

"More federal controls are inevitable unless there is a greater effort at self-regulation" by broadcasters, NAB's TV Code Review Board Chmn. E. K. Hartenbower (KCMO-TV Kansas City) told a regional meeting of American Women in Radio & TV Oct. 21 in Wichita. He said most TV & radio operators are "decent," but that too many still yield to "commercial expedients" in programming & advertising practices.

Business & govt. must pull together if U.S. is to beat back Khrushchev's threat of Russian economic supremacy by 1980, NBC Chmn. Robert W. Sarnoff told Chicago Executives' Club. "I do not believe we can afford the luxury of pulling in different directions at home," he said.

Public hearings for GE & Westinghouse to determine their fitness as broadcasters are demanded by Senate Judiciary Anti-Trust Subcommittee Chmn. Kefauver (D-Tenn.) Citing parent companies' monopoly records and decrying "most distressing" reports that FCC is ready to grant renewals of their station licenses (Vol. 1:2 p8), Kefauver says "Commission will be failing in its public trust" if it goes ahead without hearings.

Personals

Theodore H. White, magazine correspondent and author of *The Making of the President 1960*, joins CBS News as creative planning consultant . . . John E. McArdle, Metropolitan Bestg. Corp. TV sales dir., named to new post of vp-gen. mgr. of its WNEW-TV N.Y. . . . Glenn Marshall Jr., pres. of WJXT Jacksonville, elected vice chmn. of Fla. Educational TV Commission.

Frank Stanton, CBS Inc. pres., receives Cultural Leadership Award from Sterling Silversmiths Guild of America . . . Marvin V. McCormick, ex-Virginia Metal Products Inc., Orange, Va., named business affairs dir. of NBC o-&o stations and NBC Spot Sales . . . Robert Wogan promoted to NBC Radio network program dir.

Marion Harper Jr., Interpublic Inc. chmn.-pres., elected American Assn. of Advertising Agencies chmn.; John Crichton, *Advertising Age* editor, reported selected as 4-A pres. . . . J. Russel Smith appointed law & enforcement chief of FCC's Safety & Special Radio Services Bureau, succeeding Irving Brownstein, now asst. Bureau chief.

Walter Cronkite, CBS News correspondent, wins "distinguished achievement" award from U. of Southern Cal.

Fighting deintermixture, particularly aiming to preserve WISC-TV's Ch. 3 in Madison, Rep. Thomson (R-Wis.) blasted FCC Comr. Lee in a letter to Chmn. Harris (D-Ark.) of Commerce Committee. Lee had opposed Thomson's H. Res. 450, which would hold up FCC action pending evaluation of N.Y. uhf experiment. Lee said N.Y. tests aren't necessary to judge whether uhf will work adequately in other areas. Thomson argued that N.Y. tests were sought by FCC to compare vhf & uhf generally, not merely for N.Y. In Illinois, meanwhile, state legislature passed resolution urging Congress to enact measures blocking deintermixture.

Deintermixture grace period for KERO-TV Bakersfield to operate on its Ch. 10 has been recommended in an initial decision by FCC hearing examiner David I. Kraushaar. He said it should be left alone until the station's present license expires Dec. 1, 1962. Rejecting Broadcast Bureau demand that KERO-TV be shifted promptly to Ch. 23, carrying out Commission's all-uhf plan for Bakersfield, Kraushaar said he hadn't been persuaded that any "objectively definable public benefit" would result from any hurried transition.

Microwave grant upheld: KSTF Scottsbluff-Gering, Neb. has lost its appeal from FCC's microwave grant to Collier Electric Co. to carry Denver TV signals to Alliance & Scottsbluff CATV systems. KSTF asked the Court of Appeals to reverse Commission on grounds—among others—that Collier modified its microwave plans and proceeded with construction without permission. Court held, however, that unauthorized changes were unintentional and that FCC properly turned down KSTF's protest.

Storer earnings slipped in 3rd quarter this year to \$702,584 (28.4¢ per share) from \$733,072 (29.6¢) in corresponding 1960 period. For 9 months: \$2.7 million (\$1.11) vs. \$3.6 million (\$1.44). Results were announced following disclosure of Storer's deal to buy radio WMGM N.Y. from Loew's Theatres (Vol. 1:5 p5).

Second International TV Festival will be held next April 23-May 5 in Montreux, Switzerland. TV symposium, in which 400 specialists from 32 countries participated at this year's exhibition, is scheduled for April 30-May 4.

journalism school . . . Richard B. Barnhill promoted to operations mgr., WNBC-TV N.Y., succeeding Allan B. Connal, now in operations dept. of NBC-TV . . . John S. Hansen, gen. mgr. of KPTV Portland, Ore., named pres. of operating subsidiary Oregon TV Inc.

Marie Torre reported quitting as N.Y. *Herald Tribune* TV-radio columnist, to be replaced by Jack Iams of *Newsweek* . . . Paul Arnold, TV-radio singer, writer, producer and announcer, named TV-radio editor of new Washington-published weekly *World*.

Robert H. Klaeger elected pres. & chief exec. officer of Transfilm-Caravel Inc., replacing William Miesegaes, who became exec. committee chmn. of N.Y. producer of TV commercials, industrial films and business shows . . . Jack M. White promoted by GE to midwest district mgr. of closed-circuit equipment sales . . . J. Ralph Crutchfield appointed ARB station sales supervisor; Jim Rupp, station services marketing dir.

Max Paglin, FCC gen. counsel, analyzed equal-time rules as "A Headache or a Boon" in Boston speech at joint meeting of Bestg. Executives Club of New England and Mass. Bestrs. Assn. . . . Donn Shelton promoted to promotion mgr. of WITI-TV Milwaukee.

FCC should take lesson in TV programming from what happened when CBS presented interview with former President Eisenhower in prime time (Vol. 1:5 p5), columnist David Lawrence wrote last week. Deploring low audience rating ("about 7%") for "one of the most remarkable TV programs of all times," Lawrence said poor showing in competition with entertainment should teach FCC that public's tastes aren't changed by criticizing networks for too little public service. "FCC will make more progress & the American people will get the TV shows they like if the govt. keeps its hands off programming," he maintained.

Payola conviction of Peter C. Tripp, former disc jockey at radio WMGM N.Y., brought \$500 fine and 35 separate 6-month jail sentences, which were suspended by 3-judge N.Y. court. Tried under state commercial-bribery law, he was found guilty of taking \$36,050 from 8 record manufacturers to promote their music on air from June 1958 to Oct. 1959. "There is no doubt that I'm the scapegoat & the fall guy for the whole country," Tripp told reporters. "Today there are still hundreds involved in payola."

WINS N.Y. won renewal of its license by 5-2 FCC vote, Chmn. Minow & Comr. Bartley dissenting because they wanted hearing to explore payola charges against radio station (Vol. 1:5 p5). "There remain substantial questions whether the licensee has been wholly candid and whether, for purposes of its own, it wilfully or recklessly tolerated the taking of payola by several of its key employees," Minow said in statement.

Million-dollar fire wrecked studios & equipment of WGBH-TV Boston Oct. 14 but didn't put educational station off air for long. It was back in operation 2 days later in temporary quarters at Catholic diocesan TV center, using tape equipment loaned by Boston's 3 commercial stations.

More vhf channel-shuffling in Neb., Wyo., Colo. & Kan. has been proposed by FCC to provide assignments for a Kan. ETV network, add a channel to Scottsbluff-Gering-Terrytown, Neb. and add Ch. 11 to Julesburg, Colo. (For tabulation of extensive shifts proposed, see *TV Addenda* herewith.)

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

COMPONENTS BUSINESS IS UP & IMPROVING: Sales & profits are perking up in the components industry, and outlook is for a good 4th quarter and a rising business curve into the first quarter of 1962. That's consensus of industry leaders with whom we spoke last week.

Despite current headaches of Japanese imports, fierce competition and price cutting, most components makers see only growth and new markets to conquer ahead. They point to a host of new and relatively untapped growth fields for components. Among them: microwave, citizens band radio, data processing and other equipment for the broad range of business services.

Industry growth has been charted by Centralab Pres. W. S. Parsons. He's just completed a study of 10 components manufacturers, "picked at random," to determine what progress they've made over past decade—and why. He found they aggregated a growth of 172% since 1950. Individually, growths ranged from a high of 155% to a low of 33%—"and the important factor is that each of the 10 companies showed substantial growth over the period," Parsons noted. Despite increasing competition, particularly from overseas, market is expanding significantly.

Japanese imports continue to plague & divide industry. Some components makers still hold to their resolve to have nothing to do with made-in-Japan products. Others are meeting Japanese competition by joining it. A prime example is General Instrument which is now distributing the products of Japan's Toko Radio Coil Labs. Pres. Monte Cohen told us: "It becomes more difficult to make certain products in your own plants and compete with imports at their prices." Still other companies are now looking with less disfavor on possibility of handling Nippon products. Among them: The Muter Co.

"We know that some companies are taking on Japanese lines," Pres. Leslie F. Muter told us, "and quite frankly we're taking a good look at the situation ourselves. We don't want to get into handling Japanese products, but we may have to. If you can't beat 'em you may have to join 'em—and it's almost impossible to compete with them on some items. Some of our customers buy American only. But others are being forced to Japanese components to stay competitive. We can't blame them. We're looking into Japanese products for the same reason."

Here are comments & opinions of other industry leaders we spoke with:

Centralab: Pres. W. S. Parsons told us sales are up, "not violently, but up," and rising. "However, costs haven't come down and there's a big squeeze on profits. For the year, our sales should be ahead of 1960 by at least 10%—but we'll be lucky to reach the 1960 profit level." TV-radio components business, he said, has now picked up to a point "where it pays to go out and talk to people." He noted a considerable unrest in the industry, with movement & shifting of personnel at high levels, attributed it to tightening profits and dissatisfaction with salaries & bonuses. Summing up import situation, Parsons said that manufacturers who distribute components "are like kids playing with a chemistry set in the basement—they run a good chance of blowing up their own homes."

C-B-C Electronics: Gen. mgr. Manuel Doxer said that sales are running about the same as a year ago, but profits are up because of the elimination of several unprofitable lines. "We are not handling any Japanese components," he told us, "but both import & domestic competition are on the increase and may force us into exploring the possibilities of purchasing from Japan. Prices are getting tighter & tighter. As a good example, a decade ago our picture tube brighteners sold for \$9.95 each. Today, the price on the same item is down to 38¢."

Erie Resistor: Mktg. vp Allen K. Shenk reported "volume is definitely up so far this year, but over-all prices are lower. I look forward to a good 4th quarter—and the first quarter of next year should be ahead of first-quarter 1961." Shenk told us Erie Resistor "has been approached by many Japanese manufacturers to act as their distributors—but we won't touch them." He said imports of capacitors are up at "an alarming rate," granted that Japanese components are of good quality, noted that many American customers have been burned on delivery & service. "The latest Japanese move," he said, "is to offer kits of parts, on the theory that it won't be as objectionable to American customers to buy kits for assembly as to purchase finished products."

General Instrument: Pres. Monte Cohen noted that 1961 sales are up, profits are down, and outlook for 4th quarter is "very encouraging." He said that import competition is on rise and is a threat to industry. He termed General Instrument's arrangement with Toko Radio as a "protective measure." GI is sole distributor in U.S. & Canada for Toko products, also has right to produce certain Toko components—such as IF coils—in this country. "We buy a certain percentage of Toko products," Cohen told us, "and we manufacture the identical product in our own plant."

International Resistance: Vp-treas. Edward A. Stevens told us that "sales are slightly up and profits are slightly down—principally because of increased R&D expenses." Japanese imports "haven't hurt us so far," he said, "and we still believe that U.S. quality and back-up service will be deciding factors."

P. R. Mallory: Mktg. vp Harold C. Buell told us "sales & profits in the electronics end of our business are running about the same as a year ago. For all of 1961, we expect volume & revenue to approximate 1960 performance." Buell noted that there has been some "softening" in prices, said that TV & radio components are now "pretty much at rock bottom, with not too much profit." Mallory doesn't handle Japanese components. "We plan to continue to make our own components in our own plants," Buell said.

The Muter Co.: Pres. Leslie F. Muter said: "Sales are up substantially, but profits are rough because of the lag in the first 6 months, the price cutting that's going on, and because everybody wants delivery yesterday." He noted that "things look good for the 4th quarter," forecast that Muter's 1961 sales & profits will be better than a year ago. He sized up the import situation this way: "The Japanese hourly wage rate has been figured to about 15¢, including all fringe benefits. They take pride in their work and their components are good, damn good. We don't worry about their big components and 6-week delivery by boat. But, anything they can fly over here is death to us. And the air freight runs only about \$1.95 per pound. When you total up the low wage rate, the quality product, and the fast delivery by air freight, you've got a combination that's getting tougher & tougher to compete with. Unless the govt. steps in to protect the American manufacturer, our only salvation may be to join 'em if we can't beat 'em."

Radio Condenser: Operations vp Russell E. Cramer Jr. said "sales to date are about standoff with a year ago, but it looks like a very good final quarter—better than a year ago." He estimated that 1961 profits would compare with the 1960 figure. Cramer noted that import competition is increasing, but calculated that the total extent of the dent is "no more than 6% of total volume." Radio Condenser doesn't handle Japanese components, markets its products with labels reading "Made in America by American Workers." Cramer told us: "Many companies which tried Japanese components are now back in the American fold. They found out quickly that you don't get American-type service, quality and follow through at those prices."

Sprague Electric: Chmn. Robert C. Sprague (EIA import committee chmn.) told us "this will be a peak year for us in both sales & profits." Regarding the import situation, he said Sprague has not been affected too seriously "because the Japanese concentrate on standard, low-price items which aren't our specialty." He added: "This industry is divided into those manufacturers who also do research & development and those manufacturers who are concerned mainly with price and make no such contribution. They're the ones who are really feeling this Japanese competition. We've been a prime target for many Japanese manufacturers to become their distributors, but we've turned them all down. I don't see how you can ride both sides of the fence. I don't see how you can convince customers that you're a quality producer while at the same time you get involved with these low-cost imports."

NEW BREAKTHROUGH IN KNOWLEDGE OF COLOR: Building on color-vision discoveries of Polaroid's Dr. Edwin Land (Vol. 15:27 p19), a Sylvania scientist has mapped mathematically the process of human color perception. Implications of this first complete formulation of the behavior of any of the human senses is expected to be widespread in all fields where color is used—including, eventually, color TV.

This advance in theoretical color research was announced last week by Sylvania Pres. Gene K. Beare at dedication of new hq & lab facilities of Sylvania Electronic Systems (GT&E's govt. systems management wing) at Waltham, Mass. Developer of new mathematical color theory is Dr. Huseyin Yilmaz, described by his colleagues as a mathematical genius who spent his boyhood in Turkey as a shepherd.

To arrive at significance of new theory to TV-electronics, we talked with Dr. Yilmaz and other Sylvania research scientists at Waltham last week. At present stage, of course, new theory is a breakthrough in basic research only, but it's understood Sylvania already has govt. contracts to arrive at some practical applications. Here are highlights of the theory and what it may mean:

Dr. Yilmaz' work organizes on a mathematical basis the color discoveries of Dr. Land—which created such an uproar in scientific world 2 years ago—but it goes beyond that. It paves way for duplication of human color perception processes electronically, and may make possible devices with better color perception than human beings. ("It may be possible," said a Sylvania scientist, "to build a machine which will see color in 4, 5 or 6 dimensions, as opposed to 3-dimensional color vision in normal humans and 2-dimensional vision in color-blind people.") By divesting the process of color perception of its mysteries, theory can lead to improvements in all fields where color is used—including paints, phosphors, dies, color TV.

Most sensational aspect of Yilmaz' theory is that it backs up with figures what Dr. Land proved experimentally—"the inescapable fact that by using only 2 colors you can get the entire rainbow." It breaks away from classical theory that color sensation is determined solely by wavelength, and proves that color perception is a relative phenomenon, governed by the frame of reference in which color is viewed. In short, for the first time, a "subjective" phenomenon has been explained mathematically.

What are the TV implications of Yilmaz' theory? If you will recall, in 1959 nearly every TV color lab was hard at work experimenting with Land's 2-color phenomenon—and this includes Bell Labs & BBC as well as set manufacturers. Early last year, an EIA committee headed by RCA's Charles J. Hirsch came up with report on Land's 2-color work as it may apply to TV, stating that at present state of art its rendition of colors wasn't as faithful as 3-color system, although it held promise of simplified receivers and that continuing studies of basic color phenomena "should be encouraged."

Is the picture changed by new mathematical formulation? Dr. Yilmaz thinks it is—but Sylvania scientists point out it would be long, long time before such theories could be applied to new system of color TV. Dr. Yilmaz believes that development of new phosphor combinations will be necessary to bring out true colors in a 2-color TV set, and that under optimum conditions a new, more economical set of color standards would be advantageous.

In lab experiments with 2-color TV, it has been found that scenes with wide varieties of color showed up best, but where there was little or no color contrast—for example, a green field unbroken by any other color—the color washed out (Vol. 15:27 p19). Yilmaz conceded that this condition is inherent in 2-color TV, but said color contrast could be enhanced by use of contrasting "halo" effects around screen.

It's doubtful that there will be 2-color commercial TV receivers in near future. But here are some fields in which Yilmaz theory could have more immediate impact on TV: (1) Non-standard closed-circuit TV systems for military or industrial use could present true color information at lower cost using 2-color system. (2) New & more uniform color phosphors may be made possible by greater knowledge of color phenomena. (3) Techniques arising from the Yilmaz discoveries should vastly improve color TV studio lighting.

You'll be hearing plenty more about the Yilmaz formulation in connection with the Land discoveries. Its major implications for TV are indirect and far in future. Its principal significance is that frontier of man's knowledge has been pushed back another inch—there is new basic knowledge of color perception, which scientists inevitably will apply to development of better devices in all color fields, including TV.

WESTINGHOUSE'S WITTING VIEWS COLOR: Only 2 big-name TV manufacturers aren't peddling color sets today—Motorola & Westinghouse. Motorola's position on color is well-known: Having built sample color sets with 90-degree 23-in. rectangular tube, the company says it will produce color sets when tube industry will supply it with such a tube (Vol. 17:27 p19, 31 p16). Westinghouse is also on record—that it won't re-enter color until it's convinced there's big enough market.

It may not be recalled that Westinghouse once had color set with rectangular tube—22-in. It was not the wide-angle compact type which Motorola wants, but it was in production by Westinghouse's picture-tube

operation, using bulbs made for it by Corning. Rectangular color set never reached high-volume production—consumer products vp Chris J. Witting now estimates that 400-500 a month was tops.

We asked Witting whether he felt rectangular picture would be important factor in color sales. He said he saw "no great advantage," and if Westinghouse were to go into color today, "we would buy a round one made by somebody else if it were less costly than making our own."

When will Westinghouse go into color? Answer: "The minute we think the market is right." As one of the early color-TV producers, Witting gave this Westinghouse view of color: "We believe in it. Maybe if we were selling a million TVs a year, we would do a little testing of the color market. But our big goal has been to build a solid position in black-&-white."

How is this project coming along? TV sales are "excellent," said Witting. "Finally it has started to click. We have been amazed at sales this fall." He said 2 of Westinghouse's demonstrable features have been sparking extra sales—the "Instant-on" feature which eliminates warmup, and "Mobile Sound," which permits use of any AM radio as wireless remote speaker. He said Westinghouse's Sept. TV sales were 65% ahead of Sept. 1960, and that 9-month sales are 19% above last year's level. In radio, Sept. was 37% over 1960, with 9-month sales up 21%. Company's phono business (console & portable) was up 36% for the 9 months. In other phases of Westinghouse's consumer electronics operation, Witting gave us these highlights:

Electronic refrigeration—Westinghouse has sold 500 electronic water coolers for homes in the San Diego area, distributed by a bottled-water distributor. They have created no service problems, are priced competitively with standard electric coolers. No other consumer thermo-electric products are imminent from Westinghouse.

Picture tubes—"Our cathode-ray tube business has been extraordinarily profitable in the last 2 years. We have had to turn down business."

Molecular electronics—Witting is sticking to his prediction of last summer that "functional blocks" will begin to appear in consumer goods "substantially before 1965" (Vol. 17:26 p15).

DOCUMENTING FALL'S BUSINESS UPSWING: Distributor-to-dealer sales of TV sets caught up with last year's figure in September, according to preliminary industry statistics—9-month sales totaling about 4,041,000, compared with 4,039,000 for same 1960 period. September TV sales to dealers totaled 645,000 sets, up 5% from the 643,000 the year before.

In radio, the increase was more substantial—Sept. distributor sales up 16% over last year, cumulative 9-month sales up 15%. Inventories in both TV & radio still seem to be in excellent shape, and well below the year-ago figures. Here are highlights of Sept. & year-to-date figures compared with 1960 (figures approximate):

	Sept. 1961	Sept. 1960	9 Months 1961	9 Months 1960
TV production	698,000	679,000	4,397,000	4,373,000
TV factory sales	712,000	701,000	4,225,000	4,180,000
TV distributor sales	674,000	643,000	4,041,000	4,039,000
Factory inventory	418,000	519,000	—	—
Distributor inventory	826,000	892,000	—	—
Home radio production	1,451,000	1,156,000	8,251,000	7,627,000
Radio factory sales	1,496,000	1,281,000	7,915,000	6,988,000
Radio distributor sales	1,405,000	1,210,000	7,428,000	6,475,000
Factory inventory	1,036,000	1,113,000	—	—
Distributor inventory	1,581,000	1,757,000	—	—

TV-RADIO PRODUCTION: EIA statistics for week ending Oct. 13 (41st week of 1961):

	Oct. 7-13	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	152,841	157,656	124,587	4,707,830	4,629,276
Total radio	441,971	451,804	433,493	12,874,379	13,276,219
auto radio	127,907	147,328	156,510	4,005,288	5,105,843

TOPICS & TRENDS

TV industry's "emphasis on price" was scored again by Zenith Sales Corp. Pres. Leonard C. Truesdell at last week's Boston Conference on Distribution. The public, he said, suffers from "complete misconception of the true retail value of a TV set." Retailers & distributors, he added, make inadequate profits. Urging marketers to "close up the national bargain basement," he said: "Let's resolve that we will market our products and our services on the basis of values, performance, features & quality."

Truesdell had some words on trends away from full-line coverage, as discussed in our Oct. 9 issue (Vol. 1:4 p8): "In our industry, the companies that have had the most difficult problems in the past few years have been those who expanded too much to try to reach for the greener pastures in the other fellows' backyard. Perhaps if they had done a better job in the industry they knew, they would have been more successful."

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Latest fair-trade move: GE's sales & distribution dept. has decided to fair trade color TV, along with home laundry equipment & dishwashers, in N.Y.

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Capitalizing on sing-along trend, Admiral has introduced portable stereo phono with microphone to permit listener to sing along with record—through the amplifier. Phono with detachable speakers and microphone lists at \$139.95.

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Highlights of EIA's Radio Fall Meeting, Oct. 30-Nov. 1, Hotel Syracuse: Progress report on FCC's N.Y. uhf project by FCC lab chief E. W. Chapin; papers on reliability, with emphasis on development of warranties; papers on transistorized TV sets by Philco engineers, transistorized AM-FM auto radios by RCA engineers, transistorized hi-fi amplifiers by Motorola's Douglas Taylor; "Subjective Aspects of Stereo Reproduction," by RCA Labs' C. J. Hirsch. Dinner speaker will be Brooklyn Polytechnic Institute Pres. Dr. Ernst Weber.

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FM stereo programming has been stepped up to 52 hours weekly by Zenith's WEFM Chicago.

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Industrial Research Institute Medal for 1962 will be awarded to GE vp-research dir. Dr. Guy Suits for his "skill & leadership in promoting the growth of an industrial research laboratory enjoying worldwide recognition. . . ."

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Texas Instruments "hit a big, bad bump recently," Nov. Fortune says in profile piece on "The Men Who Made T.I." and are trying to get it back on road as "glamor" company. Another article in issue explores state of solid-state physics.

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FM stereo adapters are subject to excise taxes on manufacture of TV & radio components, Internal Revenue Service has decided (Rev. Rul. 61-183). No matter what they're called—detector, converter, tuner, or "any other name"—adapters come under excise-tax definitions of chassis assemblies, IRS held.

— ■ —

It had to come: an acoustical stereo phono. Trans-National Electronics, Montclair, N.J., is importing a Japanese-made non-electric pickup arm and earphones for listening to stereo records on any electric or wind-up record player. The crystal stereo pickup is attached by 2 plastic tubes (one for each channel) to a device which looks like a doctor's stethoscope. Volume and balance are controlled by tube clamps. The \$29.95 gadget can be attached to the record player with a suction cup. But is it hi fi?

— ■ —

August was best 1961 month for factory sales of both stereo & monaural phonos, EIA reported last week. Stereo sales totaled 242,164 units, topping previous leader March's 227,469. Mono sales jumped to 106,157. January had been 1961's best mono month, with 80,366. For year to date, stereo sales increased to 1,549,579 but still trailed 1960's Jan.-Aug. total of 1,925,586 units. Cumulative mono sales were 538,794, vs. 591,674 in 1960's first 8 months.

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Delmonico International's 9-month sales more than doubled to \$5,737,225 from \$2,626,880 in 1960's first 3 quarters. Third-quarter sales soared 138% to \$2,373,000 from \$956,079 in July-Sept. 1960.

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

SUMMARY-INDEX OF WEEK'S NEWS**Broadcast**

DEINTERMIXTURE VS. ALL-CHANNEL BILL: major alternatives shaping up for Congressional battle. FCC likely to cool on deintermixture if it gets receiver legislation (p. 1).

FCC'S LEGISLATIVE PROGRAM develops, all-channel-set bill and network regulation leading list. New proposals under consideration (p. 2).

MEYNER LOSES, ETV WINS WNTA-TV in 6-1 FCC decision (Cross objecting) which rejects protests by N.J. governor that N.Y. deal violates anti-trust law, etc. (p. 2).

MORE DAYTIME DOLLARS are forecast for CBS-TV affiliates carrying the network's pre-noon "Morning Plan," now sold out. FCC attacks "incentive compensation" plan (p. 3).

CATV MICROWAVES QUESTIONED, FCC ordering hearings on renewals of microwaves serving only commonly owned CATVs, doubting "common carrier" status (p. 4).

MCA WILL DROP TALENT AGENCY before end of September, 1962 in pact with Screen Actors Guild to end dual MCA role as biggest talent representative and, via Revue, major TV producer (p. 4).

Consumer Electronics

COLOR SALES INCREASE—is this it? Sharp upturn in demand for color sets gives indication that hued TV may be taking off at long last (p. 7).

PICTURE-ON-WALL breakthrough may come via new type of non-vacuum-tube electroluminescent panel being developed under Navy contract by Lear Inc. (p. 7).

ITT BREAKS INTO U.S. RADIO BUSINESS with line of 8 transistor models to be handled by electronics parts distributors (p. 7).

SALES & PROFITS INCREASED in 3rd quarter. Zenith, RCA and Siegler report gains in volume & earnings in July-September period (p. 8).

THERMO-ELECTRIC FIELD heating up. GE will unveil commercially available electronic water cooler with no moving parts at Hotel Show in N.Y. this week (p. 8).

PATTERNS IN PHONO FACTORY SALES: EIA figures show phono volume 17% behind 1960 for first 8 months of this year (p. 9).

DEINTERMIXTURE VS. ALL-CHANNEL BILL: Buildup to TV allocations showdown, with Congress the arena, begins to shape up like this:

FCC is likely to drop deintermixture plans if—and only if—it gets all-channel-receiver legislation, forcing manufacture of only combination vhf-uhf sets, which would gradually build potential uhf audience to point that uhf stations might have a chance.

Commission adopted deintermixture proposals by slim 4-3 margin, and with no enormous zeal. Vhf telecasters, mostly through Assn. of Maximum Service Telecasters, are putting tremendous pressure on Congress to stymie or reverse Commission. Knowing Commission's real nation-wide hopes are vested in the receiver legislation, MST has endorsed that proposal, in which it finds little danger to vhf.

Now educators have been enlisted for all-channel bill, through FCC Chmn. Minow's speech to NAEB last week. With FCC and commercial & ETV forces pushing for the bill, set manufacturers face formidable opponents in a Hill fight. However, receiver makers do have an ally in Commerce Secy. Hodges. It's understood he has filed comments with Budget Bureau, arguing that bill would give Govt. control over devices not involved with public safety or health, thus extending hand of Govt. into new, unwise and uncertain areas.

It's an axiom at FCC that 4-3 vote is very poor foundation for any major policy—and there's every possibility that at least one member will switch, killing deintermixture. But this will happen only if Congress comes through with all-channel law. If it doesn't, whole situation will become completely unpredictable.

Minow made candid pitch to educators, asking them to lobby for all-channel bill. "Why," he asked, "should any TV set manufactured in this country leave the factory incapable of receiving 7/8 of the channels available for TV broadcasting in America? . . . How hard has the NAEB worked for these bills? How thor-

oughly have the hundreds of organizations interested in education and TV been canvassed for support? Are you working with the FCC to win public support for this legislation?"

Hard-driving MST continued to pound at deintermixture last week, submitting 2 petitions to FCC: (1) Asking Commission to defer all action until conclusion of Congressional consideration of deintermixture and all-channel set legislation, and until full results of forthcoming Commission N.Y. uhf experiment are known. (2) Requesting FCC to publish all engineering and economic assumptions underlying deintermixture proposals. MST is aching for Commission to make public the staff studies we disclosed (Vol. 17:30 p4), obviously satisfied it can rip them apart.

FCC'S LEGISLATIVE PROGRAM: Changes in Communications Act desired by FCC reportedly have been sent to Budget Bureau, which has job of scanning them—usually pro forma—before passing them on to Congress. It's understood that Commission proposals include following, ranked according to priority:

- (1) All-channel-set regulation (S-2109 & HR-8031 in last session).
- (2) Regulation, but not licensing, of networks (S-2400).
- (3) Control of CATV to promote viability of local stations (S-1044 & HR-6849).
- (4) "Summary judgment" procedure in hearing cases, to speed decisions by eliminating hearings (S-2108 & HR-7895).
- (5) In sales of stations, allow FCC to consider transfers to purchasers other than those selected by seller (HR-1165).
- (6) Give FCC power to require painting & lighting of abandoned towers (HR-4114).
- (7) When a decision is reversed and sent back to FCC by courts, Commission should have discretion of reopening record for new evidence and new parties. It can do so now only if courts say it should.



FCC still has under consideration, it's understood, possible legislation to:

- (1) Let it prohibit manufacture of devices which radiate excessively. Currently, Commission has power only to set radiation limits—and it finds enforcement to date unsatisfactory.
- (2) Take care of space communications problems not now covered by law.
- (3) Require parties wishing to intervene in hearings to do so within 15 days after hearing issues appear in Federal Register—instead of up to 10 days before hearings start.

MEYNER LOSES, ETV WINS WNTA-TV: To great surprise of nobody—including N.J. Gov. Robert B. Meyner, who mounted massive campaign to stop it—NTA's \$6.2-million sale of WNTA-TV (Ch. 13 Newark-N.Y. to educational group (Vol. 17:8 p8 et seq.) has been endorsed by FCC.

Meyner didn't give up fight to keep his state's only home-based vhf, promising to carry battle on into Court of Appeals. But it's unlikely that any further legal maneuvering will bring delay in plans of Educational TV for Metropolitan Area (ETMA) to go on air early next year with N.Y.'s first ETV outlet.

"These people are being duped into paying an exorbitant price for their franchise," Meyner said, alleging WNTA-TV's physical facilities are worth only \$400,000. N. J. citizens can raise \$1 million to buy & operate station for one year if they get chance, he said. "I'm not highly provincial," Meyner insisted. "But we don't want to be dominated by New York."

"Bare & unsupported" charges against deal were made by Meyner, FCC said Oct. 25 in 6-1 decision (Comr. Cross dissenting & calling for hearing) which approved sale. FCC noted that 200 petitions & letters supporting Meyner's case had poured in, but spurned allegations that: (1) Contributions of \$2 million by 3 networks and WOR-TV & WNEW-TV N.Y. to purchase price violated anti-trust law and represented plot to eliminate WNTA-TV as commercial competitor. (2) NTA was guilty of license trafficking. (3) Deal takes Ch. 13 away from Newark in violation of allocations requirements of Communications Act.

"New, specialized educational & cultural format" for N.Y. area viewers outweighs all protests against sale, FCC said. At same time, Commission acknowledged "undesirability" of lack of state-based TV in N.J.,

pointed to dormant uhf there, reminded all commercial stations in adjacent N.Y., Pa. and Del. that "they have a duty" to serve N.J. local needs, too.

Decision provided climax for last week's Washington convention of National Assn. of Educational Bcstrs. (NAEB), which was keynoted by FCC Chmn. Minow. Nothing on 5-day agenda for 550 delegates—largest number ever to attend NAEB sessions—matched news that ETV had finally broken into N.Y. Convention at Marriott Motor Hotel just outside Capital otherwise was NAB conclave in miniature—with equipment exhibits, technical demonstrations, workshop panels (including one featuring FCC's Broadcast Bureau chief Kenneth Cox), luncheon sessions, annual banquet.

Minow reproached educational broadcasters for not being lively enough. "Commercial TV has no monopoly on wastelands," he said, complaining that ETV is too barren of showmanship—"a dirty word" to many educators. Minow also: (1) Said it was time for ETV to stop "going hat in hand, begging for help," and start "aggressive & militant" campaign to raise money. (2) Called for concerted lobbying for federal aid to ETV. (3) Urged faster moves toward live ETV networking, reporting AT&T is developing "tangible suggestions" for hookup.

MORE DAYTIME DOLLARS FOR CBS OUTLETS: Drastic sales facelift applied by CBS-TV earlier this year to sagging daytime schedule (Vol. 17:7 pp 3 & 8) has created handsome revenue outlook for affiliates. That's the gist of letter to affiliates by Carl S. Ward, vp & dir. of affiliate relations, concerning CBS-TV's 10 a.m.-noon "Morning Plan" program block, sold since February on basis of rotating minute spots rather than 15-min. segments.

Current outlook is for 100% increase in station payments over what affiliates had been getting under old-style sales plan, Ward said. It works out like this: For station with \$1,000 card rate, the now-fully-sold "Morning Plan" shows will produce annual payment of about \$31,000 and would still deliver \$25,000 at 80%-sold level. At start of 1961, outlook was only for some \$16,000 in payments since only 25% of CBS-TV's pre-noon segments were sold.

Ward's formula can be read another way, however. Critics of CBS switch to minute daytime sales (station reps, some affiliates, and NBC-TV) say that what CBS has actually done is boost sales volume at expense of unit price and with sacrifice of maximum potential.

"Morning Plan" block must now be fully sold to produce a station payment (\$31,000) which CBS-TV could potentially reach by selling only 50% of its former daytime 15-min. segments (\$32,000) for station with \$1,000 rate. And if CBS-TV had sold all of its pre-noon segments, annual payment to this station would have been \$64,000. This, however, CBS found impossible.

CBS has made sales gains but is at outer limit of revenue potential in its "Morning Plan," barring network rate hike for plan's minute spots. NBC, on the other hand, claims it is grossing "substantially more" than CBS-TV in pre-noon period—and yet is only 66% sold, with room to grow.

What enables NBC to charge more than CBS and ABC for daytime TV is not question of coverage but largely a question of ratings. In the Oct. 1 Nielsen TV Index, NBC scored an average, for 10 a.m.-1 p.m. & 2-5 p.m., of 6.1. CBS drew a 5.7 and ABC a 3.2. Thus NBC has 11% average daytime lead over CBS, a 91% lead over ABC.

Advertiser dollars tend to follow daytime ratings, since most daytime TV buys are made on strict basis of cost efficiency. If ABC's pre-noon ratings were to shoot up suddenly, for example, ad dollars would almost immediately start shifting over from NBC and CBS. Rating gain at CBS, however, wouldn't help much in pre-noon sales since this period is already S.R.O., and CBS's best hope is to raise its pre-noon rates—a move sure to create advertiser squawks. In the best all-around daytime situation: NBC.

FCC meanwhile took exceedingly dim view of CBS "incentive compensation plan" for affiliates, introduced in May (Vol. 17:19 p5 et seq.). Network & affiliates which accepted it were given until Nov. 24 to make rejoinders to Commission arguments that plan amounted to "economic pressure" to prevent airing of NBC & ABC shows this fall, thereby violating rules.

"Inevitable effect of the plan will be to hinder your affiliates from, and penalize your affiliates for, broadcasting the programs of any other network organization," FCC said in stern letter to CBS. Moreover,

Commission said, it will "discourage such limited amount of programming from non-network sources in prime time as is now carried by network affiliates." Six commissioners voted for letter, Ford abstaining.

CBS' immediate answer to FCC criticism came Oct. 27 in form of telegram to Commission & network's affiliates from William B. Lodge, CBS-TV affiliate relations & engineering vp. In it, he defended compensation plan as being "perfectly valid & proper."

Lodge also promised to file supporting statement with FCC, and reassured affiliates that CBS had launched its compensation plan "only after careful consideration." He assured FCC, however, that CBS wanted to play by the rules and that the network would "promptly offer substitute terms of compensation" if forced to do so.

CATV MICROWAVES QUESTIONED: FCC is putting pressure on CATV operators who own microwaves feeding their systems and no other customers. It announced last week that it was ordering hearings on license renewals of 10 microwave owners who serve only their own CATVs—questioning their "common carrier" status.

Many microwave licenses remain unquestioned under FCC's "50-50" rule—i.e., serving non-owned customers with at least 50% of channels at least 50% of time. They're getting renewed.

Up to now, FCC hasn't bothered microwave operators who were ready, willing & able to serve other customers—and who showed they actively sought business. Now, apparently, they must actually have such customers.

But Commission isn't threatening to cut them off without alternative. It says they can seek microwaves in new "private" bands in Industrial Radio Services. However, these bands are above 10,000 mc. Equipment for them is still under development, more costly, may require more hops because of propagation limitations.

Most of microwaves set for hearing are in West—and CATV-microwave operators are expected to argue that common carrier frequencies are plentiful there. At any rate, if Commission orders them to new microwave bands it will allow them to amortize present equipment—FCC's customary practice.

TV-RICH MCA TO DROP TALENT AGENCY: Our forecast of MCA divorcement of talent agency from its TV film subsidiaries (Vol. 17:36 p3) is rapidly coming true. Last week, MCA Pres. Lew Wasserman announced that on or before Sept. 30, 1962 MCA would get out of often-criticized dual role of TV talent agent (for Dean Martin, Danny Kaye, Jack Benny, et al.) and TV producer ("Wagon Train," "Checkmate," "Calvin & The Colonel," etc.). It's no secret that Justice Dept. has been eyeing MCA.

Move was triggered by Screen Actors Guild, which has refused to renew circa-1952 waivers under which talent agencies could double as TV film producers. This waiver has proved to be better than map of Lost Dutchman Mine for MCA, whose Revue Productions has 16 shows on 3 networks (better than 20% of all telefilm exposure in prime time) this season, and will rack up 1961 gross of more than \$50 million.

Outlook now is for MCA to concentrate on TV and other production-distribution areas. This year, MCA will gross about \$8.7 million from its talent agency. It's unlikely that it could top \$9 million in talent commissions in 1962 (representing a flesh-peddling gross of \$90 million). At the same time, MCA will probably gross over \$80 million in combined TV revenues from its own telefilms, from distribution of the pre-1948 Paramount backlog in TV, and from film studio rentals and other sources.

MCA is free to expand in variety of areas without its talent agency—and probably will. It can move into production of movies for showing in pay TV or theaters, live TV specials, station ownership, foreign TV holdings, Disneyland-type amusement parks, recording subsidiaries—take your pick. Indicative of interest in MCA is fact that its stock, of which some 475,000 shares are publicly held, was originally offered at \$17.50 and last week was being traded at about \$70 on the NYSE.

TELEVISION DIGEST ADDRESS

Please note that our headquarters address is again Wyatt Bldg., Washington 5, D.C. Same phone as before: Sterling 3-1755.

TV-radio revenues of Providence's Outlet Co. (WJAR-TV & WJAR) rose to \$915,315 in 6 months ending July 29 this year from \$610,624 in corresponding 1960 period, nearly all of increase being credited to TV. Including department store earnings, Outlet's net income for 1961 period was \$304,341 (61¢) vs. \$277,878 (56¢).

CURRENT CAPSULES

Fast construction of new stations on new vhf channels in Syracuse, Rochester and Grand Rapids, pending conclusion of long hearings, is still desired by FCC. Commission has been considering ways & means for "trusteeship operations," weighing among other things suggestions of ABC's Leonard Goldenson. Goldenson had recommended: (1) Competing applicants share ownership equally. (2) Officers & top staff members not be associated with any applicant. (3) Selection of permanent transmitter site & installation. If applicants couldn't agree on site, their consulting engineers and FCC chief engineer agree on one. (4) Studio could be temporary. (5) ABC could lend money to interim operators, to get them started.

Commission hasn't been able to agree yet on what kind of trusteeship to approve. Staff is understood to believe that: (1) Equal financial participation by all applicants is ideal. (2) Officers & top staff members could come from applicants, if FCC makes it clear no applicant gets preference because of his representatives' work. (3) Permanent transmitter site is fine, but it must be selected only by applicants themselves. (4) ABC should not lend money to interim operators because loans might influence affiliation negotiations.

GE & Westinghouse license renewals are still up in air, though there's little doubt they'll be granted. FCC decided to ask companies for information about changes in lines of authority following price-fixing anti-trust convictions. Meanwhile, Commission notified Westinghouse that it couldn't approve its purchase of radio KLAC Los Angeles for \$4.2 million now. Contract expires Nov. 1, could be extended by parties' agreement. Situation again points up tremendous power FCC has: It can jeopardize or dissolve major business decisions simply by asking questions and waiting for answers—as happened recently in \$10-11 million sales of radio WINS & WMGM N.Y.

TV station owners aren't "militant" enough in opposing FCC Chmn. Minow's "formula for govt. control & censorship of TV programming," Washington lawyer W. Theodore Pierson asserted in speech to Jefferson City meeting of Mo. Bcstrs. Assn. Carrying on anti-Minow campaign he started at Northwestern U. symposium (Vol. 17:32 p1), Pierson said too many telecasters have been subdued by licensing system—which "is about the best tranquilizer for cases of militancy among licensees that can be imagined." He warned them that if they want to remain "free communicators" they must recognize "irreconcilable expressions" by Minow: (1) "Censorship is anathema to the Chairman." (2) "It is the Commission's duty to see to it that the broadcaster performs his program duty."

FCC won't reorganize until Booz, Allen & Hamilton completes management study, Chmn. Minow told Federal Communications Bar Assn. at luncheon meeting last week. He praised the lawyers for help in getting protest procedure out of Communications Act last year, criticized them for putting it and other restrictive measures into Act in 1952. He listed benefits of reorganization legislation enacted in last session of Congress: recommendations on decisions by opinion & review staff, commissioners' consultation with chief engineer and general counsel, etc. He assured attorneys that FCC would continue to call for oral argument in most contested cases, even though oral argument can now be eliminated at Commission's discretion.

Sharp cuts in ASCAP's TV performance fee schedule are proposed in new formula drawn up by all-industry station negotiating committee headed by Hamilton Shea (WSVA-TV Harrisonburg, Va.). Protesting that ASCAP's estimated \$18-million income from TV stations in 1960 was too much, committee proposes: (1) Same ASCAP deal with stations as movie exhibitors get for recorded music, with producer instead of telecaster paying for rights directly at source. (2) Special reduced rates for films already in can. (3) Nominal sustaining fees. (4) Lowering of per-program rate to provide alternative to blanket license. ASCAP's existing TV contract expires Dec. 31.

National TV-radio drive against juvenile delinquency in cooperation with National Governor's Conference has been initiated by NAB Pres. LeRoy Collins, its onetime chairman. In message delivered by NAB industry affairs vp Howard H. Bell to Governors' Conference on Juvenile Delinquency in Denver, Collins proposed "broad-scale informational program" on causes & cures of crime. The Denver delegates recommended that National Conference accept NAB's "generous offer" of TV-radio help. At NAB Washington headquarters, there's considerable pleasure being expressed because TV is being welcomed as an anti-delinquency force—for a change.

U.S. TV does good entertainment job abroad, but Westerns, "I Love Lucy" and private-eyes don't come close to filling American export needs, Asst. Secy. of State Philip Coombs told National Assn. of Educational Bcstrs. at its convention banquet in Washington. He called on NAEB to provide "significant" TV programs—documentaries, etc.—for foreign viewers, particularly in countries just emerging as nations. Coombs acknowledged that financially-starved ETV would need "vast injection" of money for project, but said NAEB should start anyway. Note: For more than year, USIA's TV service has been counter-balancing Westerns abroad with 15-min. "Cowboy Legend" film designed to provide proper perspective by showing how American ranchers really lived.

"Record payola is still going on—only the price has gone up," reports a top FCC staff member. "There are disc jockeys who tell record suppliers that the ante has been raised because it's illegal. And there are some suppliers who are paying it." Commission is tracking down leads, he said.

WIBC was granted Indianapolis Ch. 13 finally, as anticipated, FCC telling Crosley's WLWI to vacate channel by Nov. 30, Comrs. Hyde & Cross dissenting, Craven not participating.

Personals

Hugh Carleton Greene, BBC director general, will be honor guest of Robert W. Sarnoff, NBC chmn., at Nov. 13 luncheon in Waldorf-Astoria . . . Jack Petrik of KETV Omaha heads 1962 NAB engineering conference planning committee.

Lee B. Wailes retires Jan. 1 as Storer's exec. vp for planning & finance, will continue as consultant . . . Harry E. Travis, ex-station mgr. of WPBN-TV Traverse City, Mich. joins Fetzer TV Inc. (WWTW Cadillac-Traverse City) as public service dir. . . . Peter Molnar & Paul Levitan of CBS-TV, W. C. Kennedy of radio KXOX St. Louis (and President Kennedy) receive \$1,000 National Recreation Assn. awards for promoting physical fitness.

Mrs. Lyndon (Ladybird) Johnson whose LBJ Co. owns KTBC-TV Austin & 29% interest in KWTX-TV & KWTX Waco, receives "humanitarianism" award from Hartford B'nai B'rith chapter . . . Daniel W. Kops (radios WAVZ New Haven & WTRY Troy) heads NAB's 1961-62 editorializing committee.

James R. Croy establishes consulting engineering firm at 200 W. 7th St., Plainfield N.J. (phone Plainfield 5-1590), with Willis C. Beecher as Washington associate at 1413 K St. NW (phone 393-5621) . . . Robert A. Jones, formerly associated with W. F. Kean, opens own firm at 425 S. 7th Ave., LaGrange, Ill. (phone 352-2275).

William Whitsett named pres. & gen. mgr. of NAFI Corp.'s KCOP Los Angeles, replacing A. G. Flanagan, who resigned; John S. Hansen, gen. mgr. of NAFI's KPTV Portland, Ore., named pres. of licensee Oregon TV Inc. . . . Warren S. Doremus promoted to new post of news & public affairs dir. of WHEC-TV & WHEC Rochester, N.Y.

Vic Ludington named asst. mgr. of WSPA-TV Spartanburg, S.C.; Charles Lineberger, programs & operations dir. . . . Ray V. Schneider, from Williamsport, Pa. CATV system, joins TelePrompTer as Eastern regional mgr. of community antenna operations . . . Louis Stephens, ex-FCC Rules & Standards Div., joins Washington law firm, Canter, Lyon & Stephens, Premier Bldg., 1725 Eye St. NW (phone Federal 7-1500).

John Hay Whitney, N.Y. Herald Tribune publisher and Whitney Communications Corp. chmn., convalescing in N.Y. Hospital from pneumonia & cardiac condition. . . . Paul L. Jacobson, ex-NBC Telesales, joins Video Tape Unlimited as vp & gen. sales mgr.

Another unusual FCC field hearing was completed recently in Farmington, N.M.—a translator vs. CATV fight before examiner Elizabeth C. Smith. Local non-profit translator organization has 2 units serving town, wants 3 more nearer Albuquerque, to serve more people and improve signal fed to Farmington units. TelePrompTer operates CATV system supplying 4 Albuquerque channels, protested the 3 new translator grants on grounds they would be mere relays, violating FCC rules. Hearings drew up to 300 spectators, most strongly favoring translators.

FCC's WUHF (Ch. 31) N.Y. began operating last week with temporary antenna, low power, testing circular polarization. It's due to go to regular antenna, full one megawatt power early next month. FCC Chief Engineer Edward Allen said that various antenna and transmitter problems are being eliminated. Comr. Lee warned that public shouldn't expect good results until regular operation is achieved. Regular schedule will be 9 a.m.-11 p.m., 7 days weekly.

Gift of \$5,000 from Generoso Pope Foundation will send 3 NAEB delegates to first International Conference of Radio & TV Organizations on School Broadcasting in Rome next year. Foundation is named after the late head of WHOM N.Y., an immigrant from Rome whose son, Fortune, is pres. of Foundation and runs WHOM. Conference is expected to attract representatives of many new-to-TV nations—which place most broadcasting emphasis on education.

No monitoring of FCC phone calls, in or out, will be permitted without notification to parties involved, Commission announced last week. It said it never had policy permitting such monitoring but that new directive formalizes prohibition.

New CATV system in Gadsden, Ala. (pop. 70,000) is planned by General Radionics, which operates 2-year-old Kingston, N.Y. system. Headquartered in Stamford, Conn., General Radionics is subsidiary of Sapphire Petroleum Co., Toronto. Walter Hotz is CATV company's pres. Ex-Entron vp Bob McGeehan is operations vp.

New African TV business: Ghana Supply Commission, represented by Crown Agents (4 Millbank, London S. W. 1), invites bids of installation of planned TV system centered in Accra, with 2-way vhf intercommunication links with 3 transmitters.

CBC celebrates 25th anniversary this week with special TV & radio shows. Starting in 1936 with 8 radios, Canadian networks now cover 64 TV & 133 radio stations.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

COLOR SALES INCREASE—IS THIS IT? RCA has been pinching itself last few weeks, wondering if it will really last. Since start of fall programming, color set sales are up sharply—beyond its fondest hopes. Company has already hinted to distributors and to manufacturers for which it makes chassis that it may not be able to meet all orders.

Is color "taking off?" Required push may finally be here—with most major manufacturers now in color market, and with substantial amount of color programming on NBC & local stations. Demand is undoubtedly higher than in former years. (One consumer organization reported that more of its members indicated that they planned to buy color sets than AM radios.)

Even RCA has been a little dubious about color sales figures, held up press release a week to make sure they were for real. At week's end, RCA announced that distributor-to-dealer color set sales since Oct. 1 have been 175% higher than last year's same period, and 50% above Christmas-season records set in 1959 & 1960. Even for year-to-date, RCA color sales are running 40% ahead of last year, with biggest sales volume in \$600-700 price range.

Zenith, too, has been gratified by response to its color sets. Chmn. Hugh Robertson told stockholders last week that "production facilities have been expanded in an effort to meet consumer demand." And in an unusual look at Zenith's production schedule, he revealed that company's planning calls for production of 25,000 color sets by year's end.

Is this it? Nobody seems to know. But there's no doubt that color has finally been accepted as regular part of the high end of TV lines.

PICTURE-ON-WALL BREAKTHROUGH IN SIGHT? Some time next spring or summer, Navy is expected to release progress report on new type of flat non-vacuum-tube electroluminescent panel which could be adaptable to picture-on-wall TV use.

Device is being developed under Navy contract by Lear Inc., Santa Monica, Cal. All parties concerned are mum on new panel, but we understand that some deliveries have been made. Last public word on it came out more than 2 years ago (Vol. 15:41 p19), when we reported that the panel would be about 1/8-in. thick, and that Lear scientists felt they could achieve better definition & brightness than with picture tubes. They claimed at that time that it would operate on "basically different principle" from other electroluminescent panels then under development.

Even if this new panel does everything Lear & Navy hope it will do, it will be far too expensive for consumer uses at first. It's designed basically as aircraft instrument readout which can be mounted on windshield of plane (since it's transparent). Among other proposed uses: computer & radar readout. However, if device is as good and principle as sound as developers think they are, it's obvious there'll be scurrying to develop lower-cost version which could be applied to TV. Developmental work under Navy contract so far has been so intense that it's understood little or no thought has been given so far to consumer applications.

Of course, it's still long time off, and details are shrouded in security wraps—but you can expect Navy announcement to touch off wave of conjecture whether new TV breakthrough has occurred.

ITT BREAKS INTO U.S. RADIO BUSINESS: Worldwide International Telephone & Telegraph Co., scavenging useful products from its affiliates all over the globe, has entered U.S. radio business with line of 8 transistor radios to be handled by electronics parts distributors.

Disclosed last week, move has been part of campaign by alert new (formed Aug. 1960) Distributor Products Div. to add one new product line every 45 days—utilizing to fullest ITT's global facilities for production of consumer goods.

New radios, to be handled by parts jobbers selected among ITT's more than 2,000 electronic & electrical distributor accounts, are made by several of the company's Japanese affiliates. Initial line: 6-transistor,

\$17.95 & \$29.95; 7-transistor, \$39.95; AM-shortwave, \$47.95 & \$54.95; AM-marine band, \$54.95; AM-FM, \$89.95; clock radio, \$89.95. Battery, earphone & carrying case are included.

Previously added to its consumer line in U.S. by ITT have been hi-fi speakers (German- & Japanese-made), Minifon tape recorders (German-made by non-ITT company), 3 intercom lines (made in U.S., Austria & England).

"We definitely have more plans for other consumer products lines which can be handled by electronic parts distributors," we were told last week by Distributor Products Div. Pres. Frank M. Viles Jr. Like what? "Well, perhaps members of the hi-fi family." How about TV? "I doubt it." Appliances? "Probably not."

"We're aiming at a horizontally diversified base of operation within ITT's framework," said Viles. Entire worldwide system of ITT affiliates is Viles' oyster—and now that it has its import operation set up, it is also looking beyond ITT to handle products made abroad by other companies (as in the case of Minifon tape recorders).

Products will be sold under ITT brand name, with uniform labeling & trademarks. Back of product will bear label: "An ITT worldwide product made in Japan (Germany, U.S., etc.)."

Thus, as foreshadowed in *Television Digest* 1 ½ years ago (Vol. 16:25 p14), ITT is gradually re-entering consumer product field—but this time largely through imports aimed at parts distributors. ITT once was heavily in domestic consumer product manufacturing. It sold its Coolerator refrigerator div. in 1954 to McGraw Electric, its Capehart TV-radio-phono brand in 1956 to Benjamin & Robert Gross (Vol. 12:18-20, 24). Capehart was sold again in 1959 to Dynamic Electronics-N.Y. Inc. (now Capehart Corp.).

ITT is in ideal position to import wide variety of consumer products. In Japan, it is understood to own 22% of big Nippon Electric Co. (TV-radio-phono, other electronic & electrical equipment) and 13% of Sumitomi Electric Industries, and has affiliation deals with several others.

ITT's overseas subsidiary International Standard Electric has these affiliates in the TV-radio business: Compania Standard Electric, Argentina; Standard Telephone & Cables, Australia; Standard Telephon und Telegraphen, Austria; Bell Telephone Mfg. Co., Belgium; Standard Electrica, Brazil; Compania Standard Electric, Chile; Standard Elektrik Lorenz, Germany; Standard Electrica, Spain; Kolster-Brandes, U.K.

SALES & PROFITS INCREASED IN 3RD QUARTER: Apace with improved business and increased operating efficiency, 3 TV-radio manufacturers last week reported sales & profit hikes for 3rd quarter.

Zenith's earnings & sales set records both for 3- and 9-month periods, with 3-quarter earnings 15.7% over last year, single-quarter earnings up 38.7%. Chmn. Hugh Robertson told stockholders that 9-month TV & radio sales both set all-time company records.

RCA's 3rd-quarter sales were 4% ahead of 1960's similar period, net profits 3% higher than last year's relatively poor 3rd quarter. Nine-month sales were 3% over 1960, but profits for the period were down slightly.

Siegler Corp., whose consumer products lines include Olympic & Bogen-Presto, reported best 3-month period in its history in both sales & earnings.

For details on these & other financial reports, see Finance section, p. 10.

THERMO-ELECTRIC FIELD HEATING UP: GE is latest entry with immediately available commercial product in burgeoning field of thermo-electrics. Company's Commercial Equipment Dept. will unveil electronic, no-moving-parts water cooler this week at Hotel Show, Nov. 5-8, in N.Y. Coliseum.

Distribution plan for GE appliance will emphasize rental of water cooler to distributors of bottled water, spokesman told us last week. However, GE also will sell device to distributors and also rent & sell direct to consumer. "We're really feeling our way on distribution," we were told, "and we'll know a lot more after we sample reaction at the Hotel Show." Neither a sale price nor a rental rate structure has been set.

GE water cooler is refined version of developmental thermo-electric device announced last spring (Vol. 17:14 p22). Commercial version has been scaled down to 14-in. high, 14-in. sq. from 25-in. high, 20-in. sq. The pare down steps up efficiency & economy considerably, because power consumption is in ratio to size of thermo-electric devices.

GE's Hotpoint Div. also is active in thermo-electrics, obtained a patent (No. 2986009) last month on a thermo-electric refrigerator which features different "tailor-made" temperatures in each of 5 separate food

compartments. However, we were told that Hotpoint has no commercial plans for unit in "foreseeable future," considers it a developmental project.

Operating cost is one of several major roadblocks in path of swift conversion to thermo-electric appliances. It has been estimated that thermo-electric devices, at present stage of development, are 2-4 times more costly to operate than conventional counterparts. Big problems in cutting operating costs are development of necessary dissimilar thermo-electric metals with high efficiency factor, and joining them so that maximum heat transfer is effected. Present materials used, usually of the bismuth family, have an efficiency rating of 3, we were told. Efficiency rating should be nearly triple that figure if thermo-electric device is to be competitively efficient & economical.

Other activity in thermo-electrics: Westinghouse has sold some 500 electronic water coolers for homes in San Diego area, via bottled-water distributor (Vol. 1:6 p9). Norge has installed thermo-electric ice-cube makers in rooms at new Sheraton Hotel in Chicago. We understand, too, that Russians & Japanese are active in field; former reportedly are producing & selling thermo-electric refrigerators.

PATTERNS IN PHONO FACTORY SALES: Factory sales of phonographs were 17% behind 1960 for first 8 months of this year, official EIA figures indicate. August sales showed some improvement over this year's running pattern—they were 15% lower than those of Aug. 1960, despite the fact that they were highest of any month in 1961 to date (Vol. 1:6 p10).

It's evident that phono inventories are in good shape—since retail sales have been outdistancing production & factory sales. For first 7 months of 1961 (EIA retail figures were discontinued with July totals), retail decline from 1960 was 11%, as opposed to 17% dip in factory sales (Vol. 1:3 p8).

Ratio of stereo to mono has declined slightly from 1960 to 1961. At the 8-month point last year it was 76.5% stereo to 23.5% mono. For the same 1961 period, it had shifted to 74% stereo, 26% mono. Monthly factory phono sales have been tabulated, along with comparable 1960 figures, in the accompanying table.

PHONO FACTORY SALES

Month	1961			1960		
	Mono	Stereo	Total	Mono	Stereo	Total
January	80,366	211,383	291,749	118,400	341,329	459,729
February	50,710	204,638	255,348	92,648	324,666	417,315
March	62,396	227,469	289,865	63,264	242,523	305,787
April	53,074	152,974	206,048	30,962	142,409	173,371
May	53,887	142,450	196,337	36,793	146,176	182,962
June	61,533	197,170	258,703	69,293	198,407	267,700
July	70,681	171,331	242,012	70,992	222,559	293,551
August	106,157	242,164	348,321	109,321	307,517	410,838
TOTAL	538,794	1,549,597	2,088,373	591,674	1,925,586	2,517,260

TOPICS & TRENDS

More attrition in semiconductor business: Trend to mergers in this hotly competitive industry (Vol. 1:5 p7) was underlined last week with news of 2 more acquisitions. Raytheon, which recently acquired CBS Electronics' semiconductor business, has reached agreement to buy Rheem Semiconductor Corp., Mountain View, Cal., from Rheem Mfg. Co. Rheem Semiconductor employs more than 500 in a 100,000-sq.-ft. plant. Greater operating economy & efficiency presumably is reason for upcoming merger of Pacific Semiconductors Inc. with TRW Components Co. Both are owned by Thompson Ramo Wooldridge.

Merger of IRE & AIEE—the 2 largest engineering societies in the world—seems likely by Jan. 1, 1963. Directors of both organizations have approved resolution to form committee to explore consolidation, with report due next Feb. 15. IRE now has 91,000 members, AIEE 70,000. Subtracting approximately 6,000 members who belong to both groups, resultant society would have more than 150,000 members.

Spurt of new FM stereo starters, creating new markets and solidifying old, is expected soon, now that FCC has typed-accepted for stereo 9 models of ITA Electronics transmitters: FM250BS, FM1000BS, FM5000BS, FM7500BS, FM10000BS, FM1000CS, FM5000CS, FM7500CS, FM10000CS, plus exciter SE-1A. Following stations have notified FCC of stereocasting start recently: KSFM Sacramento, Cal.; KSJO San Jose, Cal.; KMUZ Santa Barbara, Cal.; WJBR Wilmington, Del.; WRLB Long Branch, N.J.; WIFI Norristown, Pa.; KFMK Houston, Tex.; WMKE Milwaukee, Wis.

TV set prices have dropped nearly 25% since 1950, analysis of Labor Dept.'s latest Consumers Price Index (CPI) disclosed. TV set index is down to 91 vs. 123 in 1950 and 100 (corresponding to 1947-49 base) in 1952. Record low was 90.1 in 1958.

TV-RADIO PRODUCTION: EIA statistics for week ending Oct. 20 (42nd week of 1961):

	Oct. 13-20	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	156,060	152,841	119,634	4,863,890	4,748,796
Total radio	448,697	441,971	407,078	13,323,076	13,687,035
auto radio	160,009	127,907	145,588	4,165,297	5,251,092

Finance

Zenith reports record sales & earnings for 3rd quarter and first 9 months—3-month profits totaling \$4,533,479 (\$1.50 per share) on sales of \$71,085,740, compared with \$3,268,287 (\$1.10) on \$65,688,191 for same 1960 period. For 9-month period, net profits were \$9,926,723 (\$3.30) on \$187,784,403 vs. \$8,577,752 (\$2.88) on \$183,952,012 in first 9 months of 1960. At meeting last week, stockholders approved increase in authorized common stock from 8 million to 12 million shares, to make possible the 3-for-1 split Nov. 20.

GT&E reports lower profits on record sales for both 3rd quarter and first 9 months. For 3 months: Net profit, \$17,345,000 (24¢ a share) on \$306,976,000 vs. \$18,041,000 (26¢) on \$294,193,000 one year earlier. For 9 months: Net profit, \$49,883,000 (70¢) on \$891,616,000 vs. \$53,221,000 (77¢) on \$875,503,000 for same 1960 period. Chairman Donald C. Power blamed losses on consumer resistance during recession, but saw "definite signs" of improvement. "For example," he added, "in our Sylvania subsidiary, the 3rd-quarter earnings will be better than the sum total of its first 2 quarters, and as Sylvania's 4th quarter is historically its best period from an earnings point of view, we believe the trend is definitely favorable."

Westinghouse sales & profits declined sharply in 3- & 9-month periods ended Sept. 30. For 3 months: Net earnings, \$5,451,000 (14¢ a share) on sales of \$467,131,000 vs. \$20,226,000 (57¢) on \$503,389,000 in 3rd quarter 1960. For 9 months: \$25,012,000 (67¢) on \$1,387,512,000 vs. \$60,680,000 (\$1.71) on \$1,457,233,000. Pres. Mark W. Cresap Jr. stated that defense orders were increasing and "particularly encouraging was the increase of consumer product sales in September, with prices firming."

RCA announces 3rd-quarter profits of \$6.2 million (32¢ a share) on sales of \$368.3 million vs. \$6 million (32¢) on \$354 million sales in 1960's 3rd quarter. For 9 months, the company's profit was \$23.8 million (\$1.29) on a gross of \$1.091 billion vs. \$24.1 million (\$1.46) on \$1.061 billion in the comparable 1960 period.

Siegler Corp. reports record 3-month sales & earnings. For the period ended Sept. 30, net earnings totaled \$1,036,254 (45¢ a share) on sales of \$28,089,559 vs. \$957,494 (42¢) on \$24,283,123 in same 1960 period. Results for both periods include operations of Jack & Heintz Div., which was merged into Siegler in Feb. 1961. Pres. John G. Brooks called outlook for rest of year "promising."

Howard W. Sams Inc. reports net profits for 3 months ended Sept. 30 almost double those of last year, on basis of unaudited figures. Net earnings totaled \$229,279 on sales of \$2,876,739, compared with \$117,009 on \$2,219,529 in same 1960 period.

Electronic Associates: 9 months to Sept. 30—net income, \$669,000 (79¢) on sales of \$12,277,000 vs. \$640,000 (84¢ on fewer shares) on \$10,185,000 in same 1960 period.

Espey Mfg. & Electronics: Year to Sept. 30—net income, \$189,495 (70¢) on sales of \$5,139,089 vs. \$172,490 (62¢) on \$3,696,853 for fiscal 1960.

International Rectifier: 3 months ended Sept. 30—net

income, \$285,080 (12¢) on sales of \$3,529,631 vs. \$280,667 (12¢) on \$3,337,496 one year earlier.

Oak Mfg. Co.: 9 months to Sept. 30—net income, \$305,877 (46¢) on sales of \$16,617,689 vs. \$432,913 (66¢) on \$13,487,660 in same 1960 period.

Indiana General Corp.: 3 months to Sept. 30—net income, \$1,120,250 (97¢) on sales of \$15,799,749 vs. \$1,004,076 (87¢) on \$14,616,244 a year ago.

Thompson Ramo Wooldridge: 3 months to Sept. 30—net income, \$1,723,019 (50¢) on \$100,454,635 vs. \$1,824,284 (55¢) on \$94,817,558 a year earlier. 9 months to Sept. 30—\$3,794,356 (\$1.10) on \$301,334,313 vs. \$6,858,145 (\$2.10) on \$313,962,717.

Trade Personals

E. Bruce McEvoy, ex-Midwestern regional sales mgr., named distributor sales mgr., Sylvania Electronic Tubes, succeeding Harold H. Ranier, who retires Jan. 1 . . . John C. O'Donnell appointed national accounts mgr., Motorola Consumer Products Inc.; he's former manufacturers' rep . . . Ralph A. Howard Jr., ex-Babcock & Wilcox, named EIA staff military economist; C. J. Harrison, Rixon Electronics, reappointed EIA Small Business Committee chairman.

Obituary

Sigurd Varian, 60, co-founder of Varian Associates and co-inventor of the Klystron tube, lost his life last week in a plane crash in Tadalajara, Mexico. A former pilot, Varian had been flying in Mexico with a companion. With his brother, Russell, Varian developed the Klystron and founded tube-maker Varian Associates. He is survived by his wife, a son & a daughter.

Transistor sales increased in August, according to EIA figures, the cumulative total for the year reaching \$117.1 million. Degree of price reduction in transistors is evident in comparison of last year's cumulative unit & dollar totals with this year's. The EIA figures:

	1961		1960	
	Units	Dollars	Units	Dollars
January	12,183,931	\$22,955,167	9,606,630	\$24,714,580
February	13,270,428	25,699,625	9,527,662	24,831,570
March	15,129,273	29,815,291	12,021,506	28,700,129
April	15,072,064	27,388,278	9,891,236	23,198,576
May	15,128,181	25,113,042	9,046,237	24,714,580
June	17,899,005	26,148,746	10,392,412	27,341,733
July	11,227,388	17,506,011	7,070,884	18,083,802
August	17,193,860	25,165,627	9,732,993	22,739,969
TOTAL	117,104,130	\$199,781,787	77,289,560	\$193,756,732

Picture tube sales recovered in August from the 7-year low of July (Vol. 1:3 p8), hitting 2nd-best pace of year. For first 8 months of year, picture-tube sales continued to lag 1960. Receiving-tube sales made sharp recovery in August, which was by far year's best month, both in units & dollar volume. EIA factory sales figures for picture & receiving tubes:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	707,833	\$14,430,602	26,343,000	\$22,227,000
February	728,989	14,395,981	25,803,000	21,865,000
March	936,098	18,725,011	36,635,000	30,719,000
April	722,110	14,293,875	28,687,000	24,392,000
May	673,315	13,238,774	29,823,000	25,808,000
June	806,852	15,887,776	31,463,000	25,989,000
July	457,181	9,364,364	27,566,000	20,979,000
August	870,578	17,239,228	36,907,000	31,347,000
Jan. Aug. 1961	5,902,956	\$117,575,111	243,227,000	\$202,826,000
Jan.-Aug. 1960	6,064,745	121,340,802	267,847,000	226,909,000

WEEKLY Television Digest

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC & FTC JOIN FORCES ON DECEPTIVE PRACTICES, will send all licensees periodical "Advertising Alert" listing FTC complaints & orders (p. 1).

ALLOCATIONS DEADLINE EXTENDED in over-all proceeding, denied in deintermixture & drop-in cases. FCC's WUHF N.Y. first measurements analyzed (p. 2).

USIA'S TV WEAPON HITS TARGETS in 50 countries—including viewers behind Iron Curtain—despite tiny budget & staff. Communists betray their pain (p. 3).

TV CODE HOLDS FAST to ban on feminine-hygiene commercials, postpones Code streamlining, asks NAB staff to "study" new 4-minute prime-time rule (p. 3).

FCC DEMANDS GE & WESTINGHOUSE DATA on chain of command in broadcasting. Letters cite monopoly cases, question top officers' responsibility (p. 3).

LEE PLAN FOR VHF's in deintermixed markets under consideration by EIA mobile equipment makers, some favorably inclined (p. 3).

Consumer Electronics

EXCISE TAXES paid by manufacturers in 1960 provide rough yardstick of their sales of consumer products (p. 6).

TEMPERED APPRAISAL of "color boom": Our survey of leading manufacturers in color market finds sets moving much better than last year, but there's no evidence of a "sales breakthrough" (p. 6).

EIA'S QUIET WORK ON INDUSTRY STANDARDS: Of extreme importance to industry is continuing work on consumer electronics standards being carried out by EIA engineering committees (p. 8).

PHILCO SUPERMARKETING TV's via "Instant Dividend" merchandising program that grants food buyers discounts with monthly supermarket bills (p. 9).

NEW LOOK AT STEREO: Veteran industry engineer Charles J. Hirsch tells EIA Radio Fall Meeting of series of tests which could well change industry's method of designing & evaluating stereo systems (p. 9).

PHILCO IN RED in 3rd quarter. Proxy statement discloses approximate loss of \$1.2 million, notes that first-half deficit totaled \$4.6 million instead of \$4.4 million as originally reported (p. 11).

FCC & FTC JOIN FORCES ON DECEPTIVE PRACTICES: "Advertising Alert." That's new phrase upcoming for broadcasters' lexicon. It's name of report by Federal Trade Commission, to be sent by FCC to all TV & radio stations—fruit of FCC-FTC liaison.

It's understood that FCC will announce new plan this week. "Advertising Alert" will report to stations all complaints & orders announced by FTC regarding misleading & deceptive advertising. In addition, "Alert" will discuss major new problems it uncovers—such as misleading food freezer plans.

FCC will remind licensees that they must show "reasonable diligence" to screen commercials; that they can't delegate responsibility. If FTC has issued only a complaint, FCC will say it expects broadcasters to take particular care in examining alleged offensive material. If an actual final FTC order has been issued, branding specific commercials as misleading or deceptive, FCC will raise "serious question" if station carries commercials nevertheless.

FCC will also ask broadcasters to notify FTC of suspect commercials. All FTC complaints & orders will be carried in "Alert," whether or not advertiser in question is using broadcast media at the time. Report will be monthly at first.

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Testimonial advertising in all media ("Most doctors recommend—," "Three out of 4 baseball players use —") meanwhile became target of special FTC campaign to stop deceptions. "Letters of inquiry" asking for proof are being sent to advertisers claiming such endorsements. If proof isn't offered—and if advertisers don't agree to drop unsupported testimonials—"tougher methods" will be used to force cleanups, FTC said. In companion move, SEC went step further. It banned all testimonial advertising by investment advisors, effective Jan. 1.

ALLOCATIONS DEADLINE EXTENDED; WUHF PROGRESS: Breather in FCC's allocations proceeding was granted by Commission last week when it extended deadline for comments on over-all policy proposals for 60 days beyond Dec. 4. However, it turned down requests for extension of deadlines for comments in 8 specific deintermixture and 8 short-spaced vhf drop-ins proceedings.

Commission didn't announce reasons for foregoing yes-&-no decisions, but FCC sources gave us these explanations: (1) Over-all policy proposals are much more complex, need more time. (2) Deintermixture & drop-in decisions can be made without disturbing over-all proceeding. (3) FCC will be called to testify before Congress on allocations. It's free to testify about over-all policy before finally deciding it, but it has put itself under wraps regarding discussing specific markets before final decisions on them. It would like to have final actions on the markets, to give Congress benefit of its decisions.

Some industry attorneys say they fail to find logic in this, arguing that final actions will stymie Congress. FCC topkicks disagree, insist that Congress will always be free to countermand any FCC decision by law.

FCC's WUHF (Ch. 31) N.Y. provided engineers with a few measurements before transformer burned out and put it off air for week. Arnold Skrivseth, Commission's project chief, said that recordings are too few to be indicative of anything. However, he said: "There's nothing discouraging in them."

But uhf enthusiasts at Commission say results to date "are very promising." They say good signals have been picked up as far as 65 miles, with "good coverage" close in.

Temporary directional antenna is aimed roughly to northeast, straight up Manhattan from Empire State Bldg. Slightly over one megawatt ERP is radiated, with about 1½-degree electrical tilt. Nighttime use of regular antenna is expected to start this week. Radiation will average about 600-800 kw, with 8 db minimum-to-maximum variation around the compass. Jerrold Electronics is measuring in homes, FCC engineers in mobile unit. Skrivseth expects to spend next 2 weeks with unit. AMST also has engineers on job. Transmissions resumed Nov. 3. Though Commission had once planned to "multicast"—use 2 transmitters or more—it has shelved plans, temporarily at least.

USIA'S TV WEAPON HITS TARGETS: USIA's TV Service, 3-year-old (and little-publicized) stepchild of radio Voice of America, which is known & heard around world, is going places—including Communist countries—on its own.

"We started from the bottom," TV Service Dir. Romney Wheeler reminded us last week. When he moved from NBC Great Britain Ltd. to take on newly-created USIA job Nov. 2, 1958 (Vol. 14:40 p10), TV was little more than experimental weapon in U.S. anti-Communist arsenal. Now it's aimed steadily at viewers in 50 countries.

USIA's TV budget & staff still are peanuts as such items are measured in Washington bureaucracy. Wheeler's office is tiny suite on top floor of the agency's hq building, started in 1958 with \$600,000 & 26 employes, is assigned only \$2 million & 92 this fiscal year (compared with \$17 million & 900 for VOA). But impact of USIA-produced documentaries on viewers abroad already is such that Communists betray pain.

Armed guards have had to be posted as precaution against Communist demonstrators at TV stations in Latin America, where 10 million viewers in 36 cities of 18 countries regularly see USIA's weekly Panorama Panamericano and such specials as "Castro, Communism and Cuba." USIA documentary on Polaris missile, shown on West German TV and caught surreptitiously by viewers across border, was so effective that East German Communists took kines from screens for counter-propaganda offensive on their own TV.

Iron Curtain penetration by USIA's TV has become serious problem for Communist regimes. Wheeler estimates that ⅔ of 1,267,000 East German sets can receive West German signals. Half of 143,000 sets in Hungary can pick up USIA shows from Austria (where 50% of TV fan mail comes from Hungarian viewers). Half of 1,000,000 sets in Czechoslovakia also are within USIA range. And Russia itself is vulnerable to USIA programming from Helsinki.

"We've never lost a station once we got it," Wheeler told us. USIA tapes & kines are offered to TV abroad without charge. But unlike VOA, which operates its own powerful transmitters, TV Service must get air time on its own programming merits. And some of USIA shows—particularly Panorama Panamericano news roundups—have turned out so popular that they've been sponsored locally. USIA doesn't compete with U.S. commercial shows sold in expanding operation of networks & syndicators. "We just round out what commercials suppliers are doing very well," Wheeler said.

"Freedom from Fear" is newest ammunition in USIA's TV arsenal. Taped last week in hq studios, it tells visual story of Russian duplicity in atomic-bomb tests—complementing VOA's massive radio "Sunday punch" expose around world Nov. 5. Also new in arsenal is bi-weekly U.S. science-news series produced for USIA by Movietone. Both are counted on by Wheeler to produce fresh proof that no communications medium serves U.S. more strikingly abroad than TV. One expected by-product: Case for bigger TV Service budget.

TV CODE BOARD HOLDING FAST: There'll be no relaxation of NAB TV Code rules against commercials for feminine hygiene products, Code Review Board said firmly last week in response to complaints from some subscribing stations that they're missing rich revenues from this advertising source.

Board voted reaffirmation of its position against such commercials at first meeting with new Code Authority Dir. Robert D. Swezey in one-day Washington session which also brought: (1) Postponement of proposals for stem-to-stern revision of Code provisions to make them clearer. (2) Move to clarify new amendment limiting commercial time to 4 minutes in each 30-minute prime-time program period, effective Oct. 29 (Vol. 17:25 p4).

Action on streamlined Code was deferred to give Swezey chance to go over suggestions by rewrite subcommittee headed by Joseph Herold (KBTW Denver), which has been working on language for more than year. Finished draft probably will be ready for NAB TV Board endorsement at its next scheduled meeting in February.

New 4-minute rule was left untouched by Review Board, but Swezey & his hq staff were asked to "study" language to see if it needs tightening to make clear whether it applies to 30 minutes of prime program time as well as to half-hour participation shows. Questions on point had been raised by independent stations. "Some of them say they have trouble living with the rule," Swezey told us.

FCC DEMANDS GE & WESTINGHOUSE DATA: FCC put this stiff question last week to GE & Westinghouse in their station license renewal cases, now held up because of anti-trust cases (Vol. 1:7 p5): If top officials "were unaware of the flagrant & long-continuing price-fixing violations," as they claimed, how can Commission be assured they'll know anything about broadcast operations?

Nearly-identical letters demanded information "as soon as possible" on these GE & Westinghouse chain-of-command points: (1) What broadcasting policies, "if any," are fixed by companies' officers and/or directors. (2) What procedures are used in carrying out such policies. (3) What procedures are used to see that broadcasting subordinates stay in line with directives. (4) "Full showing" of how policies are implemented. (5) What changes in corporate structure, "if any," are contemplated.

Two companies also were invited by FCC to submit—"in most detailed form"—anything which might constitute "countervailing circumstances" which would take monopoly stigma of GE & Westinghouse off their renewal applications. There's every expectation that Commission will grant renewals, but letters pointed out companies bear "heavy burden of proof" that they'll behave properly as licensees.

Forgive-&-forget plea to govt. was made coincidentally by Westinghouse Pres. Mark W. Cresap in Washington speech at dinner meeting of George Washington U. & Harvard Business School Club. He called for end of "political harassment" of business by govt., saying it "only again rakes over the past." In face of Communist aggression, Cresap said, govt. & industry must accept necessity of working in tandem for survival of freedom.

CURRENT CAPSULES

Comr. Lee's idea of giving deintermixed vhf channels (Ch. 2 to 8 only) to mobile radio services (Vol. 1:3 p1) is being considered by EIA's mobile equipment manufacturers. Substantial number are said to favor concept, some believing all TV should go to uhf. If they go along with Lee, EIA's consumer products members will have to decide where they stand. Most major manufacturers cover both fields. Lee, meanwhile, is scheduled to amplify on concept in talk before National Assn. of Manufacturers' Committee on Manufacturers' Radio Use Nov. 10, at NAM's N.Y. office.

Grand finale in FCC's network-program hearing comes in Washington starting Jan. 9, when network chieftains will testify before full Commission. It's expected to take week or more. Previous sessions were before Chief Examiner James Cunningham. Whole inquiry started in May 1959.

FCC Chmn. Minow's views on newspaper ownership of stations were amplified recently in letter to Midwest publisher who bought only radio station in his town. FCC had approved sale, Minow dissenting, and publisher wrote Minow: "With your dissent I have no quarrel whatsoever. In terms of ideals I even agree with your point of view." But, he went on, he'd like to have "your frank answer to the question of how the adverse consequences resulting from the common ownership of city's only newspaper and radio station might be minimized."

Minow responded: "Your own expressed concern about this does much to relieve my apprehensions about the situation [in your city]. I could not, if I tried, tell you all the things I hope you would do to assure this freedom of expression. If the inclination is there, it is more powerful assurance than Government regulation can ever bring about."

Harry Truman showed his political savvy again last week. After speech at National Press Club in Washington, he was asked what he thinks of FCC Chmn. Minow's moves regarding TV. His response: "What are they? I don't know what they are." Previously, however, he had told friends he's sympathetic with Minow's concepts. But, he added, he didn't want to make point of it publicly—for fear it would make Minow a political football. Truman also told audience that he doesn't believe TV & radio can beat whistle-stopping for political results and that TV debates aren't as effective as "meetings like this."

Broadcasters should beware of "pornographic titillation" put into TV shows by entertainment "phonies" who bill their products as "mature programming," NAB Code Authority Dir. Robert D. Swezey warned in speech prepared for Nov. 6 meeting of N.C. Assn. of Bcstrs. at Southern Pines. He also said stations should be on guard against sexy "box-office smasheroots" which will be offered to TV by movie producers following theater runs.

Secondary-boycott ban refused: NLRB has ruled that "handbilling" of sponsors by IBEW Local 662 in 1960 strike against Middle South Bcstg. Co.'s radio WOGA Chattanooga didn't violate secondary-boycott prohibitions in Landrum-Griffin Act. NAB, which filed friend-of-court brief in station's case against union, fears decision sets precedent negating broadcasters' protection from strike pressures against advertisers' products. Ruling may be protested in Court of Appeals.

Monumental scramble for new vhf channels is in works for Rochester, Syracuse and Grand Rapids, what with 13 applications filed last week. Rochester now has 11 competing for Ch. 13, including last week's Federal Bcstg. System, Citizens TV Corp., Main Bcstg., Heritage Radio & TV Bcstg., Ivy Bcstg. Syracuse has 10, latest being George P. Hollingbery, Salt City Bcstg. Grand Rapids has 6, including last week's Major TV, MKO Bcstg., West Mich. Telecasters, Peninsular Bcstg. (For details of foregoing, see TV Addenda BB herewith).

FCC's reasons for taking Ch. 13 from WLWI Indianapolis and giving it to WIBC (Vol. 1:7 p6) were spelled out in text of decision released last week. It was on "concentration of control" issue, as expected, Commission concluding that Crosley's ownership of WLWT & WLW Cincinnati, WLWD Dayton and WLWC Columbus—plus WLWI—would be less desirable than WIBC's ownership of TV, radio and newspapers in Indianapolis. In original 1957 decision, Commission ruled the opposite. By a strange fluke, Court of Appeals sent case back to FCC because Comr. Craven had voted without hearing oral argument. Now new membership of Commission brings a different decision. Other than in "influence" cases, it's first time FCC has taken channel away from TV operator.

Spanish-language uhf station, Ch. 34, has been granted in Los Angeles to Spanish International Bcstg. Co. It's first uhf in city since educational KTHE (Ch. 28) quit Sept. 10, 1954. Comr. Ford dissented, arguing that there won't be enough uhfs around to take care of ETV and that it's waste to use uhf for such specialized purposes.

Pilot TV classes for businessmen have been started by Washington area trade groups, using closed-circuit facilities of Hagerstown (Md.) school system. Initial group of 256 executives got lessons in "Human Relations & Personal Improvement." Project is endorsed by Small Business Administration.

TelePrompTer's CATV string has reached 13 with purchase of 2 Mont. systems—Highline Community Antenna Service, Cutbank, and TV Microwave & Cable Co., Shelby—together with Intermountain Microwave Co., which serves both. Total price: \$500,000. TelePrompTer also reported CATV service at Henry J. Kaiser's Hawaii Kai project near Honolulu has started and that company expects to take over construction of new Great Falls, Mont. system.

ARB has realigned sales areas for station research services complementing its local market reports. Al Petgen is Eastern regional mgr.; C. A. Kellner, Midwestern regional mgr.

Personals

Howard K. Smith, chief CBS News Washington correspondent & bureau mgr. there, resigns in much-publicized policy dispute with network over personal editorializing on air; David Schoenbrun, from Paris bureau, reported likely replacement . . . John Veckly, U. S. Steel, elected Assn. of National Advertisers chmn.; Max Banzhaf, Armstrong Cork, succeeds him as vice chmn.

Dr. Carroll V. Newson, who resigns Jan 1 as pres. of N.Y.U., has been elected to the boards of RCA & NBC, filling the vacancy resulting from the death of Walter Bedell Smith; Mrs. Everett Needham Case, a member of the RCA board, also was elected to the NBC board.

Grant A. Tinker, from Benton & Bowles, joins NBC-TV as general program executive . . . William B. Monroe Jr. promoted to NBC News dir. in Washington; William T. Corrigan replaces him as mgr. . . . George Heinemann, NBC public-affairs mgr., keynotes annual journalism conference at Ohio State U.

Robert W. Sarnoff, NBC chmn., cited as "one of the great communications men of the world" in receiving honorary D. Sc. degree from Ia. Wesleyan College, Mount Pleasant.

Russell Jones, from CBS News, joins NBC News as Vienna-based roving European correspondent . . . Arthur A. Watson promoted from business mgr. to station mgr. of NBC's WRCV-TV Philadelphia.

William J. Schmitt appointed to new post of gen. mgr., NBC Enterprises . . . Virgil B. Wolfe, ex-KYW-TV Cleveland, named gen. mgr. of WRDW-TV Augusta, Ga.

Martin Malarkey, pioneer CATV operator, forms CATV management consulting firm, Malarkey & Associates, 3045 P St. NW, Washington (Columbia 5-6560) . . . H. H. Goldin, chief of FCC's Research & Education Div., now interviewing applicants for chief of new Education Branch; job pays \$12,000.

Richard M. Allerton retires after 10 years as NAB research mgr., plans to become media & market consultant.

Neal Spelce named science editor of KTBC-TV & KTBC Austin . . . Franklin G. Sisson promoted to station mgr. of WWJ-TV Detroit.

Kenneth Cox, FCC's Broadcast Bureau chief, addresses Ore. Assn. of Bestrs. fall meeting in Portland Nov. 17 . . . Sol Schildhouse promoted to asst. chief, FCC Rules & Standards Div.

Sam A. Jaffe, ex-CBS News, opens ABC News Moscow bureau Nov. 22; John J. Casserly, from Hearst Headline Service in Rome, joins ABC News as full-time correspondent there.

O. W. Myers, gen. mgr. of WHTN-TV Huntington-Charleston, W. Va., promoted to Reeves Bcstg. & Development Corp. broadcast div. vp and named asst. secy. of parent company . . . Charles R. Sanders promoted to mgr. of radio WSPA Spartanburg, S.C., succeeding Ross Holmes, who moved to WLOS-TV Asheville, N.C.

Albert B. Sturges, ex-KGO-TV San Francisco, joins new KATU Portland, Ore. as program mgr. . . . James E. Necessary promoted to local sales mgr. of KTVI St. Louis . . . Terrence S. Ford, from radio WHK Cleveland, joins WJW-TV there as asst. promotion dir.

Robert M. Akin, from Dittmar & Co. Inc., San Antonio investment firm, joins Storer as finance dir.; Bill Michaels named TV vp, Terry H. Lee vp for business planning & development.

Philip D. Taylor, from N.Y. Telephone Co., named AT&T's Washington public relations dir. . . . Elie Abel, from *Detroit News* Washington bureau, joins NBC News.

National Educational TV & Radio Center, Washington office, moves to 1619 Massachusetts Ave. NW. Nov. 10.

Obituary

Dr. Franklin Dunham, 69, chief of TV-radio services in U.S. Office of Education since 1945 and 1930-40 NBC educational dir., died of heart attack Oct. 27 in his office. He was author of several books & monographs, including *Utilization of Radio in the Classroom*. Surviving are his widow, 2 sons, a daughter, a sister.

JFK boosts ETV: Continuing support of educational broadcasting—on radio as well as TV—was pledged by President Kennedy in message at dedication of American U.'s new WAMU Washington. Broadcast ceremonies were part of trial run of new FM Educational Radio Network linking WAMU with Lowell Institute's WGBH-FM Boston, Albany Medical College's WAMC, Amherst College's WFCR, Riverside Church's WRVR N.Y., community-supported WHYY Philadelphia. ERN hopes to set up regular schedules, extend operations in U.S., tie in with CBC.

NBC-TV invasion of its home territory in violation of National Football League rules is alleged in injunction suit against network by St. Louis Cardinals in U.S. District Court, Chicago. Court is asked to stop televising of Baltimore Colts & Pittsburgh Steelers games into St. Louis area on days when Cardinals play at home.

TV's "new magic" for children is pointed up by TIO promotional ads in Nov. *Reporter*, *Saturday Review*, *New Yorker*, *Harper's* and *Harvard Business Review*. Ads list "special interest" network programs which give children "lively exposure to ideas."

Much-postponed probe of TV-radio advertising practices by House Small Business Subcommittee headed by Rep. Alford (D-Ark.) has been put off again. Hearings scheduled for Nov. 6-7 (Vol. 1:4 p6) are now set for Dec. 6-7.

New CATV equipment price policy has been adopted by Intercontinental Electronics, Westbury, L.I., N.Y. Announcing that company will sell at distributor prices, Edward Shafer, TV distribution equipment mgr., said: "Unlike other manufacturers in the CATV industry, we will not sell at special 'community TV' prices which in some cases are as much as one-third higher than distributor prices."

AM stereo standards are still sought by Kahn Research Labs, which asked FCC to reconsider its decision not to start rule-making, stating that Commission's action "short sighted, illegal and against the public interest, because persons who do not have FM radio, but only AM, are entitled to consideration." Similar petition was filed by radio KVOO Tulsa.

Another short-termer: FCC has limited radio WEBY Leland, Miss. to one-year license renewal, citing excess commercials and failure to carry out programming promises. Comrs. Hyde & Craven dissented.

New 20-watt uhf translator—UST-20—has been introduced by Adler Electronics. Company claims automatic repeater provides good reception over wider areas than earlier 10-watt models.

KTVE El Dorado, Ark. appoints Venard, Rintoul & McConnell as rep.

CATV is featured in long article in business section of Oct. 22 *N.Y. Times*—size, potential, leading operators, etc.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

EXCISE TAXES—WHO PAYS HOW MUCH? Manufacturers' federal excise tax payments provide rough yardstick of their sales of consumer products. On most consumer electronic items, excise tax is 10% of factory price.

We've rated some of the large TV-radio-phono manufacturers on basis of their excise tax payments in calendar 1960, as taken from their own financial reports to SEC. Some companies don't list excise tax payments—because they bill their customers (distributors) for the taxes. But for the ones which do, figures give some idea as to companies' volume of consumer products sales.

There are several pitfalls in applying yardstick too strictly. Here are the boundaries & variables: Excise taxes apply to most consumer products (TV, radios, phonos, appliances, records, etc.) and are generally 10%, although for some products they are 8%. Tax applies to "first sale"—manufacturer's sale. If manufacturer sells to its own "Sales Company," tax is on price the sales company pays to manufacturer. If manufacturer sells to distributor, or direct to dealer, it's on that price. Excise taxes also apply to most replacement parts, but not to parts & components sold to original equipment manufacturers.

With these parameters in mind, and using simple expedient of multiplying manufacturers' stated 1960 excise taxes by 10 (since they're 10% of factory price), we get approximate indicated factory volume of consumer products sales (TV-radio-phono-appliances-replacement parts) by 5 important TV-radio-phono manufacturers: Here they are, ranked in descending order:

RCA, \$249,950,000 (includes phono records); Zenith, \$183,400,000; Admiral, \$113,180,000; Philco, \$110,650,000; Magnavox, \$61,440,000.

Stated another way, here is approximate percentage of each manufacturer's 1960 sales on which federal excise tax was paid (rough indicator of percentage represented by consumer product sales):

Manufacturer	Total Sales	Excise Tax	% Taxed
Admiral	\$187,865,196	\$11,318,413	62%
Magnavox	124,879,052	6,143,844	57%
Philco	400,587,000	11,065,000	28%
RCA	997,284,000*	24,995,000	27%
Zenith	254,111,740	18,339,787	72%

* Value of product sales only, excluding broadcasting, investments, etc. RCA's total 1960 gross was \$1,494,896,000. Total gross is used for all other companies listed.

TEMPERED APPRAISAL OF THE 'COLOR BOOM': Color sets are selling better than last year—probably about twice as well. But you can discount glowing reports of a color "take-off" or "sales breakthrough." What is happening is that color TV has become an acceptable high-priced item at the consumer level, although it probably won't account for more than 2½% of TV unit sales this year.

We queried most leading manufacturers in color market last week. Their forecasts for color TV sales ran from a low of 135,000 to a high of 250,000 sets in 1961; from 250,000 to 750,000 in 1962. Our own forecast is that this year around 150,000 color sets will be sold, 50% higher than last year. In 1962, figure may well double to 300,000. (Since there are no official sales figures on color sets, any estimates are educated guesses. These figures differ from our estimates earlier this year [Vol. 17:1 p16] on basis of more accurate information.)

Increased color set movement this fall was sparked by increased promotion, more & better dealer demonstrations, greater number of brands, more & better color programming, according to our set-maker survey. On matter of programming, several manufacturers singled out NBC's new Walt Disney show as biggest sparkplug of all.

What will move color sets even faster? Most set makers said: More programming, lower-priced sets, less bulky sets—generally in that order. As to programming, we see no immediate hope that ABC & CBS will

join NBC in the color act, but our guess is that they'll move in next fall, when color sets count nears one-million mark. In its latest statement—last week—CBS indicated it will be glad to put shows on in color if sponsors are willing to pay the extra freight:

"We are definitely keeping our foot in the door on color. When color-set ownership approaches a significant level and color TV becomes an actual rather than a potential advertising medium, we will be fully prepared to go 'full steam ahead' with color broadcasting. During the present transitional period those network advertisers who are interested in color broadcasting are fully aware that we can produce high caliber color programs and that our affiliates can deliver them to the home receiver."

ABC's party line hasn't changed: "The only thing that will control our decision on color is the public attitude—and we see no evidence of great interest by the general public at this time."

How about all the talk of color set shortages? Consumer interest in color is somewhat heavier than anticipated, and production can't be stepped up quickly. Yes, there will be spot shortages of certain models & makes, but no one who wants a color set is going to have to do without.

Here are individual manufacturer size-ups of color market, with their estimate of industry sales where they were willing to go out on a limb:

RCA Sales Corp. marketing vp Raymond W. Saxon forecast for us that "industry will sell in the neighborhood of 500,000 color sets in 1962." He attributed color's increasing volume to 2 major factors: (1) Additional color programming, plus colorcasting of highly popular shows (Bonanza, Walt Disney, etc.) that can score top ratings. (2) Increase in number of manufacturers on color bandwagon, with resultant support & promotion of new medium at manufacturer, distributor and dealer levels.

Zenith Sales Corp. Pres. Leonard Truesdell told us "color sales are up to our expectations and we'll sell all the sets we make this year." Zenith has indicated that it will produce 25,000 color sets this year (Vol. 1:7 p7). "We never did count on a runaway color market," Truesdell said, "and there's certainly no boom on. There's a nice, healthy buildup in color demand, but no sudden great change in public interest." He forecast 1961 industry sales of 200,000 color sets, 300-350,000 in 1962. "Any predictions above 350,000 would be ridiculous," he continued. "There's been no price breakthrough in color yet and, from Zenith's standpoint, there'll be no dumps or liquidations to force volume. We're not going to try to buy the color market in an abnormal way."

Philco Consumer Products Div. vp-gen. mgr. Henry E. Bowes forecast 1961 color sales at 225,000 units, said color will continue to represent only a "small" percentage of Philco's over-all TV volume.

Packard Bell Electronics' Kenneth R. Johnson, vp in charge of Home Products Div., is highly enthusiastic & bullish about color: "It's a real hot market for us," he told us, "and we're already oversold. We've been in color TV continuously since 1954 and this is the first time we've been oversold. We don't expect to be able to catch up with our demand until March." He attributes upsurge to increased programming. "Above all else," Johnson emphasized, "programming is the key to color's success. I estimate that 80% of the people in our market [Packard Bell concentrates its sales in 13 western states] have never seen color, but more & more of them are now being attracted by the improved & increased programming." For 1961, Johnson sees total color sales of 250,000 units. He sees a real take-off in 1962 and is out on a long limb: "750,000 sets—with increased programming and dealer sales effort."

Magnavox Pres. Frank Freimann told us his company's sales this year will be more than double last year's figure, and will double again next year, when "we will make a more important effort." Another Magnavox spokesman categorized color activity as "not a dramatic breakthrough, but steady growth." In 3-4 years, he added, "it might be a really good market." His estimate of industry color sales this year is 135,000-150,000, with sales doubling next year.

Emerson Pres. Benjamin Abrams said color sets are "selling better—there's more interest." He credited increased programs, promotion and manufacturer & dealer participation. "We are allocating sets at the present moment, not because of phenomenal sales but because our color-TV activity is not extensive." He predicted this year's total industry color sales at 150,000-160,000, next year about 300,000.

Olympic Pres. Morris Sobin called color business "pretty good—not sensational, but a nice increase in momentum." He added: "It's not very significant as far as we're concerned, because only a modest percentage of our business is in color." For entire industry, he estimated total 1961 color sales at 150,000-175,000 sets, next year's sales at about 250,000.

GE TV receiver marketing mgr. S. Martin Fassler said: "We are gratified with the response to our

color-TV line. Shortages in certain markets may develop. Next year color TV should have a healthy increase despite high prices & large cabinets."

First imports of color sets began last week. Delmonico International announced its color combination (TV-AM-FM-phono) will be on sale at Liberty Music Stores shortly after mid-November and in other stores about month later. The set, shown for first time at last summer's Music Show (Vol. 17:30 p17), will list at \$595, is partly transistorized (9 transistors, 2 diodes, 35 tubes). Chassis & cabinet are imported from Japan Victor Co., RCA picture tube inserted in U.S.

Delmonico said it hopes to get 2-3% of color-set market next year with the combination. By Delmonico's own estimate of 1962 color sales (300,000 sets), this would place its share at 6,000-10,000 sets.

EIA'S QUIET WORK ON INDUSTRY STANDARDS: Relatively unsung, but of extreme importance to industry, is the continuing work on consumer electronics standards being carried out by EIA engineering committees utilizing top technical talent drawn from all over industry. Three current projects are good examples of how EIA's standardization work benefits both manufacturers & consumers:

(1) Hi-fi measurement standards. EIA's Music Power Rating standard for packaged hi fi, formally adopted in Feb. 1960 (Vol. 16:8 p17), now is accepted by virtually entire industry. It has made possible uniform comparison of amplifier power in packaged stereo units, putting an end to "horsepower race" of meaningless claims based on non-standardized power ratings.

But EIA's committee hasn't stopped here, as mgr. James A Stark of GE phonograph product engineering noted in a paper at last week's Radio Fall Meeting in Syracuse. The committee on packaged audio equipment has completed investigation of transistorized hi-fi amplifiers and has recommended that Music Power Rating system be extended basically intact into this field.

But Music Power Rating covers only the amplifier section of hi-fi system. So committee is now considering possible methods of rating over-all packaged hi-fi systems—including phono pickup cartridge & speakers. One approach, according to Stark, would be to adopt "figure-of-merit" measurement for each of these components and multiplying them by Music Power Rating of amplifier for total system power rating. Another approach would involve measurements using special test record.

"The over-all system power measurement," Stark concluded, "is still strictly in the area of speculation, and the EIA R-20 [packaged audio equipment] committee is seeking comments on [these] and possible other approaches from the EIA committees on cartridges, recordings & loudspeakers."

(2) Co-channel interference. With increasing power of TV stations and greater sensitivity of receivers, interference between stations on same channels is becoming very significant problem in fringe areas. EIA inquiries have disclosed increasing degradation of reception in areas roughly midway between cities which have same channel assignments (examples: N.Y. & Washington, N.Y. & Boston).

EIA committee headed by RCA's Wendell Morrison is looking at this problem and what can be done about it. Best guess is that it will ask FCC to adopt precision offset principle—requiring stations to offset their carriers by specified amounts to much more precise tolerances than are now required. Viewer's fine-tuning knob thus could tune out co-channel interference.

(3) Black-level standards. Another EIA engineering committee, headed by Westinghouse's David Sillman, is studying entire question of "DC component" in TV picture.

This rather complex question boils down to high fidelity in reproduction of TV picture and how important it is. DC component in picture transmitted by station is actually a reference level for blacks, whites & greys in the picture—in effect the "background level" of picture. However, since the mid-1950s, most TV receivers have used AC-coupled circuits and have ignored DC component of picture entirely. This means that blacks often show up grey, and tones in picture seen in home are inaccurate interpretation of picture being sent out by station.

In last couple years, some set manufacturers have begun using DC coupling (or DC restoration) in receivers again—notably RCA, Philco, Admiral, Zenith—and several others plan to add it to circuits in next year's models. Under ideal conditions, DC component in set gives accurate rendition of what is being transmitted by station—blacks are completely black, whites are closer to white, contrast appears better, etc.

Sets with DC component, however, require more brightness & contrast adjustments than regular AC-coupled sets—usually when switching from station to station, often when programs change on same station.

Brightness & contrast adjustments also are somewhat more difficult for consumer—at least until he gets the hang of it.

Black-level committee is surveying receiver industry on status of DC component in sets. It hopes to decide whether it can make recommendation for standardization of DC level in receivers. It also will check whether stations are following FCC rules on DC component and whether rules ought to be changed. Present thinking of committee is that from 30% to 50% DC component could be put into receivers without causing too many tuning complications for viewers, but that 50-70% might be more desirable for higher-fidelity picture.

These are just 3 areas in which EIA is working toward more standardization, better products and more satisfied consumers. There are many more.

PHILCO SUPERMARKETING TVS, APPLIANCES: "Instant Dividend" is a marketing phrase you're likely to hear more about and often in ensuing weeks. It identifies a Philco-conceived merchandising gimmick that's calculated to sell a host of TVs, stereo phonos and appliances through supermarkets. Nub of the gimmick: you can get a Philco product for "peanuts" by simply buying food—at a participating supermarket.

Although Philco is keeping mum on details, pending national introduction, program is being tested in scattered areas, and participating stores are advertising & promoting "I. D." (The "I. D." symbol is trademarked by Philco Finance Corp.) Here's how it works:

Supermarket customers interested in a Philco TV, phono or appliance receive with their food purchase a credit which can be applied to the purchase of the Philco product. The credit varies according to the size of the food bill and the price of the Philco product. But, however combination works out, discount on the TV or appliance is sizable, and customer acquires it with no downpayment and with easy monthly payments over 2½ year period. It's also possible, if food purchases are large enough, for customer to completely liquidate cost of TV or appliance and get it as a complete, as well as instant, dividend.

Here's example of "I. D." in operation: A supermarket customer agrees to purchase a \$300 (including finance charges) Philco TV and pay for it in 30 \$10 monthly instalments. Average food bill for family of 4 is estimated at \$30 weekly, \$120 monthly. Under "I. D." formula, \$120 supermarket tape is good for a \$7.15 credit against \$10 monthly instalment on TV set. For that month, customer pays only \$2.85. If customer's food bill averages \$120 monthly for 30 month period, he'll pay only \$85.50 cash for \$300 TV set. If food bills are higher, he'll pay even less for his TV.

Reaction to "I. D." in test areas has been overwhelming, Philco spokesman told us, "and everybody now wants to get on the bandwagon." There's been no adverse dealer reaction, he said, because supermarkets are not competing with dealers. Supermarkets display Philco merchandise, but products selected by customers are delivered from nearby Philco dealer. Nebraska & Pennsylvania are 2 states in which "I. D." promotion is now being tested. Among participating supermarket chains: Hinky Dinky and Piggly Wiggly.

In full-page ad in Lincoln (Neb.) Evening Journal and Nebraska State Journal, Hinky Dinky chain proclaimed: "We think this is the most wonderful money-saving opportunity we have ever offered our customers. For the first time, you get an Instant Dividend on your cash register sales tapes. You get Immediate Delivery of the Philco you select! There's no waiting until you collect enough receipts. Every sales tape you get on your purchases is good immediately—this month—to reduce the price you pay for the Philco TV, hi-fi or appliance you choose! . . . An Instant Dividend on your food purchases! Get that new TV, stereo or major appliance of your dreams at once. Pay for it with your Hinky Dinky cash register tapes."

NEW LOOK AT STEREO—WHY IT 'SOUNDS GOOD': Directional effect "is now seen to be only part, perhaps the least important, of the contribution stereo makes to the pleasure of listening." So said veteran industry engineer Charles J. Hirsch last week in reporting on series of tests which could well change industry's method of designing & evaluating stereo systems.

Addressing EIA's Radio Fall Meeting in Syracuse, he told of his studies of why orchestral music sounds so much better when reproduced stereophonically, even though directional effects in this type of music are relatively unimportant. Aside from psychological enhancement of music by directional effect, Hirsch found definite physiological reason for stereo's superiority. In a nutshell: You get fuller reproduction of all tones, less distortion—more music.

Answer lies in nature of human hearing itself. Research has shown that "a tone picked up exclu-

sively in one ear does not cancel, or modulate, or otherwise interfere with another tone picked up exclusively by the other ear." In some listeners, the same tone may produce different pitch in each ear.

In monophonic listening, identical notes may cancel each other out or enhance each other, depending on whether they're in or out of phase. For example, "violins may partially cancel the woodwinds when they play the same note [resulting in] neither violin nor woodwind but an emaciated composite of the two." However, if there are 2 identical notes, differing only in phase, so that one is heard only by the left ear, and the other only by the right, they do not cancel when their phases are opposite. "They are heard individually and the relation of each fundamental to its overtones is not disturbed. Thus a violin on the left and a woodwind on the right are heard as individual instruments even when playing the same note, no matter what their phases may be."

In other words, "the superiority of stereo depends on the existence of 2 separate channels starting from the original information, on the 2 tracks of the record, all the way to the brain." In addition to direct reproduction of music, studio reverberation helps add presence in stereo because sound waves reflected from opposite studio walls don't cancel each other out, as they tend to do on monophonic recordings.

Among possible practical applications of Hirsch's studies: (1) Extra sound channels in stereo reproduction, while improving directional characteristics, wouldn't enhance musical quality of recording, since hearing is 2-ear phenomenon. (2) Stereo systems which use single center speaker for bass notes (because low-frequency hearing is not very directional) may deteriorate music quality because these low tones "can partly destroy each other when transmitted, out of phase, by a single channel."

Hirsch's work may help to settle long-time argument over stereo: Is it merely a stunt, at its best only when recording ping-pong games or music with artificially exaggerated separation? No, says Hirsch, stereo improves any music because it provides "more music" to the listener. He sums up stereo's 2 effects this way:

"Stereophony uses binaural hearing to produce 2 unrelated effects. One effect is psychological; it isolates individual sources of sound from each other by providing clues about their directions to the listener. The other effect is physiological; it prevents interference between tones by separating them until they reach the brain."

TOPICS & TRENDS

Transistorization of consumer electronics equipment was highlight of EIA's Radio Fall Meeting last week in Syracuse for most engineers. Particularly well attended and subject of much corridor discussion was paper on "An All-Transistor Ultra-Fidelity Stereophonic Amplifier" by Motorola Semiconductor Products' Douglas W. Taylor. Taylor detailed how high-quality \$200 component amplifier compared with new-design transistorized amplifier.

He concluded that transistor amplifier's performance was better than the high-rated tube amplifier, and that cost was roughly comparable, principally because of elimination of costly output transformer. He told us Motorola is currently discussing the design with component hi-fi manufacturers. Other papers arousing considerable interest were on a new transistor complement for TV (Philco semiconductors) and transistorized AM-FM car radio (RCA semiconductors).

Richard E. Krafve, Raytheon pres., forecasts total 1961 electronic industry sales of \$10 billion (\$12 billion if related govt. non-electronic missile & space expenditures are included), a rise to \$18-20 billion by 1970. Speaking before N.Y. Society of Security Analysts, he said 1961 consumer electronics sales would total more than \$2 billion but would be at about same level in 1970. He expects commercial electronic sales to be slightly less than \$2 billion in 1961, more than double by 1970; govt. electronic sales about \$7 billion this year, \$10 billion in 1970.

"Sentinel Service," device to keep portable AM receivers in continuous operating state to receive civil defense messages, was demonstrated by Philco in Washington last week. It offered concept to Defense Dept. which, if it approves system, will ask FCC to modify transmission standards. Essentially, system keeps receiver in low-battery-drain operation, automatically turning it on completely when activated by special coding signal. Philco contingent, headed by vp David Smith and TV-radio engineering dir. Wilson P. Boothroyd, said circuits can be built into sets at cost of about \$10 to consumer. Batteries last about 40 days. For pocket-sized radios, a special stand has been devised. It plugs into AC circuit to conserve batteries, but also has batteries; receiver plugs into stand, which can sell for about \$20.

Magnavox's plans for expansion into British market (Vol. 16:4 p19) are stalled, at least temporarily, Pres. Frank Freimann told N.Y. Society of Security Analysts last week. The outlook for its British operations, Freimann said in answer to question, is "bleak." He added: "We're coasting as far as introduction of consumer products in England is concerned. The British govt. has imposed credit restrictions that are ruinous." Presumably, Magnavox is parting company with big retail & mail-order house Great Universal Stores Ltd., which was to handle Magnavox products in England. Freimann said his company plans to buy out the 30% interest in Collaro Ltd. held by Great Universal, giving Magnavox 100% ownership in Collaro. As to Collaro, "we didn't follow our original plans to develop Collaro into a profitable business" (it's now "breaking even"). He said Collaro is currently producing record changers mainly for use of Magnavox and not for other U.S. manufacturers. As to Magnavox's sales & profit outlook for 1962, Freimann painted a glowing picture (see Finance section).

Japanese radio exports to U.S. declined more than 11% in first 6 months this year compared with corresponding 1960 period—from \$29.7 million to \$26.4 million, Japanese Finance Ministry reports. Over-all exports were down 16.6% while imports from U.S. rose 30.2%.

"Built-in & ineradicable inflation" is contained in proposal by Labor Secy. Goldberg to set \$1.60 as minimum govt.-contract wage for electronic equipment industry workers, EIA said in protest brief. Plants employing less than 8 were excluded from Labor Dept.'s review of prevailing pay, EIA complained, arguing that \$1.35 would be a fairer figure.

TV-RADIO PRODUCTION: EIA statistics for week ending Oct. 27 (43rd week of 1961):

	Oct.-21-27	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	158,370	156,060	123,919	5,018,695	4,873,120
Total radio	451,956	448,697	445,175	13,795,916	14,135,937
auto radio	145,578	160,009	169,582	4,325,608	5,420,279

Finance

PHILCO IN RED IN 3RD QUARTER: A 61-page proxy statement to Philco stockholders last week delivered additional unhappy news that the company suffered a 3rd-quarter loss of some \$1.2 million and that the actual loss in 1961's first half was \$4.6 million instead of \$4.4 million as originally reported (Vol. 17:33 p20). The proxy information was in connection with a special meeting which will be held Nov. 28 to vote on the proposed acquisition of Philco by Ford Motor Co. (Vol. 1:1-A p5).

Philco Pres. James M. Skinner Jr. told stockholders in a letter accompanying the proxy statement that the company's directors recommend "your approval" of the proposed acquisition. "In the board's opinion," Skinner amplified, "Philco lacks the financial resources needed to operate its business to advantage and, because of its continuing loss of working capital during the past 12 months, may be faced with curtailment or elimination of company-sponsored research & product lines of long term value to the company. On the other hand, Ford has the resources so important for the forward progress of Philco's business."

The proxy statement also explained the reasons for the first-half audited loss of \$4.6 million: "The major factors responsible for Philco's loss in the first half of 1961 were the severe decline in the sales & the gross margins of its Consumer Products and Lansdale Divs. and an increase in the already high cost of developing & marketing its computers."

Philco's balance sheet as of July 2, the proxy statement disclosed, showed total assets of \$242,323,000—including \$21,608,000 cash, \$79,371,000 inventories and \$51,212,000 in property, plant and equipment. Total liabilities came to

\$136,723,000, of which \$89,082,000 represented current obligations.

Magnavox 1961 sales & profits "will just about reach our minimum prediction" of \$140 million sales, \$1.25 a share profits—both figures substantially ahead of last year—Pres. Frank Freimann told N.Y. Society of Security Analysts last week. For 1962, he forecast sales of \$200 million, profits of \$1.75 a share. He said Magnavox's TV sales now account for about 4% of industry in units, "much more by dollar volume" (this would place Magnavox sales at about 230,000 sets per year). "In stereo," he added, "we do much more than that." In consumer field, he said, "we expect an increase of about 25%" next year. "Before last year, we had a small fraction of 1% of industry radio volume. Our volume in this area was more than doubled this year. Next year it will be more than tripled. We are going to be important in this area." He showed 2 new products—the smallest AM-FM transistor set, which can fit in an overcoat pocket (\$69.50), and a deluxe AM-FM-marine band-SW set (\$150). Both were made abroad to Magnavox specifications. Also demonstrated at meeting was Magnavox all-transistor electronic organ (\$1,100), on which shipments will begin this month. Company also plans models at \$795 & \$1,500. "Better than 75% of our profits," said Freimann, "still come from consumer products." (For Magnavox 9-month results, see financial table).

Jerrold Forecasts Record Revenues: A 33% jump in sales & service revenues to a record \$16 million (from \$12.1 million a year ago) is anticipated by Jerrold Electronics for its current fiscal year ending next Feb. 28, Pres. Sidney Harman told a group of N.Y. security analysts last week. He said that net income from operations also should be "substantially in excess" of fiscal 1961's \$248,873 (13¢ a share).

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
American Bosch Arma	1961—9 mo. to Sept. 30	\$ 99,560,909	—	\$ 1,477,763	\$0.75	1,902,041
	1960—9 mo. to Sept. 30	93,289,510	—	981,976	.49	1,885,254
AB-PT	1961—9 mo. to Sept. 30	—	\$16,117,000	7,580,000 ¹⁻²	1.78	—
	1960—9 mo. to Sept. 30	—	16,173,000	7,522,000 ³	1.76	—
	1961—qtr. to Sept. 30	—	4,009,000	1,886,000 ⁴	.44	—
	1960—qtr. to Sept. 30	—	3,970,000	1,869,000 ⁵	.43	—
Corning Glass	1961—9 mo. to Sept. 30	170,115,129	—	18,481,194	2.71	6,775,955
	1960—9 mo. to Sept. 30	165,481,036	—	17,580,333	2.58	6,754,600
Electronic Communications	1961—year to Sept. 30	22,280,994	—	306,153	.46	—
	1960—year to Sept. 30	23,957,815	—	557,707	.98	—
Globe-Union	1961—9 mo. to Sept. 30	42,941,563	—	1,211,520	1.41	853,775
	1960—9 mo. to Sept. 30	43,927,515	—	1,168,784	1.38	842,729
	1961—qtr. to Sept. 30	16,551,018	—	339,825	.40	853,775
	1960—qtr. to Sept. 30	15,885,999	—	332,259	.39	842,729
Hoffman Electronics	1961—9 mo. to Sept. 30	44,462,097	733,623	358,623	.23	1,534,088
	1960—9 mo. to Sept. 30	38,659,460	529,431	252,431	.17	1,524,221
	1961—qtr. to Sept. 30	13,125,101	10,966	8,966	.01	1,534,088
	1960—qtr. to Sept. 30	14,723,910	276,377	129,377	.09	1,524,221
Indiana General	1961—9 mo. to Sept. 30	15,799,749	2,277,340	1,120,250	.97	1,150,002
	1960—9 mo. to Sept. 30	14,616,244	2,045,606	1,004,076	.87	1,150,002
Litton Industries	1961—year to July 31	250,114,456	—	10,158,323	2.30	4,368,273
	1960—year to July 31	187,761,242	—	7,454,854	1.72	4,158,602
Magnavox Story on p. 11.	1961—9 mo. to Sept. 30	89,293,000 ¹	—	4,333,000 ¹	.61	2,372,889
	1960—9 mo. to Sept. 30	79,875,000	—	3,534,000	.50	2,360,000
Motorola	1961—9 mo. to Sept. 30	207,703,769	13,910,156	6,416,892	1.59	4,028,652
	1960—9 mo. to Sept. 30	224,480,543	20,578,076	9,782,851	2.43	4,028,652
	1961—qtr. to Sept. 30	78,981,545 ¹	7,483,495	3,354,363	.83	4,028,652
	1960—qtr. to Sept. 30	78,754,669	7,025,114	3,276,633	.81	4,028,652
MCA	1961—9 mo. to Sept. 30	—	—	5,353,466	1.31	3,995,735
	1960—9 mo. to Sept. 30	—	—	4,484,073	1.09	3,995,735
Muntz TV	1961—year to Aug. 31	9,032,186	—	832,948 ⁷	.60	1,175,876
	1960—year to Aug. 31	9,833,829	—	860,451	.62	1,165,376
Standard Kollsman	1961—9 mo. to Sept. 30	76,262,873	—	2,435,515	1.17	2,086,891
	1960—9 mo. to Sept. 30	71,815,551	—	2,203,580	1.06	2,006,213
Texas Instruments	1961—9 mo. to Sept. 30	171,937,000	14,856,000	7,063,000	1.77 ⁶	3,941,463
	1960—9 mo. to Sept. 30	170,147,000	23,485,000	11,517,000	2.91 ⁶	3,924,613
	1961—qtr. to Sept. 30	52,077,000	1,574,000	689,000	.17 ⁶	3,941,463
	1960—qtr. to Sept. 30	54,096,000	7,133,000	3,596,000	.91 ⁶	3,924,613
Transcontinent TV Corp.	1961—9 mo. to Sept. 30	12,694,683	—	798,341	.45	1,768,612
	1960—9 mo. to Sept. 30	9,752,383	—	690,967	.39	1,767,712
Wells-Gardner Electronics	1961—9 mo. to Sept. 30	16,944,596	1,004,511	487,511	1.15	422,400
	1960—9 mo. to Sept. 30	16,122,424	993,812	482,812	1.14	421,800
	1961—qtr. to Sept. 30	7,317,785	588,312	282,312	.67	422,400
	1960—qtr. to Sept. 30	6,827,336	556,428	267,428	.63	421,800

Notes: ¹Record. ²Before capital gains of \$6,178,000 (\$1.46 a share).
³Before capital gains of \$1,351,000 (32¢). ⁴Before capital gains of

\$29,000 (1¢). ⁵Before capital gains of \$23,000 (1¢). ⁶After preferred dividends. ⁷Includes special credit of \$170,681.

Trade Personals

Robert E. Brooker, onetime Sears Roebuck vp, resigns as Whirlpool Corp. pres. to become pres. of Montgomery Ward, succeeding Paul Hammaker, who resigned last spring. Whirlpool Chmn. Elisha Gray will also assume post of pres. . . . J. C. Saur named to new post of dealer sales mgr., GE major appliance sales & distribution dept., Louisville, responsible for distribution of TV & stereo.

Thomas P. Carroll named Motorola car radio specialist, assigned to provide specialized sales assistance to distributors . . . George Simkowski named Webcor field sales mgr., L. B. Burdick distributor sales mgr. . . . Julian Hilman, ex-Fairchild Camera, appointed dir. of reliability, General Instrument semiconductor div. . . . Ben Edelman, Western Electric, renamed chairman of EIA's Educational Coordin-

ating Committee; Robert T. Borth, GE, reappointed chairman of Congressional Information Committee.

Edwin J. Haase appointed distributor sales mgr. for Sylvania's electronic tube div. in Midwest.

Obituary

Peter L. Jensen, 73, co-inventor of the loudspeaker and founder of Jensen Industries, died Oct. 25 at his home in Western Springs, Ill. He is also credited with being possibly the first man to devise a wireless telephone when he developed shore-to-ship voice communication for the Danish govt. in the early 1900s. He was knighted in Denmark for his electronics accomplishments, later came to U.S. and, with Edwin L. Pridham, developed the loudspeaker, the first aircraft radio system and the first electric phonograph. He is survived by his wife, 2 sons & 2 daughters.

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

SUMMARY-INDEX OF WEEK'S NEWS**Broadcast**

PUBLISHER QUESTIONS TV-RADIO 'FREEDOM', Wall St. Journal Pres. Kilgore saying freedom of press would be "obscured dangerously" if confused with licensed media (p. 1).

SATELLITE-TV FOR HOMES, covering areas of entire sub-continent, proposed by RCA as most feasible & economical method of bringing TV to underdeveloped areas. Technical & cost highlights presented (p. 1).

SATELLITE COUNTDOWN STALLED at Senate hearing where industry plan for "non-profit" operations of space communications is subjected to sharp criticism (p. 2).

LEE ELABORATES ON VHF DELETION, tells NAM of proposal to give deintermixed channels to non-broadcast services, says it would ease pressure for all-uhf moves (p. 3).

AT&T LOWERS TARIFFS FOR ETV, giving FCC new schedule which offers hookup rates "significantly lower" than commercial TV's. Actual comparisons lacking (p. 3).

COURT HALTS ETV DEAL FOR WNTA-TV, ordering stay in FCC's approval of \$6.2-million sale by NTA to N.Y. group. Precedent-breaking rule could wreck ETV plan (p. 3).

PROBLEMS OF TEMPORARY OPERATION in Syracuse, Rochester & Grand Rapids weighed by FCC, applicants, attorneys (p. 4).

NETWORKS CUT 1960 RADIO LOSSES to \$3 million from \$4.5 million in 1959, final FCC AM-FM figures show. Other radio upped profits 4.3% to \$48.9 million (p. 4).

Consumer Electronics

STROMBERG-CARLSON, enjoying "good" business, faces paradoxical question of whether to drop hi-fi line. "Inventory reduction" program instituted to improve General Dynamics' cash position (p. 6).

HOTEL TV awaits replacement boom, as first 5-year cycle draws to close. More manufacturers offer more special models, with combination TV-radio seen taking over much of business. Color better than last year but still slow (p. 6).

MORE APPRAISALS—but still no color boom, our continuing survey of industry leaders finds; Motorola still on sidelines, but Admiral & Sears find strong color pickup (p. 8).

ADMIRAL 3RD-QUARTER PROFIT TRIPLES; increased sales of costlier products with fatter profit margins contribute to earnings of \$1.4 million vs. \$497,072 a year ago (p. 9).

PUBLISHER QUESTIONS TV-RADIO 'FREEDOM': Strange apparent lack of support for freedom of speech for TV-radio was expressed last week from a strange source—Wall St. Journal Pres. Bernard Kilgore, speaking at Colby College convocation in Waterville, Me.

"If we try to argue that freedom of the press," he said, "can somehow exist in a medium licensed by the govt., we have no argument against a licensed press. That would put us back to the very beginning of the fight for freedom."

Freedom of the press, he said, means simply the right to own a press and comment on public affairs. "The further we go beyond these simple fundamentals the greater risk we run of weakening our position."

Kilgore couldn't be reached for amplification at press time, but his asst. said he believed Kilgore intended to emphasize that freedom of the press shouldn't get involved with arguments about TV-radio's freedom vis-a-vis govt. regulation. He noted that Kilgore said that freedom of the press would be "obscured dangerously" if extended to media operating under govt. license.

Broadcasters will glean scant comfort, nonetheless, from source from which it's accustomed to expect support in fights with govt.

RCA PROPOSES SATELLITE-TV FOR HOMES: Space-borne TV stations covering 1 to 3 million square miles were proposed by a top RCA scientist last week as most economical & feasible method for bringing video to world's underdeveloped areas. Director N. I. Korman of Advanced Military Systems, RCA Defense Electronic Products, sketched in the details—including cost estimates—of satellite telecasting system previously proposed by RCA Chairman Brig. Gen. David Sarnoff.

First demonstration could be made "in the middle of this decade and full operational service could be achieved by the end of the decade," Dr. Korman said in address at annual conference of Atomic Industrial Forum in Chicago. Highlights of his proposal:

Entire sub-continents such as Brazil, India, Western Europe, could be covered from synchronous satellites. Optimum frequency would be present uhf TV bands—preferred to vhf because of antenna size & relative freedom from noise in uhf. Transmitted power output should be about 4 or 5 kw per channel, requiring 15 kw of prime power per channel. Conventional home uhf receivers would be used, but with receiving antennas about 3 ft. in diameter directed upward rather than horizontally.

Greatest promise for power supply & launching system would be SNAP 8 reactor power plant to supply 50 kw for 3 TV channels, with an electrical propulsion system which would gradually elevate satellite to 22,300-mile-high orbit—a process which would take about 2 months. At this altitude, satellite's orbit period would match rotation of earth and it would "hover" over a given spot on earth.

Cost of development & testing, "beyond that which is already under way for other purposes," would be less than \$100 million.

Dr. Korman presented interesting cost comparison of satellite, ground-based and aircraft-based (Stratovision) telecasting system for country such as India. Each would serve 570,000 receivers (1 per 730 people).

Ground-based system would involve 224 broadcast stations (9 equipped to originate programs), interconnected by 18,000 miles of microwave network and supplying 2 channels to every area. Capital investment: \$529 million. Annual operating cost: \$119 million.

Aircraft-based system would have 9 program originating stations, 40 aircraft (6 channels each). Because of difference in receiving antenna costs, unit cost per receiver would be higher than for either of other 2 systems. Capital investment for aircraft system: \$484 million. Operating cost: \$111 million.

Satellite system would use 9 program originating stations, 3 satellites each providing 3 channels, with assumption 50% probability of successful launch for any one satellite, one-year expected life, today's launching costs. Capital investment: \$323 million. Operating costs: \$116 million.

As to use in U.S., Dr. Korman conceded our broadcasting system has been "established in such a way as not to be applicable to satellite broadcasting" and "we do not wish to rebut this particular argument at the present time." However, he added, "it does appear . . . that where new TV systems are being contemplated in the world, the possibility of establishing this by means of a satellite are very bright indeed."

SATELLITE COUNTDOWN STALLED: Proposals by FCC's Ad Hoc Carrier Committee for commercial satellite communications (Vol. 1:5 p2) ran into trouble from all directions at Senate hearing last week.

"Non-profit" space plan was denounced by Small Business Monopoly Subcommittee Chmn. Long (D-La.), challenged by Justice Dept., questioned by National Aeronautics & Space Council. It failed to get FCC endorsement. And it was criticized from within industry group itself.

It's "self-interest proposal" which raises serious "monopoly problems" and doesn't "meet, or even attempt to meet competition," said Long at one point in 2-day hearings. It's "not adequate to meet the standards of the President or the Justice Dept.," agreed Asst. Attorney General Lee Loevinger, Anti-Trust Div. chief. He said his dissatisfaction was based "mostly on its generalities & omissions."

Administration isn't ready to buy plan, exec. secy. Dr. Edward Welsh of Space Council said. Critical appraisal of it is accompanied by consideration of other approaches to see whether they might serve "public interest" better, he told Subcommittee.

"We're still in the middle of the ball game," FCC Chmn. Minow testified, reporting Commission wasn't yet prepared to take position—one way or another—on carriers' blueprint for satellite setup. He said it would be subjected to closest examination to make sure "public interest will be fully served."

Public corporation should share ownership of system, said Western Union vp S. M. Barr, member of Ad Hoc Committee. He testified that its plan might lead to domination by one company—meaning AT&T. Agreeing with Barr, Sen. Long said national policy problems were long way from being resolved.

LEE ELABORATES ON VHF DELETION: Comr. Lee's controversial—to say the least—plan for giving unused and deintermixed vhf channels to non-broadcast services (Vol. 1:3 p1) was described by him in detail last week.

In speech prepared for delivery in N.Y. Nov. 10 before NAM's Manufacturers' Radio Service group, he said that there are 50 unused vhf assignments in country. These, with the 8 vhfs in markets which Commission has proposed to deintermix, he'd give to various mobile radio users. Ch. 2-8 would go to base stations in Safety & Special Radio Services. One mc from center of each channel would be used, to minimize interference to co-channel TV stations. Minimum co-channel spacing with TV stations would be 150 miles, height 200 ft. maximum, power 600 watts input maximum. Associated mobile units would continue to use frequencies now assigned to Land Mobile Service—to avoid interference to TV. Ch. 9-13 would be reserved "for possible future use by common carriers." Furthermore, he said, "a move of all of TV broadcasting to uhf would open these frequencies to much needed and efficient uses by common carriers."

But Lee sought to calm vhfers' fears: "I suspect the vhf TV station licensee could be greatly concerned by my proposal. However, I see no need for any apprehension.

"First, if the Commission can relieve the crowded situation in mobile services by the means I have suggested, the immediate need to send all of TV broadcasting to uhf is to this extent lessened but by no means removed. The largest outstanding unsatisfied demand would then be for a broad-band exclusive frequency allocation for common carriers.

"Second, if non-broadcast services are fitted into this portion of the spectrum the likelihood of any appreciable channel shifting to satisfy TV requirements would be significantly lessened. Certainly, from the standpoint of the broadcaster, it should be far preferable to share a channel with low-power radio devices than with high-power TV stations at standard or sub-standard spacings."

AT&T LOWERS TARIFFS FOR ETV: Educational TV stations will get reduced rates for interstate channel service from Bell lines effective Dec. 7—but bargains won't bring live ETV networking immediately, although AT&T described charges as "significantly lower than those for commercial TV."

"Every little bit helps," National Educational TV & Radio Center's network affairs vp James Robertson told us after Bell System filed new ETV schedule with FCC Nov. 6. "Everybody welcomes this acknowledgment by Bell that we can't afford commercial rates. But our networking problems aren't yet solved. There will have to be a very substantial reduction before they are."

Neither Bell nor NET could give us estimate of just how much lower ETV line costs would be. Bell spokesman said charges would depend on specific ETV demands in specific situations—none of which has arisen. Pointing out that ETV stations aren't interlocked now, Robertson said he hadn't yet figured charges for hypothetical hookups. FCC sources said rates would be real saving for ETV, but there were no dollars-&-cents guesses at Commission, either.

Bell proposed 2 types of ETV systems—"both available 24 hours a day, 7 days a week." One 6-channel system would be local type for use by one or more school systems within 25 miles of signal source. Second 5-channel system would be inter-exchange type for transmissions beyond 25-mile range. Neither would require monitoring, switching, special supervisions or standby circuits.

Bell's bargains for ETV were anticipated by FCC Chmn. Minow in speech last month to National Assn. of Educational Bcstrs. convention in Washington (Vol. 1:7 p2).

COURT HALTS ETV DEAL FOR WNTA-TV: In stunning development which could wreck plans by educators to take over WNTA-TV (Ch. 13) Newark-N.Y., Court of Appeals last week issued nearly-unprecedented order staying FCC's approval of \$6.2-million deal (Vol. 1:7 p2).

Three-judge panel ordered status quo maintained pending full hearing on appeal by N.J. Gov. Robert B. Meyner from Commission decision—and it's unlikely that arguments can be heard until January or later. Contract between WNTA-TV owner NTA and Educational TV for Metropolitan Area (ETMA) requires completion of sale by Nov. 27.

"The ball game could be over," said one participant in ETV project after Judges Wilbur K. Miller, E. Barrett Prettyman and Walter M. Bastian handed down brief ruling Nov. 9. Commission lawyers got busy at once on move to ask for rehearing on stay by all 9 judges. If that fails, FCC's only recourse would be time-taking appeal to Supreme Court.

Court panel gave no reasons for holding up deal. But at hearing earlier in day—when each side was permitted only 15 minutes for arguments—judges indicated they didn't like FCC's failure to give Meyner oral hearing on his protests that WNTA-TV sale would deprive N.J. of its only vhf assignment. Lawyers for WNTA-TV told judges that if they granted stay NTA would have no choice but to go back to commercial bidders & try to dispose of station at once to avoid further losses.

PROBLEMS OF TEMPORARY OPERATION: Interim trusteeship operation on new vhf channels in Syracuse, Rochester & Grand Rapids is much desired by FCC, but it's skeptical about prospects of getting mass of competing applicants together. It's understood that Commission responded to suggestions of ABC Pres. Goldenson much as we reported (Vol. 1:7 p5). It believes equal participation by all applicants is ideal—but participation shouldn't be mandatory. If majority of applicants agree on a plan but minority opposes, FCC might okay it nevertheless, if minority is free to join.

What worries many at Commission is this: Suppose regular interim operation with full ABC-TV programming is started—but a specialized applicant, such as ETV group, wins after several years' fight. Wouldn't public howl if its ABC-TV fare were cut off or emasculated? Such eventuality wouldn't be part of hearing record, supposedly couldn't affect decision, but it would be very much on commissioners' minds. However, it may be risk they're prepared to take.

Among factors improving chances of get-togethers—money. If applicants achieve operational profits while going through years of hearings, they'll be happier to pay attorneys' & engineers' fees, etc.

Deadline for filing in Syracuse passed Nov. 7, FCC stating it won't consider any applicants filed since. Most of the 10 on file were designated for hearing, balance will be within 30 days. Commission hasn't designated Rochester or Grand Rapids yet, so it's assumed late filers may still join race.

NETWORKS CUT 1960 RADIO LOSSES: Network radio continued to lose money last year, but at decelerated rate of \$3 million vs. \$4.5 million in 1959 (Vol. 16:43 p10), FCC reported last week in releasing final 1960 AM-FM financial data.

Non-network-owned radios marked up gain of 4.3% to \$48.9 million from \$46.9 million in profits before federal taxes—but nearly 1/3 of 3,470 AMs reported losses in 1960 vs. 34.7% in 1959. On FM side, 77.1% of independent stations lost money.

Revenues of networks & 19 o-&o stations increased 4.3% to \$63 million in 1960 from \$60.4 million in 1959 while nation's other AM, AM-FM and independent FM stations upped their revenues 7% to \$534.7 million. National spot time sales rose 7.4% to \$202.1 million, local increased 7.3% to \$385.3 million, but network time sales declined 1.7% to \$35 million.

Median profit of \$10,800 was chalked up by 2,303 AMs which made money last year. In 1959, profits of 2,174 in-the-black AMs averaged out to \$10,300. Median loss for in-the-red AMs was \$8,500 vs. \$7,200.

Combined TV & radio profits rose 9.6% in 1960 to \$290 million, TV accounting for \$244.1 million (Vol. 17:36 p3). Total TV & radio revenues went up 8.3% to \$1.86 billion.

Personals

Charles R. Abry, Ernest Lee Jahncke Jr. and Angus Robinson elected NBC vps . . . Bailey M. Hobgood Jr. named promotion mgr. of WFMY-TV Greensboro, N.C.

Howard K. Smith, ex-CBS (Vol. 1:8 p5), signs on with NET as host for new educational series *Great Decisions—1962* . . . Douglas Edwards, CBS correspondent, receives special "human rights" award from American Jewish Committee & B'nai B'rith's Anti-Defamation League.

Joseph W. Bailey, ex-Ziv-United Artists, opens N.Y. law office at 200 W. 57th St. . . . Peter Keans, Screen Gems, elected N.Y. SMPTE section chmn. . . . David G. Williams named NTA press information dir. . . . Don Garrett, ex-*Candid Camera*, joins Screen Gems as publicity dir.

Odin S. Ramsland, gen. mgr. of KDAL-TV & KDAL Duluth-Superior, also named KDAL Inc. exec. vp.

Alan J. Hartnick resigns as asst. gen. counsel & asst. secy. of Metromedia . . . Thomas J. Sutton promoted to program & production mgr. of CKLW-TV Windsor, Ont.

Clyde C. McClymonds, Storer's special services mgr. and Grady Edney, radio program dir., elected vps. . . . Danny Thomas receives 1961 CARTA (Catholic Apostolate of Radio, TV and Advertising) Award.

Bestrs. Promotion Assn. ended 3-day N.Y. convention by electing Donald Curran (ABC) as new pres., succeeding John F. Hurlbut (WFBS-TV & WFBS Indianapolis). Other officers: James Bowermaster (radio WMT Cedar Rapids), 1st vp; Clark Grant (WOOD-TV & WOOD Grand Rapids-Kalamazoo), 2nd vp. Directors include Daniel Bellus (Transcontinent TV), Judd Choler (KMOX-TV St. Louis), H. Taylor Vaden (WJZ-TV Baltimore), J. P. Riopel (CFM-TV Quebec City).

CURRENT CAPSULES

Deal for sale of KTVU San Francisco to NBC for approximately \$7 million is over, FCC notifying parties application for transfer was dismissed as requested. With KTVU calling off sale, RKO General's purchase of WRC-TV & WRC Washington from NBC automatically falls through, and NBC will notify FCC of fact this week. Still pending is RKO's swap of WNAC-TV & WNAC Boston for NBC's WRCV-TV & WRCV Philadelphia. RKO and NBC want to go through with deal, but an obstacle is Philco's application for WRCV-TV channel. Ford Motor, buying Philco, may decide to drop fight.

ABC & NBC snarled at each other in public squabble over which network did better job covering Nov. 7 N.Y. election. ABC news vp James C. Hagerty started it by calling press conference to denounce "radically wrong" returns broadcast by NBC. He alleged "tabulating mistake" of 50,000 votes acknowledged by NBC actually involved 150,000 votes inaccurately credited to Mayor Robert F. Wagner. "Sour grapes," NBC retorted: "Jim Hagerty is running true to form—last with the audience & first with the press conference." CBS remained loftily aloof from dispute.

WLWI (Ch. 13) Indianapolis should be kept on air pending exhaustion of legal efforts to win its channel back, Crosley told FCC last week. It petitioned Commission for stay of decision giving Ch. 13 to WIBC (Vol. 1:8 p4). Crosley Chmn. James D. Shouse noted that FCC's decision "involved not a single criticism of Crosley's record of performance at Indianapolis" and that decision would give WIBC ownership in TV-radio and newspapers in Indianapolis.

Hartford pay-TV harbinger: Zenith has placed pilot order with Veeder-Root Inc., Hartford, for production of decoder components for use in pay-TV operations there (Vol. 1:5 p1). Zenith said field tests of decoder units will start "early in 1962," followed by mass production & installations in subscribers' homes "beginning next spring" and programming "late next spring."

First Collins FM stereo multiplex generator is now in use at classical-music WVCG Coral Gables, Fla., and station Pres. George W. Thorpe tells us that all stereo time is sold out—40 out of 80 operating hours weekly. After meeting with area dealers last week, he said they told him they had sold \$150,000 worth of stereo receiving equipment in one week and expect to do \$1 million worth of business by Christmas. Thorpe said he's disappointed in some types of receivers—in terms of separation, hum, signal-to-noise, distortion, drift. "The primary thing is separation," he said. "I hope manufacturers concentrate on this." Collins' A. Prose Walker, former NAB engineering dir. who headed NSRC's stereo tests, said that Collins' multiplexer feeds both stereo channels into exciter as composite signal and "this not only results in a signal significantly more stable than any other method can produce but it also produces a better monaural signal for those listening on a monaural receiver."

Bobtailed license renewals have been ordered by FCC for radios WBRO Waynesboro, Ga. (15 months) and WSME Sanford, Me. (18 months to end of current license period) for alleged promise-vs.-programming failures. Comrs. Hyde & Craven voted for limited renewals but dissented on language of notification letters.

CBS studio consolidation at 424 W. 57th St., N.Y. (Vol. 17:2 p13) is scheduled for completion by Jan. 1964 at cost of \$14.5 million. Facilities will include TV color equipment.

Hawaiian satellite approved: CP for Hilo Ch. 11 to operate as satellite of KONA (Ch. 2) Honolulu has been granted by FCC.

Teleglobe pay-TV byproduct—automatic emergency warning device—will be tested in Dec. at Johnstown, N.Y. by N.Y. State Civil Defense Commission.

FTC has no "angry men," Chmn. Paul Rand Dixon assured National Frozen Food Assn. in Miami Beach convention speech. Scorning industry & press attacks on his agency for "over-regulation, harassments and new aggressiveness," Dixon said that all FTC tries to do is to help business, not control it. It's "our democracy's way of buttressing private capitalism by helping it to be both competitive & civilized," he said. Criticism of FTC was renewed at Hot Springs convention of Assn. of National Advertisers, however. ANA's gen. counsel Gilbert Howell charged that Dixon & Co. are engaged in "grab for power" to put advertising in straitjacket of govt. control.

"Major breakthrough" in pay TV is claimed by Telemeter with announcement that all 35 away-from-home hockey games of Toronto Maple Leafs in 1961-62 season will be carried to Etobicoke subscribers. Hockey games, plus 5 home games of Toronto's pro football club, will give pay-TV homes "all fall & winter professional sports attractions presently not available on 'free' TV," Telemeter Pres. Louis A. Novins boasted. As example of success in sports programming, Telemeter cited Canadian Facts Ltd. survey which showed that 35% of Etobicoke subscribers paid \$2 to watch one football game vs. 33% who preferred 4 games available free at same time in Toronto's 6-station market.

Educational FM stereo has been approved by FCC in extension of rules permitting commercial multiplexing. Commission said there was no opposition to requests by educational FM licensees that they be counted in.

Channel TV Productions Ltd. has been organized at 175 Bloor St. E., Toronto, by Ted Cott, CTV TV Network Ltd. and Beaver Film Productions Ltd. to produce programs for Canadian TV and international distribution.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

STROMBERG-CARLSON MAY DROP HI FI: Consider the strange paradox of General Dynamics/Electronics. Company sources report privately that sales of its Stromberg-Carlson hi fi are 4 times as great as last year. GD/E is still considering whether to enter the hotly competitive TV business. At same time, it's considering whether to quit consumer business entirely.

GD/E topkicks will confirm only that company is undergoing "inventory reduction" program, with substantial "fall promotion" price reductions on current-line models. Promotional pricing is limited to present dealers—no all-out harum-scarum liquidation is in progress.

Inside story behind inventory reduction program lies in parent company's need for more liquid capital position, as result of recent high expenses of its Convair div. As to leaving consumer products business, GD/E vp Arthur J. Hatch concedes that "trade rumors" are circulating, but adds that "a decision has not been made." About Stromberg's long-bruited re-entry into TV: "We're still considering it." How's business? "Very good."

Since it came under General Dynamics' wing, Stromberg-Carlson first offered consumers a line of hi-fi components, then branched into high-priced consoles, later dropped components and recently broadened console line to be competitive at all price ranges from \$199.95 up, announced plans to enter portable phono field. GD/E also makes Stromberg-Carlson auto radios & communications equipment.

GD/E has undergone important top-level executive changes in last few months, with Charles F. Horne stepping in as president last September after resignation of James McLean. Company officials are mum as to when consumer-products decision will be made. It now rests in lap of top General Dynamics corporate officials whether to get out of consumer field completely or expand into it more heavily, including TV.

• • • •

Friendly Frost chain broke full-page ad in Nov. 10 N.Y. Times to announce it was slashing "yesterday's prices . . . 32% to 43%" on entire stock of Stromberg-Carlson hi-fi & stereo instruments. Described as "most spectacular sale in Friendly Frost history," price slash offered such bargains as Model 766 console at \$258, vs. "yesterday's price" of \$379.95; Model 726 at \$188, vs. \$329.95 "yesterday."

• • • •

Another price readjustment will come soon when Magnavox introduces its "Golden Anniversary" line. Although a few prices will be juggled upwards by a few dollars, there will be several substantial reductions in present line—list price of 19-in. portable dropping \$10 to \$189.50, one 23-in. console dropping \$40 in mahogany (to \$259.50) and \$60 in cherry (to \$265). Six phono models are being repriced—one raised \$10, the others cut \$10 to \$30. Dealers are getting price protection on current inventory.

Anniversary line will feature 8 new TV models (\$249.50-\$535) and 8 new phonos (\$149.50-\$495).

HOTEL TV AWAITS REPLACEMENT MARKET: Hotel-motel TV is nearing end of its first big cycle, and is approaching stage where replacements are more significant than "original equipment." This was consensus of TV manufacturing and/or leasing firms exhibiting at last week's National Hotel Exposition in N.Y.

There was little agreement on anything else—not even size of market. Best educated guess is that there are close to 3 million guest rooms in U.S. hotels & motels (roughly 1.5 million in each), about 1.8 million of them (60%) equipped with TV. Most of the other 40% aren't good possibilities for TV, as they're low-cost rooms, marginal situations, etc.

One hotel supplier estimated 1962 guest-room TV market at about 350,000 sets—225,000 of them replacements for worn-out (or fully amortized) sets and 125,000 in new construction. Other industry sources

have called this estimate much too high. Nevertheless, it apparently is a pretty good market, judging from the number of firms battling for part of it.

Replacement market is due to ripen next year, TV suppliers believe, because hotel-motel industry will be ending its first big 5-year cycle, which began in 1957 & 1958—first year of extensive mass TV installation in guest rooms. Five years is considered normal life of TV set by Internal Revenue for tax purposes—and most hotel-motel TV leases now are made on 5-year basis.

Hotel-motel TV industry is bitterly divided between manufacturers which have their own factory-controlled leasing-financing-sales-service operations and specialist companies which handle TV leasing, financing, sales & service independent of manufacturer ownership. Manufacturers which provide complete direct-to-customer facilities include Philco (through its wholly owned subsidiary Tele-Sound, acquired this year), RCA (through RCA Service Co.) and Admiral. TV leasing specialists are American Communications Corp., Wells TV, Tel-Hotel div. of Electronics Leasing Corp.

Manufacturers making special hotel TV sets but dealing through independent specialists include GE, Magnavox & Westinghouse—the latter 2 being recent additions to the ranks. Zenith is in the field through its distributors, who, as independent businessmen, may make any autonomous arrangements they wish in the hotel field. Independent TV leasing specialists tend to feature sets made by GE, Westinghouse, Magnavox & Emerson, but they say they will use any sets specified by customers.

In our discussions with hotel-motel TV men last week, these trends in the business stood out:

(1) Methods of operation. Leasing continues to gain ground in TV field, providing these advantages: Lack of capital investment by hotel owner; tax benefits in some cases; savings if inn changes hands. Types of leases vary all over map. Some give innkeeper eventual ownership of set; some include master-antenna installation & service. Leases including installation & servicing generally run around 16¢ per day per set. Some firms insist on service contract. Others, such as Admiral & RCA, will lease sets alone, without installation or service. Admiral, in fact, advertises TV at "less than 10¢ a day."

Although leasing is most popular arrangement, there are still many outright sales. RCA Service Co. says its dealings are still about 50-50. Magnavox sells only through "contract dealers," specialists who handle hotel furniture, carpets, bedding, etc. International Hotel Supply Corp., Sheraton subsidiary which provides turnkey installation of hotel-motel furnishings, says it's now doing more than \$1 million a year in TV business—lease & sale—handling mainly RCA, Magnavox & Admiral.

(2) Sizes & shapes. At last year's hotel show (Vol. 16:47 p16), 17-in. was still most popular size, even though consumer preference had already turned to 19-in. This year, 19-in. is in, with very few 17s in evidence. Two exceptions: RCA & Philco. RCA was showing 17-in. with Pittsburgh-type bonded implosion plate, as well as 19-in. bonded set. Philco's Tele-Sound still does half its business in the 17-in. Predicta—now off the consumer market for 2 years. Predicta, with its separately-mounted picture tube, is popular with hotel-motel trade because of its swiveling picture-tube housing and because it can be built into desks, tables, etc. Slim table models are most popular incoming model, and we're told white is "this year's color."

Consoles & sizes above 19-in. aren't big sellers, and are confined principally to super-deluxe installations, large rooms & suites. As to stands & cabinets, we were told that trend is to wall-mounted brackets and table & desk-top installations, because of saving in wall space.

(3) Special models. Most hotel-motel TV suppliers feature sets specially made for trade, with heavy-duty power cord, volume limiter, alcohol- & burn-resistant cabinet, 72-ohm antenna input. Special trend this year—perhaps most important trend of entire show—is combination TV-radio. This type of installation eliminates problem of theft of table radios (Magnavox gets around this problem by offering table radio with built-in theft alarm). GE, Westinghouse & RCA, among others, have just introduced special TV sets with radio channels built in.

Most of the TV-radio combinations are built to utilize Jerrold's Audio-Trol unit, which provides radio & background music on unused TV channels. Both GE & Westinghouse have new sets combining up to 7 TV channels with 5 radio & background music channels and intercom system to communicate with maid when she is in room (she inserts plug into special jack in TV set), utilizing hotel's TV distribution system as communication channel.

(4) Gimmicks & gadgets. Remote controls are just beginning to show up in hotel-motel installations, but not in large numbers. GE's new TV-radio combination is available with wired remote, which tunes both

TV & radio, may be installed in bedside table or wall. Wells TV has own version of wired remote which includes bedside speaker, channel, fine tuning, brightness & volume controls. Wireless remotes are the exception in hotel-motel business, because of service problems & possible interaction between sets in adjacent rooms. Even the wired remotes, TV suppliers tell us, haven't yet caught on with inn trade, are still in curiosity stage. In hospitals, on other hand, wired remotes & pillow speakers are universal.

Several firms are offering closed-circuit equipment, cameras, etc. for special local TV channels in large hotels. We're told there is very little demand for this type of system—in the few locations where it has been tried it hasn't been notably successful. But hotels are beginning to express interest in closed-circuit for in-the-car guest registration, security observation of grounds, kitchen, bar, etc.

(5) Color TV. This is one of the few subjects on which there's almost unanimous agreement. Demand for color is higher than last year, but only slightly so—and generally for lobbies & bars, with extremely few guest-room installations. Several color sets were displayed at hotel show, but principally as traffic-stoppers. Most suppliers said—some reluctantly—that they would supply color if customers wanted it. Leases on color, however, generally run about 2½ times cost of black-&-white.

As might be expected, RCA was most enthusiastic color vendor. "Almost every sizeable order last year included at least one color set," RCA Service Co. official told us. "The larger hotels are now going into color in their better suites." Other color comments: Admiral: "There's growing interest in color, more installations, but still mostly confined to public rooms." Philco's Tele-Sound: "We have color sets if they want them, but we don't push them." Wells TV: "We are supplying some color sets for lavish guest suites." Electronics Leasing Corp.: "There's very little call for it."

MORE APPRAISALS—BUT STILL NO COLOR BOOM: Consensus of color TV manufacturers that set sales are booming, but hardly zooming (Vol. 1:8 p6) received fresh support last week as we continued to query industry leaders about whereabouts & when-about of color's "sales breakthrough." Here are views & comments additional to our recent industrywide survey:

Admiral Electronics Div. vp Ross D. Siragusa Jr. told us that "we're just about sold out of everything we've made. Our distributor inventory of color sets is about half of what it was last year and our volume is double." He attributed color surge to increased programming—"particularly the Walt Disney program"—and the increase in color-selling dealers. Siragusa forecast 1961 color sales of 130-150,000 and a gain to 200,000 sets in 1962.

Motorola Consumer Products Div. exec. vp Edward R. Taylor noted that color market "is coming along just about as we anticipated, maybe even a little bit better"—but Motorola still has no plans to get into color. Taylor told us that Motorola still has no producer for its 23-in. rectangular color tube (Vol. 17:31 p16).

Sears Roebuck, buttressed by production wings Warwick Mfg. and Pacific Mercury, is a major albeit fanfare-less maker & seller of TVs—in volume. "Color is moving better than anticipated," a spokesman told us, "and we have increased production." Sears introduced Silvertone-brand color TVs in 100 of its stores in the fall, is now selling them in 150 stores.

Increasing "other network" interest in, but long-range planning for, color is implicit in announcement by Dr. Frank Stanton last week that CBS is embarking on \$14.5 million, 2-year modernization of its N.Y. facilities, with new production center slated to be in operation by Jan. 1964. Affiliate relations & engineering vp William B. Lodge told us the studio is being made "so that it can accommodate color." However, he pointed out, "we won't install all color equipment at the start because we don't want to freeze ourselves to present equipment."

(NOTE: TV-radio production figures were unavailable last week. Two-week figures will be included in next week's issue.)

TOPICS & TRENDS

CBS Inc. has "recovered from the effects of the 1960-61 recession," Chmn. William S. Paley & Pres. Frank Stanton assured stockholders in joint report on first 9 months this year. Consolidated net income for 9 months was \$12.6 million (\$1.47) on \$339 million sales vs. \$15.4 million (\$1.80) on \$336.5 million in corresponding 1960 period. But 3rd quarter earnings were \$3.2 million (38¢) vs. \$2.8 million (33¢), and CBS Inc. declared cash dividend of 35¢ plus 3% stock dividend. Report noted that discontinuance of CBS Electronic Div.

eliminates drain on earnings, that \$5-million losses & expenses incurred by disposition of assets will be charged against retained earnings, not income. CBS asserted that its 1960 TV earnings were greater than ABC & NBC combined, that its o-&o's lead all competition in their respective markets. CBS last week also reported acquisition of interest in Trinidad TV station to be built, sharing ownership of Govt. of Trinidad, Rediffusion and Scottish TV Ltd. (Roy Thomson).

Manufacturers' "suggested" list prices are valid comparisons in bargain advertising for appliances, Washington discounter George's Radio & TV Co. argued in FTC hearing. In initial decision, FTC examiner Walter K. Bennett had held that George's use of lists constituted false-pricing claims because customary retail sales prices in area were lower. Company countered that its regular prices already reflected discounts, that customers were educated in meaning of lists. Commission's final decision in case may set precedents for appliance trade.

Battle-royal on transistor radio patents: Regency Electronics Inc. (formerly I.D.E.A. Inc.), which introduced the first transistor radio in 1954, claims all Japanese transistor radios infringe on its patents and is currently negotiating with EIA of Japan for royalties on all transistor sets shipped to U.S. It's understood Regency is seeking 10¢ per set.

Motorola will offer its new electronic alternator system (Vol. 1:2 p7) to car owners as replacement for generator & regulator. It will be sold with universal installation kit by Motorola distributors & auto equipment jobbers.

Bonded tubes can be rebuilt without removing laminated cap, according to claim by Windsor Electronics Inc., Glen Ellyn, Ill., for new bake-out process on which it is seeking patent. Company, which specializes in sale & lease of picture-tube rebuilding equipment, claims to have solved problem of rebuilding bonded tube and at same time to have reduced bake-out time from 2 hours to one hour.

Radio WRLB Long Branch becomes central N.J.'s first FM stereocaster. The station is stereocasting 2 hours daily, 6-8 p.m. • Press preview of opening of WTFM Fresh Meadows, L.I., N.Y., "nation's first station built specifically for FM stereo broadcasting," has been slated for Nov. 21. Friendly Frost-owned station had hoped to be N.Y.-area's first FM stereocaster, was delayed by strike of concrete drivers (Vol. 17:35 p15).

Trade Personals

Robert L. Werner, RCA attorney since 1947 and vp-gen. attorney since 1951, elected exec. vp. & gen. attorney.

Thomas E. Drumm Jr. resigns as BSDA administrator in Commerce Dept. to take overseas job; Eugene P. Foley, Deputy Asst. Secy., given BSDA responsibilities . . . A. L. Svanascini, ex-Sarkes Tarzian, named Standard Kollsman Industries marketing mgr.

Philip C. Jackson elected exec. vp & gen. mgr. of Cenco Instruments subsidiary Instru-Coil Co. . . . H. R. Letzter, former Webcor vp-gen. sales mgr., named national sales mgr. by Hammond Organ.

John P. Bucan, former Bell & Howell vp-treas., named Ampex vp-treas. . . . S. Dean Wanlass elected pres. of Packard Bell Electronics' subsidiary Packard Bell Computer Corp. . . . Arnold Henderson, sales dir. of Emerson Radio's Emerson Div., reportedly has resigned, succeeded by field sales mgr. Leo Hahn.

Charles K. Rieger, GE mktg. services vp, appointed vp & group exec. of electric utility group, succeeding Clarence H. Linder who will serve as a consultant until his retirement Jan. 1963.

John H. Dummer, International Resistance foreign operations dir., elected a vp. . . . Stanley E. Miller promoted to mgr. of Sylvania's Fullerton, Cal. picture tube plant, succeeding Marion F. Chetty, now foreign manufacturing operations mgr.

Otto C. Kebernick, ex-Radiation Inc., joins International Resistance as marketing dir.

Finance

Admiral 3-Quarter Profit Triples: Increased sales of costlier products with fatter profit margins contributed to Admiral's healthy 9-month performance: earnings of \$1.4 million on \$136-million sales vs. \$497,072 on \$145 million in 1960's first 3 quarters (see financial table, p. 10).

Pres. Ross Siragusa said that dealers are selling more high-end merchandise, noted that average selling price of Admiral consumer products has been climbing in last several years. Average TV retail sale, he said, has increased to more than \$250 from less than \$200 in 1956.

"While the TV-appliance industry's pickup did not begin to exhibit strength until May," Siragusa commented, "it is currently gaining momentum and should exceed the pace of the rest of the economy by the end of the year. We anticipate further gains in the 4th quarter in both sales & earnings."

<i>Corporation</i>	<i>Common Stock Period</i>	<i>Dividends Amt.</i>	<i>Payable</i>	<i>Stk. of Record</i>
Arvin Industries.....	Q	\$0.25	Dec. 20	Nov. 27
Canadian Westinghouse	Q	\$0.15	Jan. 2	Dec. 15
CBS Inc.	—	.35	Dec. 8	Nov. 24
CBS Inc.	Stk.	3%	Dec. 18	Nov. 24
Erie Resistor	Stk.	4%	Dec. 15	Nov. 17
Fairchild Camera & Inst.	Stk.	100%	Nov. 17	Nov. 3
General Instrument ...	A	.15	Dec. 18	Nov. 20
GT&E	Q	.19	Dec. 31	Nov. 22
Transcontinent TV "B"	—	.10	Dec. 9	Nov. 8
TV-Electronics Fund ..	—	.39	Nov. 30	Nov. 2
Zenith	Stk.	200%	Nov. 20	Nov. 3

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Admiral See story on p. 9	1961—9 mo. to Sept. 30	\$135,877,427	\$ 2,869,907	\$ 1,390,664 ³	\$0.58 ³	2,411,286
	1960—9 mo. to Sept. 30	144,976,988	1,207,764	497,072	.21	2,407,136
	1961—qtr. to Sept. 30	49,685,797	1,888,783	957,113	.40	2,411,286
	1960—qtr. to Sept. 30	49,772,958	(87,953)	(80,958)	—	2,407,136
Amphenol-Borg Electronics	1961—9 mo. to Sept. 30	53,153,796	1,731,333	892,133	.64	1,403,678
	1960—9 mo. to Sept. 30	51,169,830	4,434,453	2,126,704	1.53	1,394,253
	1961—qtr. to Sept. 30	18,512,742	786,363	428,663	.31	1,403,678
	1960—qtr. to Sept. 30	15,943,825	1,231,240	593,756	.43	1,394,253
Avnet Electronics	1961—qtr. to Sept. 30	4,226,103	605,625	329,960	.16 ⁹	2,122,262
	1960—qtr. to Sept. 30 ¹⁰	3,812,195	518,965	303,365	.14 ⁹	2,122,262
Clevite	1961—9 mo. to Sept. 30	66,639,285	7,040,971	3,431,971	1.75	1,887,512
	1960—9 mo. to Sept. 30	71,863,569	10,430,985	5,109,985	2.65	1,883,447
Cohu Electronics	1961—9 mo. to Sept. 30	7,238,351	—	413,802	.29	1,426,851
	1960—9 mo. to Sept. 30	5,030,387	—	145,230	.10	1,415,821
CBS Inc. See story on p. 8	1961—9 mo. to Sept. 30	339,018,246	27,717,513	12,653,513	1.47	8,637,607
	1960—9 mo. to Sept. 30	336,582,220	35,401,313	15,496,313	1.80	8,632,076
	1961—qtr. to Sept. 30	98,250,501	—	3,244,181	.38	8,637,607
	1960—qtr. to Sept. 30	104,760,250	—	2,827,144	.33	8,632,076
Decca Records ¹	1961—9 mo. to Sept. 30	—	—	1,875,007	1.46	1,285,701
	1960—9 mo. to Sept. 30	—	—	4,159,772	3.24	1,285,701
Erie Resistor	1961—39 wks. to Oct. 1	—	—	290,000	.29	798,806
	1960 ²	—	—	—	—	—
Fairchild Camera & Instrument	1961—9 mo. to Sept. 30	67,261,000	—	3,752,000 ¹¹	3.01	1,243,475
	1960—9 mo. to Sept. 30	49,468,000	—	2,918,000 ¹²	2.34	1,039,140
	1961—qtr. to Sept. 30	22,691,000	—	1,453,000 ¹³	1.16	1,243,475
	1960—qtr. to Sept. 30	19,183,000	—	1,236,000 ¹⁴	.99	1,039,140
ITT	1961—9 mo. to Sept. 30	623,689,622	—	23,930,259	1.48 ⁵	—
	1960—9 mo. to Sept. 30	592,877,952	—	21,681,680	1.35 ⁵	—
	1961—qtr. to Sept. 30	211,582,188	—	7,582,584	.47 ⁵	—
	1960—qtr. to Sept. 30	209,057,955	—	7,007,008	.43 ⁵	—
Loral Electronics	1961—6 mo. to Sept. 30	19,238,000	—	762,700	.41	1,864,864
	1960—6 mo. to Sept. 30	18,000,000	—	612,000	1.05	580,148
Meredith Publishing	1961—qtr. to Sept. 30	18,055,889	2,260,568	1,055,812	.80	1,326,987
	1960—qtr. to Sept. 30	14,003,053	821,548	381,192	.29	1,322,186
Minnesota Mining & Mfg.	1961—9 mo. to Sept. 30	448,149,263	104,389,951	53,289,951	1.04	51,473,073
	1960—9 mo. to Sept. 30	403,146,898	98,134,365	50,134,365	.98	51,316,762
	1961—qtr. to Sept. 30	157,434,905	37,574,822	18,974,822	.37	51,473,073
	1960—qtr. to Sept. 30	140,133,725	33,768,363	17,768,363	.35	51,316,762
Pacific Mercury	1961—year to June 30	—	—	(615,742) ³	—	700,000
	1960—year to June 30	—	—	196,855	—	700,000
Philco	1961—9 mo. to Oct. 1	304,415,000	(10,137,000)	(5,778,000) ⁴	—	4,104,033
	1960—9 mo. to Oct. 1	297,101,000	2,804,000	2,107,000	.44 ⁵	4,090,207
Stewart-Warner	1961—9 mo. to Sept. 30	81,137,198	—	4,570,266	1.37	3,339,702
	1960—9 mo. to Sept. 30	82,264,260	—	4,781,574	1.45	3,297,753
Technicolor	1961—9 mo. to Sept. 30	40,460,179	—	1,438,945 ⁶	.55 ⁶	2,623,218
	1960—9 mo. to Sept. 30	21,366,588	—	360,599	.16	2,211,679
	1961—qtr. to Sept. 30	15,095,034	—	550,571	.21	2,623,218
	1960—qtr. to Sept. 30	6,349,266	—	72,355	.03	2,211,679
Tung-Sol	1961—39 wks. to Sept. 30	47,583,074	1,807,620	910,620	.81	925,858
	1960—39 wks. to Oct. 1	51,618,922	2,786,924	1,337,924	1.27	924,521
Webcor	1961—year to May 31 ⁷	32,206,078	—	(2,654,123)	—	940,737
	1960—year to May 31	29,813,282	—	217,069	.33	650,737
	1961—qtr. to Aug. 31	—	—	911,000	.92	940,737
	1960—qtr. to Aug. 31	—	—	137,000	.21	650,737

Notes: ¹Including subsidiary Universal Pictures. ²Comparison unavailable because of change in accounting procedure. ³After \$366,000 tax credit and \$785,000 in non-recurring expenses. ⁴After \$4.4-million tax credit. ⁵After preferred dividends. ⁶Excludes non-recurring income of \$517,000 (20¢ a share) representing special dividend from English affiliate Technicolor Ltd. ⁷Year embraces only 11-month period because

of change in year-end to June 30. ⁸Before special charge of \$225,286 (9¢ a share) resulting from unrealized depreciation of Canadian currency. ⁹Based on 2,122,262 shares outstanding Sept. 30, 1961. ¹⁰Includes British Industries, acquired Dec. 1960. ¹¹Includes \$940,000 tax credit. ¹²Includes \$268,000 tax credit. ¹³Includes \$589,000 tax credit. ¹⁴Includes \$268,000 tax credit.

GE Sees 1962 Profit Rise: "We're cautiously optimistic" for a further upturn in 1962, GE Pres. G. L. Phillippe said last week, noting that the bottom of the slowdown in the electrical goods industry has passed. He

said that sales of major appliances have been good throughout the year, pointed out that prices in electrical industry are about on a par with 1956, some 5-6% below 1960's level.

NOV 20 1961

WEEKLY Television Digest

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Albert Warren, Editor & Publisher

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC WEIGHS AM OVERCROWDING, asks staff to recommend how study should be made. Current thinking: team of 4 staff members, working 6-12 months (p. 1).

BREATHING SPELL IN DEINTERMIXTURE granted, parties given 2 more months to comment. Probable time-table: No final action before July (p. 1).

NETWORK HEARING AGENDA SET for Jan. 9 finale at which FCC will take on CBS, NBC and ABC chiefs. Commission fills 8 pages with questions it wants to ask (p. 2).

DIXON SCORES "HUNGRY" BROADCASTERS for taking questionable commercials, but praises NAB for "most commendable" work in reforming TV-radio practices (p. 3).

LAST-DITCH WNTA-TV FIGHT STARTS with FCC plea to Court of Appeals for reconsideration of ban on ETV deal for Newark-N.Y. Ch. 13. "Irreparable injury" cited (p. 3).

HOSPITAL TV SHOWCASE PLANNED in Newark, where new Columbus center will have up to 100 cameras covering everything from operations to storerooms (p. 5).

Consumer Electronics

FM-STEREO SALES FORMULA: Good demonstrations. Component stereo tuners and table-model stereo sets selling well in markets with plenty of daytime programming (p. 7).

WHAT ONE STATION LEARNED about FM stereo: Good antenna is most important, even in primary area. WQXR-FM receives few complaints, finds coverage reductions about as predicted (p. 8).

TV TOPS EQUIPMENT IN HOUSING COUNT by Census Bureau in first advance reports on 1960 survey of states & counties. Initial releases cover 15 states (p. 8).

WHITHER THE CONSOLE? It may be a vanishing American; it now represents lowest percentage of TV sales in many years. Inroads of 19-in. portable taking biggest toll (p. 8).

COMBOS GAINING IN SALES as consoles lag; industry leaders attribute rise in popularity to better furniture styling, increased interest in good music (p. 9).

TV-RADIO PRODUCTION AT PEAK in Sept.; EIA figures also show that factory sales of phonos and picture & receiving tubes set 1961 monthly highs in Sept. (p. 10).

FCC WEIGHS AM OVERCROWDING: In special unannounced meeting last week, FCC began discussing whether it's authorizing too many AM stations, deteriorating programming and technical performance. This follows recent speech by Comr. Ford, who brought his worries out in open (Vol. 1:6 p1), and request by Comr. Lee that Commission consider freezing all AM applications except those which would provide first signal to "white" (unserved) areas.

Commission did nothing conclusive, it's understood. However, it did instruct staff to recommend how study of problem could be made. Initial thinking is that team of 4 top-flight staff members would have to devote 6-12 months to matter—studying engineering, processing practices, economics, etc. It's one of toughest problems to analyze, and there's fair amount of doubt at Commission that anything will really come of it. Among staff members reported looking into subject are engineer James Barr, economist H. H. Goldin, attorney Sol Schildhouse.

At NAB's regional meeting in Minneapolis last week, Pres. Collins reiterated his oft-expressed view that there are "entirely too many broadcasters" in some areas and that "the radio broadcaster who has to give all of his efforts to survive is not able to do the job he should do."

BREATHING SPELL IN DEINTERMIXTURE CASES: FCC gave 2 months delay in deadline for comments in the 8 deintermixture cases—from Dec. 4 to Feb. 5—to intense relief of parties involved. Reply comments are due March 9. As of now, Dec. 4 deadline still stands for the 8 proposed vhf drop-ins. Commission previously had extended time for comments on over-all allocations policy proposal to Feb. 5 (Vol. 1:8 p2).

Speculation at Commission about time-table from here on runs like this: (1) After March 9, staff will take about 2 months to digest filings. (2) FCC will study & discuss cases, tell staff what to do; this will run

about a month. (3) Staff will take month or more to write final decisions. Thus, final action isn't expected before July.

FCC will be called to Capitol Hill, meanwhile, to testify on bills to block deintermixture. Though Commission will be able to discuss over-all policy, it won't be able to talk about the 8 specific deintermixture markets. It has placed them under the "adjudicatory" cloak until final decisions are issued. Among other allocations actions by FCC last week:

(1) Denied proposals to add Ch. 11 or Ch. 12 to San Francisco or San Jose or to add Ch. 12 to Sacramento or Santa Rosa. Commission said there are other areas in northern California which need a vhf more than San Francisco or Sacramento. As for Santa Rosa, FCC believes need there is "questionable"; in addition, it was reluctant to shift KHSL-TV (Ch. 12) Chico and KOLO-TV (Ch. 8) Reno to new channels.

(2) Turned down proposals to reserve Ch. 9 or Ch. 11 for educators in Redding, Cal. Chm. Minow dissented.

(3) Proposed to reserve 9 uhf channels for ETV network in Kentucky—Ch. 59, Ashland; 17, Bowling Green; 19, Hazard; 26, Madisonville; 24, Morehead; 33, Murray; 14, Pikeville; 29, Somerset; 54, Covington. Commission said, however, it doesn't believe such large blocks of uhf should be reserved until basic nationwide uhf policy is set—but it's willing to accept comments on plan meanwhile. (For other uhf allocations actions, see p. 6.)

In Connecticut, uhf operators & grantees went to Gov. Dempsey in attempt to get him to call off his fight against shifting WTIC-TV (Ch. 3) Hartford to uhf. They report he merely said: "Good luck with your petition. It's a good statement."

Statement sought to combat claims that loss of Ch. 3 would deprive many viewers of service. "This may or may not now be true," the uhfs said, "but it will not be so if the FCC action is upheld and there are more uhf stations on the air serving these same many thousands of people with clear, interference-free signals." They urged that Ch. 3 be given to ETV.

NETWORK HEARING AGENDA SET: FCC needed 8 single-spaced typed pages last week to outline subjects it wants to explore when CBS, NBC and ABC officials show up in Washington Jan. 9 as witnesses in finale of TV network program hearing (Vol. 1:8 p3).

Network heads were instructed in letters signed by FCC Chmn. Minow to come to hearing themselves and bring with them "appropriate officials" who are prepared to give detailed answers to questions in such areas as these:

Network control of programming—Record shows "marked trend" by networks toward financial interests in shows they air. Two charts—one for public record, other for FCC's own information—will be expected from each network, covering financial deals for past 4 seasons. Competitive secrets in confidential charts will be kept inviolate, Minow said—unless Commission decides that "disclosure is required to accomplish its purpose."

Network-talent agency relations—What is interplay between networks & companies which not only act as talent agents but produce & package shows?

Program selection—Is it true that shows are picked "principally on the basis of their utility as advertising vehicles for those advertisers who seek the largest audience?" If not, what network policies insure "diversity & balance" in programming?

News & public affairs shows—"It is important that the networks address themselves to these matters in as much detail as possible."

Ratings—FCC doesn't propose to "prescribe or advise" networks on details of commercial operations, but it is curious about how they use ratings in composing schedules.

Censorship by sponsors—There's "abundance of testimony" that advertisers dictate "subject matter, scripts, casting, etc." It needs to be "fully explored."

Consultation with affiliates—How much say do station affiliates have in network programming? Do they get chances "to exercise informed judgments prior to exhibition?"

DIXON SCORES 'HUNGRY' BROADCASTERS: FTC Chmn. Paul Rand Dixon broke his silence on broadcasting last week with alternating sweet & harsh words about TV & radio advertising practices.

"Most commendable work" is being done by NAB Code administrators, Dixon told Chicago Better Business Bureau, but some broadcasters are too "hungry" for their own good. In one of his few public comments on industry since he took New Frontier post in March (Vol. 1:4 p2), he said any TV & radio operators who still don't know when they're wrong should start homework on FTC-FCC "Advertising Alert" lessons (Vol. 1:8 p1).

"Reputable media have deep convictions against printing or broadcasting what they know to be false and will stand firm against any pressures to the contrary," Dixon said, singling out "fast-buck" advertising for fall-out shelters for particular scorn. "I wish the same were true for some of the hungrier publications & hungrier broadcasters. If these could only appreciate the shortsightedness of lax standards in accepting advertising, they might not be so hungry."

Good broadcasters have sacrificed "many millions of dollars in advertising revenue in order to maintain high standards of advertising acceptance," Dixon told Chicago audience, calling for "more such self-interest" within industry.

Note: Rat-a-tat-tat of criticism of FTC by advertising trade continued meanwhile back in Washington. In speech to Washington Ad Club, Brown & Williamson vp & advertising dir. John W. Burgard said FTC's "constantly evolving labyrinth of rules & regulations [is] the greatest menace to the advertising business today." Another menace, Burgard said, is "encroachment" on sponsors' TV show time by network credits & promotions for other programs.

LAST-DITCH WNTA-TV FIGHT STARTS: "Irreparable injury" to 15 million N.Y. area viewers—and to "entire nation" potentially—will result unless Court of Appeals removes its obstruction against \$6.2-million sale of WNTA-TV to educational interests (Vol. 1:9 p3), FCC asserted last week.

With only 13 days to go before expiration of Nov. 27 deadline for Ch. 13 deal between owner NTA & Educational TV for Metropolitan Area (ETMA), Commission hurried into Court Nov. 14 with plea that 3-judge panel reconsider its order staying FCC's approval of transfer—or that full 9-judge Court grant rehearing. Action by Court is expected this week.

WNTA-TV got ready for no-sale eventuality meanwhile, NTA indicating station would be taken off market if ETV deal falls through. NTA Chmn. & Pres. Leonard Davis announced station will resume full commercial operations in that event to protect 15,000 stockholders from further losses. "A greater emphasis on live telecasting during prime evening hours will be part of future programming," Davis said. As part of plans, WNTA-TV started negotiations to carry baseball games of new N.Y. Mets.

Court panel erred badly in granting stay sought by N.J. Gov. Robert B. Meyner, who wants his state to keep Newark-based Ch. 13, FCC argued in its petition. Commission said it made "fully reasonable decision" to approve NTA-ETMA deal without giving oral hearing to Meyner—and that contrary to panel's conclusion, channel wouldn't be relocated in N.Y.

Commission was particularly depressed by language of Court's order, which said that it was staying FCC's decision which had granted "transfer of Ch. 13 facilities from New Jersey to New York." FCC spokesman told us: "That would seem to make the whole argument moot, for the Court apparently has reached its conclusion about the whole basic decision." Commission lawyers have very few hopes that 9-judge Court will reverse its 3-judge panel. There are reports, meanwhile, that Meyner hasn't found any N.J. group which would want to buy station. If none shows up, Meyner would be left in very awkward political posture.

Consequences of panel's roadblock were described this way by FCC: "The 15 million persons within the Ch. 13 service area would suffer the irreparable injury of a loss of ETMA's educational & cultural services. Indeed, the potential harm to the general public is broader, since ETMA intends to make its programs available to the entire nation through film & video-tape facilities."

HOSPITAL TV SHOWCASE PLANNED: Country's most elaborate hospital TV installation—covering everything from surgery to thievery with as many as 100 cameras—is on drawingboards in Newark.

"Hospital of tomorrow" is what Columbus Hospital's development dir. George Radcliffe calls its proposed new TV-equipped, 8-building, 400-bed center, scheduled for start within 18 months. He's getting

engineering plans & estimates now from RCA, Westinghouse, Lockheed, Minneapolis-Honeywell and other manufacturers & suppliers on specifications for closed-circuit complex.

"We'll have extra eyes, feet and care through TV," Radcliffe told us. "And we'll save money in the long run. TV just makes pure sense in hospital operations." Columbus has experimented with TV uses such as monitoring, and Radcliffe has become ardent salesman of medium as medical aid. He works with Council on Medical TV and has promoted TV in papers read to Yale School of Medicine & N.Y. Academy of Sciences.

New hospital will have such electronic devices as these, Radcliffe reported:

Surgery—All operating rooms will have 2 cameras, one built into surgical light, other set for over-all observation. Operations will be televised live for teaching & evaluation purposes, taped to provide indisputable evidence in event of malpractice litigation.

Wards—Patients under intensive care will be monitored around clock by TV, including infra-red system when they must have darkness. Supplementary physiological monitoring devices will check blood pressure, etc., and slave monitors will enable physicians & nurses to keep patients under constant observation.

Administration—Strategically-placed cameras will give hospital chiefs on-spot views of all activities, indicating where & when they're needed for emergencies, saving them from needless trips.

Radiology—In conjunction with image intensification & tape recording, closed-circuit installation will eliminate time lags, permit playbacks at any time for re-evaluations by radiologists.

Inventory control—"Pilfering is considered a nasty word, but it exists to varying degrees in all large hospitals." TV will maintain surveillance over drugs, instruments, storeroom supplies.

Patients will watch TV shows on convenient sets as matter of course in new Newark hospital. Also planned is 2-way radio setup permitting consultation between ambulance crews & hospital staff.

CURRENT CAPSULES

Slow-motion video-tape system devised by ABC was demonstrated for first time last week at special showing for newsmen. Designed for instantaneous slow-motion playback of action in sporting events, it will be used for first time on Thanksgiving Day telecast of Texas-Texas A&M football game. Developed by 6-man team under Al Malang, ABC chief video facilities engineer, new process utilizes Ampex Videotape recorder which has been specially modified to play standard tapes at half speed. This involved development of special standards cut to exactly one-half of U.S. TV standards—line frequency of 7,875 cycles, 15 frames per second, 30 fields, 262 lines (vs. 15,750, 30, 60 & 525 for regular TV standards). In playback, electronic standards converter changes output to standard TV signal.

As demonstrated by ABC, slow-motion playback picture had pronounced flicker, but engineering vp Frank Marx said this can be removed through known techniques, and network engineers are now developing flicker-remover which may be ready in time for Thanksgiving Day use of device. Lowered resolution (262 lines) was neither objectionable nor even noticeable at distance from which we viewed monitor. Since specially doctored Ampex recorder is used for playback, tape must be recorded on one machine, then transferred to special slow-motion machine for broadcast.

Nov. 14 was cutoff date for new Rochester Ch. 13 applications, as FCC began designating applications for hearing. Total is 11, including Rochester Telecasters Inc., which filed to share time with educators' Rochester Area Educational TV Assn.; latter is amending to reflect share-time proposal.

FCC last week released letter to ABC Pres. Goldenson, giving its views on his suggestions getting stations operating quickly on interim basis in Rochester, Syracuse & Grand Rapids (Vol. 1:7 p5 et seq.). As we indicated, Commission said it would like to have all applicants share operation equally in each city. However, it noted that it has authority to grant interim operation to group which some applicants refuse to join, because of "a strong public interest in instituting immediate service."

Networks should compete with public-affairs shows in same time period, ex-NBC programming vp David Levy suggested in talk to class at Annenberg School of Communications at U. of Pa. Simultaneous scheduling of such programs would put networks on even footing and make audiences "free from the temptation of escapism fare," he said. Levy also advocated stronger NAB Codes.

Doubts about "freedom of the press" application to TV-radio, expressed by Wall St. Journal Pres. Bernard Kilgore (Vol. 1:9 p1), were labeled "preposterous" by NAB Pres. Collins. Kilgore had said: "We are going to get the issue of freedom of the press obscured dangerously if we try to stretch it to fit the radio and TV industries." Collins' response: "While it is true that broadcasting stations are licensed by the govt., due to technological necessity, the Supreme Court has held that the govt. can no more impinge upon the freedom of the broadcaster's right of expression in its programming than it can impinge upon the publisher's right of expression."

Drive for liquor commercials received another push last week when Earl H. Tiffany Jr., vp of Ellington & Co., told Esquire magazine sales meeting in N.Y. that pressure will increase to break broadcasting's self-imposed prohibition. Distillers' hunt for increased sales volume, he said, will eventually cause them to drop "moral and public relations considerations which are invalid anyhow." Increase in number of stations, he added, will cause telecasters to look "eagerly" at liquor advertising. NAB spokesmen say they've yet to find a Code subscriber taking such commercials and that they're constantly warning industry that the practice invites federal legislation which could ban beer & wine advertising and jeopardize other kinds of commercials.

Practicability of worldwide TV via satellites has been questioned by Jack C. Oppenheimer of NASA's plans & program office. In speech on "Socio-Economic & Political Aspects of Space" at Lincoln, Neb. aerospace science clinic, he said big questions about satellite communications will remain even if Administration resolves operational policy problems (Vol. 1:9 p2). Among them: How will international TV handle languages? How can time-zone differences be adjusted to assure international audience for "instantaneous, non-taped" telecasts?

House hearings may be opened to TV & radio coverage as one result of death of Speaker Rayburn (D-Tex.). During long Rayburn regime, he barred mikes & cameras from committee proceedings as offensive to House rules & traditions, although Senate relaxed its hearing rules to permit broadcast equipment at discretion of committee chairmen. Rayburn's successor—probably Rep. McCormack (D-Mass.)—is expected to be less rigid about House customs.

Personals

James A. Stable, NBC-TV staff vp, promoted to NBC vp & assoc. gen. attorney . . . Ed Sullivan receives special award from National Council of Catholic Youth . . . Jerome R. Reeves, KDKA-TV Pittsburgh gen. mgr., named chief barker of Variety Club Tent No. 1 . . . Jack B. Weiner, ex-*Television Magazine*, joins TvB as national sales development mgr.

Frank Beazley, from CBS Sales, N.Y., named gen. sales mgr. of network's WCAU-TV Philadelphia . . . Frank Hovore, from Jack Packard ad agency, rejoins KTTV Los Angeles as sales promotion mgr. . . . Jules Hoffman promoted to *TV Guide* promotion dir.

Loomis C. Irish promoted to ABC-TV network sales service dir., John McAvity succeeds him as nighttime sales service mgr., Mark Cohen replaces McAvity as Eastern sales service mgr.

William P. Keeney, from Lavenson ad agency, joins NBC's WRCV-TV & WRCV Philadelphia as business mgr., replacing Arthur A. Watson, now WRCV-TV station mgr. . . . Alan Baker promoted to asst. NBC trade news editor.

Joseph M. Higgins resigns as vp & gen. mgr. of WTHI-TV Terre Haute to take similar posts with WIBC Indianapolis, which has been given WLWI's Ch. 13 by FCC (Vol. 1:9 p5); Ben Falber Jr. named operations vp of WTHI-TV; Russ Arnold, facilities vp; George Foulkes, sales vp.

John S. Hayes, pres. of *Washington Post-Newsweek* stations (WTOP-TV & WTOP Washington and WJXT Jacksonville), heads new NAB civil defense committee; Robert J. McAndrews (KBIG Hollywood) designated radio public relations committee chmn.

David Schoenbrun, CBS Paris correspondent, succeeds Howard K. Smith as chief Washington correspondent (Vol. 1:8 p5) . . . George Whitney, KFMB-TV & KFMB San Diego vp & gen. mgr., elected Cal. State Bcstrs. Assn. pres.

A. Louis Read, exec. vp & gen. mgr. of WDSU-TV New Orleans, elected TvB chmn. at Detroit meeting, succeeding Glenn Marshall Jr. of WJXT Jacksonville.

FCC Comr. Bartley will speak at fall meeting of Ariz. Bcstrs. Assn. in Phoenix Dec. 1. Others on program include NAB station services vp William Carlisle and Rep. Rhodes (R-Ariz.).

Filmed commentary by NAB Pres. LeRoy Collins on report by Commission on Goals for Higher Education in the South, on which he served, is being distributed to Southern TV stations.

Stay home & watch TV—"like the Lord intended for people to do"—elderly woman told rocket expert Dr. Werner von Braun after listening to explanation of why U.S. needs to put men on moon. She said she was unimpressed by moon plans at Marshall Space Flight Center, Huntsville, Ala.

TV revenues should be taxed 5% to subsidize live theater, Broadway producer Herman Shumlin told House Education Subcommittee at N.Y. hearing on proposals for federal aid to culture. Speaking for League of N.Y. Theaters, Shumlin testified competition from electronic entertainment endangered traditional dramatic arts. Of 33 N.Y. theaters, 3 are up for sale and another—Hudson—has been sold by NBC (“of all people”) for garage use, Shumlin said. Subcommittee’s Rep. Giaimo (D-Conn.) took dim view of tax proposal, however, pointing out Shuberts control 18 of theaters—and “somebody must be making a lot of money.” Another hearing witness was AFM Pres. Herman Kenin, who renewed his union’s arguments for federal curbs on foreign-made TV soundtracks to save American musicians’ jobs.

Simulated mayhem on TV by “Three Stooges”—rather than violence in Westerns, private-eye crime or sex—has worst effect on children watching WTMJ-TV Milwaukee programs, according to station survey conducted in cooperation with *Milwaukee Journal*. More than 75% of parents polled said TV “as a whole” is good for family life. But 30% complained that children imitate actions of “Three Stooges.” Violence was protested by 16.9%, shooting by 13.8%. Only 1.5% objected that their children “see over-exposed females.”

Three-way Rochester deal in which Transcontinent TV Corp. sold its WROC-TV (Ch. 5) to Ch. 10 share-timers WVET-TV & WHEC-TV for \$6.6 million and WHEC-TV took over Ch. 10 for \$3.9 million (Vol. 17:5 p14 et seq.) was finally consummated Nov. 14. WVET-TV (Veterans Bestg. Co.) started full Ch. 5 operations as WROC-TV, WHEC-TV went on air as sole Ch. 10 occupant, Transcontinent left Rochester field.

“Incredible response” to \$1.5-million campaign to rebuild burned-out studios is reported by educational WGBH-TV Boston (Vol. 1:6 p5). CBS has contributed equipment worth \$35,000, anonymous foundation gave \$25,000, school children in suburban Somerville raised \$1,500. WGBH-TV has been using studios of Boston commercial stations since \$1-million fire Oct. 14.

“Strictly confidential” trouble-shooting service for members has been started by Ga. Assn. of Bestrs. in new plan announced by exec. secy. Jack Williams. Stations facing “possible trouble” from FCC or financial, programming or competitive problems, can get on-spot consultation & help from Williams or GAB representatives recruited for assignments.

Closed-circuit telecast with big-name entertainers, planned for next May, will help finance construction of National Cultural Center proposed for Washington. Chmn. Roger L. Stevens hopes to raise more than \$7 million in admissions to show in 150 cities. Project has President Kennedy’s backing.

Audio tape of Pablo Casals’ cello concert at White House last week will be sent by NAB to stations requesting it, at \$5.50 for the 59-min. program. Alert NAB staffers had queried members through AP & UPI radio wires, got 250 responses immediately. Stations may broadcast tape once, sustaining only.

Add FCC allocations actions (see p. 2): (1) Proposed substituting Ch. 15 for Ch. 62, Oneonta, N.Y., deleting Ch. 15 from Rochester, Ch. 29 from Gloversville. (2) Proposed to reserve Ch. 18, E. Lansing, Mich. for ETV. (3) Finally reserved Ch. 20, Eugene, Ore., for ETV.

Teilifis Eireann (Irish TV), now building in Dublin, scheduled to test in Dec. and start regular operations Jan. 1, will operate on both 625 & 405 lines on Ch. 7 (60-kw ERP)—the later standards to enable set owners to pick up BBC & ITV programs. Four provincial stations are projected for 1962. Owned and operated commercially by the Republic of Ireland, station will be managed by Edward J. Roth, ex-mgr. of NBC’s former Canal 4 operation in Lima, Peru. It already has nearly \$1 million worth of commercials contracted.

BBC is “truly independent” despite fact that it is gov’t-owned, director-general Hugh Carleton Greene said at N. Y. luncheon hosted by NBC Chmn. Robert W. Sarnoff. He deplored what he described as popular misconception that BBC “must dance to whatever tune the British gov’t. may call at any moment.” Greene acknowledged that “on paper” gov’t. has veto power over programming, but it’s “now pretty well unthinkable that it ever could be made use of.”

Ham radio satellite will be lofted into orbit by Air Force in Project OSCAR (Orbiting Satellite Carrying Amateur Radio) aboard Discoverer from Vandenberg Base—probably in December. Hams have organized OSCAR Assn. to develop tracking & communications networks using 10-lb. satellite, which will contain its own battery power system. It’s designed for investigation of propagation in 144-146 mc.

Up-to-date recording-reproduction standards are goal of revived NAB engineering committee. New stereo standards and more tape speeds will be considered by group headed by NAB engineering mgr. George Bartlett. Tape subcommittee is headed by Warren Braun (WSVA-TV & WSVA Harrisonburg, Va.), disc subcommittee by A. Prose Walker, Collins Radio.

“Big Brother” TV: The postal clerks’ union has protested Detroit post office tests of closed-circuit TV for inspection of conveyor belts & other mail-sorting equipment. The union said it feared TV cameras would be “diverted to the thoroughly repugnant manifestation of ‘Big Brother is watching you’ type supervision.”

Recent rash of magazines articles deriding TV & its new-season programming brought this editorial comment in Nov. 18 *TV Guide*: “Never before has the magazine business clutched an advertising competitor so closely to its bosom—and squeezed so hard.”

Closed-circuit TV provides one “much-needed answer to the growing management training needs” of small firms, Deputy Small Business Administration Administrator Irving Maness told graduates of pilot course at Hagerstown, Md. (Vol. 1:8 p4).

Radio’s community-leadership role will be discussed by FCC Comr. Ford Dec. 1 in Los Angeles at seminar sponsored jointly by Southern Cal. Bestrs. Assn. and U. of Southern Cal.

Novel renewal hearing: Radio KSAY San Francisco has been designated for hearing to determine whether it creates a hazard by inducing currents in cranes at nearby Oakland Army Terminal.

FCC’s option-time oral argument has been postponed from Nov. 14 to Dec. 4—“because of the pressing urgency of other business.”

Latest ETV starter, WCBB (Ch. 10) Augusta, Me., began operations Nov. 13.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

FORMULA FOR FM-STEREO SALES SUCCESS: There's only one way to sell FM stereo: Demonstrate it. There are 2 prerequisites to successful demonstration: (1) There must be good and varied programming (not all classical music) on air during shopping hours. (2) Store must be set up to receive FM-stereo programming—good antenna, convenient place for listening.

In markets where these conditions are being met, FM stereo is beginning to show real signs of vitality. Most reports indicate particular strength in hi-fi component tuners and in specialized 2- or 3-piece table models, such as GE's \$175-list stereo radio.

As to packaged hi-fi phono-FM consoles, there's no evident boom. Deliveries have been slow, and sales are just beginning. Many dealers aren't demonstrating FM stereo in phono consoles (some don't understand it yet) and in our tours of retailers we saw little evidence that stereo FM is being pushed hard as an accessory for, or part of, stereo phono consoles.

But it's only the beginning. The vanguard of music-lovers, the component hi-fi buffs, have clutched FM stereo to their bosoms. The family next door—the package-phono trade—hasn't yet heard about it. For example, record section of Nov. 12 N.Y. Times Sunday edition carried 531 column-inches of ads featuring FM-stereo hi-fi component tuners, none mentioning FM-stereo in phono consoles.

Particularly successful in FM stereo—although on small scale—is Pilot Radio Co., which has had opportunity to compare component & console sales patterns, since it makes both. Sales vp L. M. Sandwick, chairman of EIA's phono section and ardent FM-stereo booster, sizes up status this way: "We've felt a tremendous upturn in our component tuner business. In my 7 years here, we have never been so back-ordered on any items as we are now on stereo tuners & adapters. But so far, FM stereo hasn't affected our console business very much."

Given more promotion, more varied musical fare during daytime, more trade-broadcaster cooperation, more deliveries of consoles by all manufacturers, Sandwick is confident FM stereo will also boom console sales.

Interesting sidelight on in-store demonstration situation, according to Sandwick: "We discovered that very few dealers have been demonstrating radio at all in recent years. In most quality stores, they've been using records and tape. Some don't have proper antenna installations for FM stereo."

What are best FM-stereo markets? San Francisco, where KPEN-FM has been cooperating closely with trade, is "still far-&-away the best," says Sandwick, with N.Y. "a fast-closing second" since debut of WQXR-FM's daytime stereo schedule (see story p. 8). Chicago has become No. 3 now that WKFM is back in stereo with both feet. N.Y. may overtake San Francisco after Friendly Frost's powerful WTFM in nearby Long Island starts its 24-hour stereo schedule Nov. 24.

GE lists 6 top stereo markets for its \$175-list stereo table radio—Los Angeles, Chicago, San Francisco, N.Y., Detroit & Miami. Inclusion of Miami is testimonial to WVCG Coral Gables, which has been operating only about 2 weeks, but has cooperated closely with local distributors & dealers (Vol. 1:9 p5).

GE modestly characterizes sales of its stereo table model as "somewhat between terrific & sensational" and notes that "markets that are best for FM stereo are those which have always been the best FM markets."

In console field, Symphonic—which recently started large-scale shipments of stereo phonos with built-in multiplex—reports biggest initial response in Los Angeles, Detroit & N.Y.

Latest stereo starters, according to notifications filed with FCC: KONG-FM Visalia, Cal.; KFMY, Eugene, Ore.; KPEN Portland, Ore.; WFLN Philadelphia.

WHAT ONE STATION LEARNED ABOUT FM STEREO: From listener's standpoint, most significant difference between FM-stereo and conventional radio installation is need for far better antenna system. In this respect and in others, 3 months of FM stereocasting have generally borne out predictions based on National Stereo Radio Committee's 1960 field tests in Uniontown, Pa. So we were told last week by chief engineer L. J. Kleinklaus of N.Y. Times' WQXR-FM.

Station has received heavy mail response to stereocasts—most of it requesting information. From stereo-FM owners there have been few complaints. "At least 50% of the comments & inquiries have to do with antennas," said Kleinklaus.

What are FM stereo's special antenna requirements? "There's no question that to get proper stereo reception, you must improve your antenna—and not only in the fringe area. A line-cord antenna or a piece of twin lead on the wall or under the rug generally doesn't give good results, even in the primary area. Most listeners must use a special FM antenna outside or in the attic, or tap in on their TV antennas for best high-fidelity FM-stereo quality."

Reduction in coverage area has followed general expectations. "If you assume the coverage radius of an FM station broadcasting monophonically to be 90 miles, reception of its stereo signal in stereo is cut down to about 66 miles, or nearly 30%. Reception of the stereo signal on conventional monophonic FM sets goes out to about 88 miles, a reduction of only about 2%."

How about compatibility of FM stereo signal on monophonic receivers? "We've had no complaints about monophonic quality," said Kleinklaus. As to program material—stereo discs & tapes—"we've had to reject some recordings where the left-plus-right channels didn't add up to a good monophonic signal, but the rejection rate is less than 1%." (Other stations may find rejection rate slightly higher, since WQXR-FM specializes in "good music," doesn't use "gimmick" or exaggerated stereo-effect records.)

As to operation of broadcast equipment: "Over the last 3 months we've found that the equipment doesn't require considerable attention. It just must be set up right in the first place. We're still making some modifications, but nothing more drastic than you'd expect in a new piece of equipment."

WQXR-FM now programs about 20 hours weekly in stereo—much of it during shopping hours. Biggest stereo sponsor is Pilot Radio (see story p. 7), with nearly 7 hours weekly. Other stereo sponsors: GE, Fisher Radio, H. H. Scott, Zenith, Harman-Kardon, RCA Victor Records, Capitol Records, Angel Records, London Records, Air India.

TV TOPS EQUIPMENT IN HOUSING COUNT: "Must" items in 1960 household appliances were TV sets, radios, automatic washers—in that order—according to first 15 advance state & county reports by Census Bureau on its housing survey. Other findings in 52-report series (covering all states, D.C. and U.S. as whole) will be released at intervals until next March, when summary is due. Single reports are available for 15¢ from Bureau of Census, Washington 25, or Commerce Dept. field offices. Complete sets will cost \$6.

State-by-state TV count in first batch of reports:

State	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set	State	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
Alaska	57,250	32,103	3,120	22,027	N.H.	180,020	147,683	15,162	17,175
Colo.	529,419	403,689	46,987	78,531	N.M.	251,209	182,007	14,887	54,293
Conn.	752,736	608,158	85,649	58,903	N.C.	1,204,715	927,862	45,061	231,759
Ida.	193,839	157,643	8,697	27,499	N.D.	173,362	142,301	6,179	24,882
La.	892,344	661,736	64,320	166,278	R.I.	257,335	211,470	30,143	15,705
Me.	280,355	230,803	20,952	28,600	S.D.	194,821	157,889	5,626	31,306
Mont.	202,240	151,685	6,689	43,866	Wyo.	99,187	73,289	3,352	22,546
Nev.	91,520	67,937	7,748	15,835					

THE CONSOLE—A VANISHING AMERICAN? Is the straight black-&-white console destined to go the way of the brontosaurus and the dodo? Will it succumb to inroads of 19-in. portables & table models in the "straight set" category, and to combinations & color consoles in the more fancy brackets?

It's too early to say yet, of course—but there are definite indications. Most important is influence of the 19-in. portable, or table model, or whatever you want to call it. Percentage of console sales for 1961 may be lowest in TV history. This drop coincides with rise in 19-in. set sales. Most industryites point out that 19-in. is sufficiently larger than old 17-in. to be considered a "family-size" set and has cut into bigger-screen sales—including 23-in. models.

Straight consoles have accounted for about 37.5% of distributor-to-dealer TV sales first 10 months of this year—down from high of more than 50% in the early 1950s. Color set sales—as we pointed out 2 weeks

ago (Vol. 1:8 p6)—are increasing to point where color can be counted as part of high end of regular TV lines. Place of combinations in TV lines is treated in story below.

Historical pattern of TV set sales by cabinet types is shown in this table of retail sales, 1953-1960:

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%

In distributor-to-dealer sales, here is pattern for first 10 months of 1961 vs. same period last year:

Year	Table-Portable	Console	TV-Phono Comb.
1960.....	57.5%	39%	3.5%
1961.....	59%	37.5%	3.5%

Note: Preliminary figures confirm what many manufacturers, distributors & dealers have already deduced—October wasn't a great month for TV sales. First 2 weeks maintained September's solid tone, with some falling-off in latter half of month. Nevertheless, month ended up nearly 7% ahead of Oct. 1960 in distributor-to-dealer sales—about 597,000 sets vs. 559,000 last year. For first 10 months of year, 1961 was ahead of last year by less than 1%—4,638,000 vs. 4,598,000.

COMBOS GAINING IN SALES AS CONSOLES LAG: Although consumer demand for TV consoles is down markedly from a year ago (see story p. 8), appetite for big-ticket TV-radio-phono combinations seemingly is being whetted on surprising scale. Combo sales rise is hardly of tidal wave proportions, of course, and over-all volume is still but a drop in total TV sales bucket. However, there's no question that combos are showing strong & healthy sales gain, and outlook is for increasing emphasis on TV-radio-phono models by manufacturers in next year's lines.

Most combo manufacturers we spoke with last week reported strong & improving combo sales, and most were highly optimistic about future of TV-radio-phono unit in face of declining console sales. Most bearish note was struck by Morris Sobin, pres. of Olympic which claims to be largest company in combo business. "Sure there's increasing interest in combos," he told us, "but when it's all said and done we're still speaking about only a fractional part of the TV business. Last year, total combo sales amounted to about 3.6% of total. This year the figure may increase to 3.8 or 3.9%. In my opinion combo sales will never account for more than 4-5% tops of total TV sales." His reason: "Most people either already have individual radios, TVs and phonos or prefer to buy & use them as individual instruments." Olympic, incidentally, offers combos which are really control centers and can be hooked up to play TV, radio and/or hi-fi in other rooms. GE noted a "seasonal increase" in combo sales, said there was a "softening to a slight degree" in console sales—but attributed the decline to popularity of portables rather than to combos.

For most part, manufacturers were bullish about combo's present & future. "Combo business has been too good," Admiral told us, noting that it is backordered and is bottlenecked by a shortage of cabinets. Admiral has 11 combos in line (including two 19-in. models), finds combos increasing percentage of total TV sales. Magnavox, long a major in combos, reported sales up & expanding to a higher percentage of total sales. Mktg. mgr. Jack Beldon said the sales rise is "not meteoric—just a solid gain. Magnavox pioneered in combinations; they're a very important part of our business and we'll continue to push them." Magnavox now has 8 combos in the line (including 27-in.) and probably will broaden its line next year, "depending on consumer demand."

There was pretty general agreement as to reasons for new popularity of combos: (1) Increasing interest in FM and FM-stereo. (2) Improved styling and wider variety of furniture cabinets. (3) Money- & space-saving advantages of combining FM-stereo, phono & TV in single handsome cabinet. There were other reasons. Mort Farr, NARDA chmn. and operator of a large retail outlet in suburban Philadelphia, told us there's been a big drop in console demand. He believes customers who normally would be buying consoles are

now holding off, deciding about a possible color TV buy. Meanwhile, as stopgap, they're buying TV portables, or moving up to combos to take advantage of all-in-one entertainment center.

There was general agreement, too, that color, over the long haul (next 5 or more years) will eventually take over TV's console business. RCA Sales Corp. mktg. vp Raymond Saxon noted that "surge in color has affected" b&w's high end but that RCA sales of combos are "definitely increasing." RCA now has 4 b&w and one color combo, is considering broadening line by increasing furniture models.

Summation: Combo sales are up and give every sign of increasing. Console sales are down, and color may well be one factor. No one knows exact reasons for public's rekindled interest in combos, but undoubtedly improved furniture styling and heightened interest in music (stereo & FM-stereo) are major considerations. Certainly a strong factor is money-saving advantage to consumer in buying TV, radio and phono in single unit than in separate cabinets. Most manufacturers will carry more combos (and more furniture variations of each model) next year. From dealer standpoint, it probably will become easier to sell home entertainment center as separate entity than to convince console-minded consumer to buy straight b&w console if he isn't yet ready for color.

TV-RADIO PRODUCTION AT PEAK IN SEPT.: Output of TVs & radios rose to 1961 monthly highs in Sept., latest EIA figures show. Factory sales of phonos and picture & receiving tubes also set 1961 records.

Production of TV sets rose to 694,580 from 678,937 in Sept. 1960. Cumulative output, which in Aug. caught up with year-ago production, bounced ahead by more than 20,000 sets to 4,393,768, vs. 4,373,121 for 1960's first 10 months. Radio output in Sept. climbed to 2,048,698 from 1,945,092 in Sept. 1960, but year-to-date production lagged behind 1960's 10-month totals 12,001,488 to 12,408,377. Here are EIA's figures:

Month	TELEVISION				RADIO					
	Total Production		Uhf Production		Total Production		Auto Radio Production		FM Production	
	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960
January	367,935	526,494	25,270	50,119	1,090,073	1,355,788	387,136	632,461	50,421	33,816
February	444,418	503,453	24,514	43,537	1,115,029	1,442,368	307,973	596,872	41,357	56,515
March	497,458	549,500	21,450	45,411	1,384,052	1,667,550	384,227	633,761	75,044	83,127
April	405,808	422,551	19,095	39,240	1,124,924	1,230,323	375,570	399,963	51,260	68,196
May	470,399	442,176	22,782	32,295	1,196,949	1,277,040	408,875	463,165	49,705	65,438
June	615,118	518,870	34,641	34,245	1,626,263	1,551,451	518,010	596,870	88,808	105,317
July	383,378	268,854	23,233	14,621	1,030,399	890,359	320,128	328,009	48,114	49,707
August	514,674	462,286	33,946	26,829	1,385,101	1,048,406	451,374	340,860	69,090	71,125
September	694,580	678,937	41,253	46,161	2,048,698	1,945,092	591,493	788,961	110,174	111,745
TOTAL	4,393,768	4,373,121	246,264	332,458	12,001,488	12,408,377	3,744,786	4,780,922	583,973	677,410

Although mono & stereo factory sales hit their healthiest 1961 stride in Sept., phonos were way off the 1960 pace, and year-to-date volume continued to lag far behind a year ago.

Mono sales rose to 124,142 units, but this was well behind Sept. 1960's 146,997. Stereo sales trailed the year-earlier volume 328,045 to 384,289. Cumulatively, mono & stereo 10-month totals ran far behind 1960: mono—662,946 units vs. 738,671; stereo—1,877,624 vs. 2,309,875.

Factory sales of picture & receiving tubes were at their 1961 best in Sept., but the best wasn't good enough. In both units & dollars, kinescopes & receiving tubes continued to lag far behind the year-earlier volume during 1961's first 10 months.

TV picture tube sales totaled 946,405 units valued at \$18,981,210 in Sept. 1961. This compared with 913,496 at \$18,345,103 in Sept. 1960.

Receiving tubes duplicated kinescope performance by outselling Sept.-1960 37,611,000 units vs. 31,367,000. Dollar value increased to \$30,472,000 from \$26,872,000. Here are EIA's official tabulations:

Month	PHONO FACTORY SALES					
	1961			1960		
	Mono	Stereo	Total	Mono	Stereo	Total
January	80,366	211,383	291,749	118,400	341,329	459,729
February	50,710	204,638	255,348	92,648	324,666	417,315
March	62,396	227,469	289,865	63,264	242,523	305,787
April	53,074	162,974	206,048	30,962	142,409	173,371
May	53,887	142,450	196,337	36,793	146,176	182,962
June	61,533	197,170	258,703	69,293	198,407	267,700
July	70,681	171,331	242,012	70,992	222,559	293,551
August	106,157	242,164	348,321	109,321	307,517	410,838
September	124,142	328,045	452,187	146,997	384,289	531,286
TOTAL	662,946	1,877,624	2,540,570	738,671	2,309,875	3,048,546

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
	January	707,833	\$14,430,602	26,343,000
February	728,989	14,395,981	25,803,000	21,855,000
March	936,098	18,725,011	36,635,000	30,719,000
April	722,110	14,293,375	28,687,000	24,392,000
May	673,315	13,238,774	29,823,000	25,308,000
June	806,852	15,887,776	31,463,000	25,959,000
July	457,181	9,364,364	27,566,000	20,979,000
August	870,578	17,239,228	36,907,000	31,347,000
September	946,405	18,981,210	37,611,000	30,472,000
Jan.-Sept. 1961	6,849,361	\$136,556,321	280,838,000	\$233,298,000
Jan.-Sept. 1960	6,978,241	139,685,905	302,459,000	254,916,000

TOPICS & TRENDS

Crosby Electronics Co. last week filed Chapter X voluntary bankruptcy petition after Internal Revenue Service shut down its plant and that of its subsidiary Crosby-Teletronics in Syosset & Westbury, Long Island for non-payment of withholding taxes. The Crosby firm was instrumental in establishment of FM-stereo standards—by being the first to propose a compatible plus-&-minus system—although its particular system was turned down by FCC in favor of Zenith-GE approach. Crosby had been supplying FM-stereo adapters to several radio importers and marketing adapters itself.

"We are in a tight cash position," Pres. Murray Crosby told us last week after bankruptcy petition was filed. "Internal Revenue cracked down in a way nobody can understand. We hope to pare down our staff and reorganize. Actually, we're in quite a good back-order situation." Govt. had filed tax liens totaling \$44,600 against the companies, and a creditors' committee last July 31 had put liabilities at about \$1.1 million. The Crosby firms also make hi-fi equipment and have military contracts.

U.S. Court of Appeals ruled last week that 4 Zenith patents for its Space Command remote-control unit are valid and were infringed by Admiral. The Appeals Court, in Denver, upheld the ruling of the Oklahoma City U.S. District Court which heard in favor of Zenith Aug. 1, 1960 (Vol. 16:36 p12). The Denver ruling, however, made no mention of Zenith's Fringelock TV circuit patents, which the District Court last year also ruled valid and infringed upon by Admiral.

TV-RADIO PRODUCTION: EIA statistics for week ending Nov. 3 (44th week of 1961):

	Oct. 28-Nov. 3	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	161,211	158,370	110,845	5,179,906	4,982,966
Total radio	456,499	451,956	429,057	14,252,415	14,568,716
auto radio	148,542	145,578	142,418	4,474,150	5,562,269

For week ending Nov. 10 (45th week of 1961):

	Nov. 4-10	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	152,058	161,211	113,321	5,331,964	5,095,249
Total radio	458,324	456,499	385,996	14,710,739	14,958,113
auto radio	146,800	148,542	128,657	4,620,950	5,690,539

Trade Personals

Dr. Elmer W. Engstrom, RCA senior exec. vp, assumes supervisory responsibility for 3 additional divisions, all of which heretofore reported to Pres. John L. Burns. They are consumer products, data processing and a group embracing international, industrial products and RCA Service Co. With the sole exception of NBC, all RCA divisions now report to Dr. Engstrom.

Eric Kirkham Cole has resigned from the boards of British Electronic Industries and subsidiary E. K. Cole Ltd., TV-radio firm he founded in 1922. He was BEI's deputy chmn. . . . Edward Diamond promoted by General Dynamics to associate counsel from Electronics Div. vp-gen. counsel.

Jack L. Hunter appointed distribution planning mgr., GE Radio & TV Div. . . . Edward M. Wesick named Western District sales mgr., distributor sales, by Sylvania Electronic Tube Div.

Ralph W. Wright promoted to vp of Litton's Westrex div. . . . Alfred A. Blanco promoted to marketing dir. of Page Communications Engineers; Earl A. Schneider appointed to marketing directorate.

James E. Sloan appointed advanced engineering products mgr. of RCA's major defense systems div. . . . Samuel J. McDonald promoted to distributor sales mgr. of Sylvania's semiconductor div.

Patrick E. Haggerty, Texas Instruments pres., has been elected IRE pres. for 1962.

Richard A. Vollmer advanced by Westinghouse to financial planning & control dir. from financial analysis

mgr. . . . Samuel J. McDonald named Sylvania Semiconductor Div. distributor sales mgr., succeeding W. L. Kelley who becomes merchandising mgr. for distributor sales . . . W. F. Mullin and Frank P. Vendeley named to new posts of mktg. mgr. and gen. sales mgr. respectively, Mallory Distributor Division.

James A. Core, staff assistant to Magnavox Pres. Frank Freimann, has resigned. The onetime Texas Instruments controller has returned to Texas, will announce his plans shortly.

Paul Garrison, formerly sales mgr. of I-T-E Circuit Breaker's Special Products Div., named gen. mgr. of Jerrold's subsidiary Technical Appliance Corp. . . . Milton B. Sleeper, widely known publisher & editor in electronics & hi-fi fields, named product design vp by R-A-E Equipment Inc., new firm in radio, audio and electronics kit field.

Franklin S. Hoffman promoted to sales vp by British Industries Corp.; Arthur M. Gasman moves up to promotion vp.

Tadelusz J. Siek named market research mgr. of Sylvania's Waltham Labs . . . Leo W. Hahn promoted to dir. of Emerson Radio's Emerson & Quiet Kool div. sales.

Obituary

Jack Mendelson, district sales mgr. for the Du Mont Div. of Emerson Radio Associates, Newark, N.J., died at his Jersey City, N.J. home Nov. 13. He had been active in TV-radio-phono merchandising for more than 40 years, half of which were spent with RCA Victor distributor Krich Radisco. He had also been associated with Olympic Radio & TV. He is survived by his wife and brother.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Artists Pictures	1961—qtr. to Sept. 30	\$ 2,365,000	\$ (775,000)	\$ (730,000) ¹	—	911,278
	1960—qtr. to Sept. 30	4,244,000	286,000	277,000	\$0.30	899,240
Columbia Pictures	1961—year to July 1	—	—	212,000 ²	—	1,449,030
	1960—year to June 25	—	—	2,107,000 ³	1.47	1,287,109
General Dynamics	1961—9 mo. to Sept. 30	1,555,689,708	(83,576,496)	(39,532,496) ⁴	—	9,997,065
	1960—9 mo. to Sept. 30	1,442,771,395	(55,244,568)	(25,084,568) ⁵	—	9,946,080
GPE	1961—9 mo. to Sept. 30	171,196,090	8,457,540	4,189,040 ¹¹	2.47 ¹⁰	1,546,790
	1960—9 mo. to Sept. 30	176,554,550	7,982,412	3,622,512 ¹²	2.17 ¹⁰	1,492,508
	1961—qtr. to Sept. 30	52,292,533	2,438,837	1,122,037	.61 ¹⁰	1,546,790
	1960—qtr. to Sept. 30	55,831,746	2,612,176	1,155,376	.69 ¹⁰	1,492,508
International Resistance	1961—42 wks. to Oct. 22	18,200,246	—	1,522,217	1.10	1,388,298
	1960—42 wks. to Oct. 22	17,150,228	—	1,705,942	1.23	1,385,798
Lynch Corp. (Symphonic)	1961—9 mo. to Sept. 30	15,817,676	—	321,606	.45	713,562
	1960—9 mo. to Sept. 30	17,615,116	—	(190,107)	—	713,562
	1961—qtr. to Sept. 30	6,835,461	—	310,847	.44	713,562
	1960—qtr. to Sept. 30	7,932,176	—	(68,057)	—	713,562
MGM	1961—year to Aug. 31	140,539,527 ¹⁴	—	12,676,516 ⁸	5.02	2,668,388
	1960—year to Aug. 31	130,444,607 ¹⁰	—	9,594,908	3.83	2,506,129
Movielab Film Labs	1961—qtr. to Sept. 30	1,395,293	—	64,225	.20	312,500
	1960—qtr. to Sept. 30	1,259,331	—	55,798	.18	312,500
Muter Co.	1961—9 mo. to Sept. 30	10,047,200	219,651	111,119	.10	1,142,961
	1960—9 mo. to Sept. 30	8,871,207	201,472	98,726	.12	839,523
National Union Electric	1961—9 mo. to Sept. 30	25,693,621	—	481,307	.08	5,749,479
	1960 ⁹	—	—	—	—	—
	1961—qtr. to Sept. 30	9,180,172	—	250,245	.04	5,749,479
	1960—qtr. to Sept. 30	9,707,143	—	208,596	.04	5,749,479
A. C. Nielsen	1961—year to Aug. 31	36,100,000	—	2,442,000	1.43	1,710,000 ¹³
	1960—year to Aug. 31	31,000,000	—	2,138,000	1.25	570,000
Oak Mfg.	1961—9 mo. to Sept. 30	16,617,689	571,077	305,877	.46	655,794
	1960—9 mo. to Sept. 30	13,487,660	889,913	432,913	.66	655,894
	1961—qtr. to Sept. 30	5,608,551	238,557	118,357	.18	655,794
	1960—qtr. to Sept. 30	3,840,847	61,345	31,345	.05	655,894
Thompson-Starrett ⁷	1961—9 mo. to Sept. 30	15,518,465	—	209,121	.06	2,718,918
	1960—9 mo. to Sept. 30	7,625,186	—	(424,759)	—	2,650,266
Transitron Electronic	1961—13 wks. to Sept. 30	8,487,715	—	204,653	.03	7,503,368
	1960—13 wks. to Sept. 24	11,767,511	—	1,825,804	.24	7,502,500
Vornado	1961—year to Aug. 31	105,039,934 ³	—	3,052,539 ⁹	2.44	1,249,407
	1960—year to Aug. 31	99,142,259	—	1,179,101 ⁹	1.01 ⁹	1,168,260
Westinghouse Story below	1961—9 mo. to Sept. 30	1,387,512,000	—	25,012,000	.67	34,837,472
	1960—9 mo. to Sept. 30	1,457,233,000	—	60,680,000	1.71	34,706,557

Notes: ¹After \$45,000 tax credit. ²After \$3-million inventory reduction and \$1.6-million profit on sale of land. ³After \$1-million inventory reduction and \$202,000 profit on sale of land. ⁴After \$44-million tax credit. ⁵After \$30.2-million tax credit. ⁶Comparison unavailable because of mergers & acquisitions. ⁷Includes Delmonico International Division.

⁸Record. ⁹After non-recurring loss of \$565,423 (48¢ a share). ¹⁰After preferred dividends. ¹¹Includes \$578,299 (36¢) gain on sale of properties. ¹²Includes \$97,953 (7¢) gain on sale of properties. ¹³Reflects 3-for-1 split. ¹⁴Includes \$18,014,611 from TV. ¹⁵Includes \$14,127,538 from TV.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AB-PT	Q	\$0.25	Dec. 15	Nov. 24
AB-PT	Stk.	2%	Dec. 28	Nov. 24
AT&T	Q	.90	Jan. 2	Dec. 1
Burroughs	Q	.25	Jan. 20	Dec. 29
Con. Electronic Ind.	Q	.25	Jan. 5	Dec. 20
Daystrom	Q	.07½	Dec. 15	Nov. 27
Walt Disney Prod.	Q	.10	Jan. 20	Dec. 22
Walt Disney Prod.	Stk.	3%	Jan. 20	Dec. 22
Fairchild Cam. & Inst.	New	.50	Dec. 18	Dec. 1
Famous Players Can.	Q	.25	Dec. 8	Nov. 22
Famous Players Can.	Ex.	.12½	Dec. 8	Nov. 22
GPE	Q	.30	Dec. 15	Nov. 30
Hazeltine	Q	.20	Dec. 15	Dec. 1
MGM	Q	.50	Jan. 15	Dec. 22
Minnesota Mining	Q	.17½	Dec. 12	Nov. 24
Time Inc.	A	1.00	Dec. 11	Nov. 24

Westinghouse's 9 Months 'Disturbing': Pres. Mark W. Cresap Jr. last week called upon employees to work harder to control costs & improve sales. Terming Westinghouse's 9-month performance "disturbing" (see financial table), he added: "Profit performance in the first 9 months of this year has not been good. Very plainly, we haven't been selling as many products as we expected to sell this year. We are pleased that new orders for some of our product lines have been showing some gains in recent weeks, but over-all we haven't done as well as we figured we would." He urged employees to "avoid waste," to be "on the alert for better methods."

Emerson Subsidiary Sells Stock: Emertron Inc., wholly owned subsidiary of Emerson Radio & Phonograph last week issued rights to holders of Emerson common to buy at \$5 a share 320,000 shares of Emertron. The offering expires Nov. 30, is underwritten by F. Eberstadt & Co.

WEEKLY **Television Digest**

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NBC'S SARNOFF—ON INDUSTRY & GOVT.—sees agreement on objectives, believes public is being led upward gradually via free enterprise system (p. 1).

TORONTO PAY-TV EXTENSION PLANNED for 1,000 householders in section adjoining wired-up suburb Etobicoke. Telemeter reports 250 already are signed up (p. 2).

CATV HOT AFTER ETV, STATION RELATIONS, NCTA Pres. Dalton reports, summing up developments since he has headed cable operators' organization (p. 2).

STORZ SOCKED IN FORFEITURE CASE, FCC serving notice of \$10,000 liability by radio KOMA Oklahoma City for "willfully or repeatedly" violating rules (p. 3).

TV FILM CASE REACHES SUPREME COURT, Justice Dept. asking for review of District Court ban on distributors' block-booking on grounds it isn't tough enough (p. 3).

GRAND JURY STUDIES MCA DEALS in long-rumored Justice Dept.

probe of TV talent-&-production operations of big company to see if anti-trust laws were violated (p. 3).

Consumer Electronics

1961 TV SALES of less than 6 million seen on basis of 10-month figures showing distributor sales less than 1% ahead of last year. Final total estimated at between 5.8 & 5.9 million vs. last year's 5.7 million (p. 7).

FM-STEREO SHOWCASE, Friendly Frost's 24-hour WTFM in N.Y. area, begins programming with all-out campaign for broadcaster-trade cooperation. Station starts with 12 set makers as sponsors (p. 8).

UHF MARKET SLOW & steady, no lift seen in near future from N.Y. market. All-channel set sales for 1961 lower than 1960, but channel strip purchases reported 20% higher, largely as result of new uhf ABC affiliate in Louisville. Report on N.Y. test (p. 8).

RETAIL PATTERNS, charted by Audits & Surveys Co., show TV-radio-phono business is gradually shifting away from appliance stores to wide variety of other types of retail outlets (p. 11).

NBC'S SARNOFF—ON INDUSTRY & GOVT.: It's intriguing to tap the thinking of network leadership at this time, shortly before FCC's massive windup hearing on network programming processes, which begins Jan. 9. Last week, we interviewed NBC Chmn. Robert W. Sarnoff. Highlights of his philosophy:

"I don't think there's any disagreement, within the industry or government, on our objectives. We all want to offer the public more informational programs, more actualities, more children's programs, and so on.

"The question is the means. Some people are impatient. They want more programs for minority groups—now. But, should we do it more slowly via the free enterprise system? Or attempt to force it through government order?

"There's been a tremendous improvement in programming as against, say, 4 or 5 years ago. The audience is much more knowledgeable. The information programs are drawing very large audiences. Not as large as entertainment shows, of course, but large nonetheless.

"Sure, a lot of things can be improved, but it has got to be done with our free system. One thing that bothers me is that we don't get enough credit for the pioneering we do. Look at TV itself. People talk of the profits made by stations—but think of the huge losses they suffered in their pioneering days! I think that networks, particularly, have a responsibility to pioneer. Look at color. We bear the costs of 'colorizing' programs. Look at the recent New York elections. We were willing to spend money on the best news-gathering organization in the business. I don't think there's enough official recognition of the pioneering we do.

"A rule of reason should guide the government in judging the industry. I think FCC has the responsibility of looking at the industry's performance on an over-all basis. One year we may have too many quizzes; another, we may have too many Westerns, and so on. But on an over-all basis, over a period of years,

our performance will measure up to any reasonable standard. I think one way of judging a station is by asking: Is it successful? If it is, it obviously is serving a public need. It should be remembered that we're competing with other media as well as intramurally.

"I have no trouble with 'promise vs. performance.' I think a licensee should stick to his representations—but he should be given reasonable opportunity to retain flexibility to meet the changing needs of his audience." Among other points touched on:

(1) "Liquor advertising is a mistake. It's a perfect example of how a few stations can wreak havoc on the whole industry."

(2) "Helping foreign countries to start TV is another pioneering responsibility of the industry. We're working with the Nigerian government and we have other projects in the works. This is another excellent example of how private enterprise can do a public service job."

(3) "Business is holding up nicely. We don't have a program casualty in sight."

(4) "Color is off the ground. There may be receiver shortages. We have won accounts because the other networks don't offer color."

TORONTO PAY-TV EXTENSION PLANNED: Undaunted by internal squabble over pay-TV losses in Toronto suburb Etobicoke (Vol. 1:6 p2), Paramount subsidiary Famous Players Canadian announced last week that "plans have been completed" to extend Telemeter system into adjoining residential section.

Deadline "early in 1962" was set for wiring Mimico-New Toronto area, where Famous Players Pres. J. J. Fitzgibbons said he's counting on 1,000 new subscribers (among potential of 2,000) to add to 5,000-odd served by Etobicoke pay-as-you-see installation.

Already 250 customers have been signed up by advance Telemeter salesmen who interviewed 500 householders in new territory, another company spokesman told us. He said goal of 1,000 should be reached by time cables are ready—"and that will be well over the break-even point, counting amortization but not programming."

"This is encouraging acceptance of pay TV," spokesman said, reporting most of those signed now were impressed by pay-TV reactions of friends in wired-up Etobicoke. Mimico-New Toronto customers will pay flat \$15 annual service charge (plus pro-rated programming fees) instead of Etobicoke service charge schedule which starts with \$5 installation assessment. This innovation represents "major development in economics of pay TV," according to spokesman.

New subscribers "will strengthen representation of certain economic levels of the population and will provide a more comprehensive population mix," Fitzgibbons said.

CATV HOT AFTER ETV, STATION RELATIONS: First reorganization stage of National Community TV Assn. is over, according to Pres. William Dalton, who reviewed CATV developments for us since he took over as NCTA head Jan. 1:

(1) Dalton's a bug on ETV, sees CATV operators extending ETV signals just as they did commercial. He reports that about $\frac{1}{3}$ of nation's CATV operators now carry ETV stations. At least one system, in Aberdeen, Wash., has 2 ETV signals. NCTA is urging all operators to connect schools in their communities.

NCTA has named an ETV Policy Council, including Dr. John Guy Fowlkes, long-time Dean of Education at U. of Wis.; Archer Taylor, U. of Mont. ETV director; James Palmer, State College, Pa. engineer; Loren Stone, U. of Wash. audio-visual education director.

"We've got a public service responsibility here to extend ETV signals," said Dalton. "Educators and broadcasters have found that ETV produces dramatically increased educational results."

(2) Relationships with telecasters have improved greatly, according to Dalton. "They used to be at loggerheads with us in a number of areas. There are now only 2 or 3 areas of incompatibility and these are being worked out. In our recent meeting at White Sulphur Springs, W. Va., there were quite a few telecasters on hand and they were enthusiastic about the way CATV extends their signals.

"Some telecasters fear that CATV will bring pay TV. These fears are groundless. There won't be enough pay-TV programming to have any impact.

"CATV is going into larger communities, with broadcast interests participating, and it's working out."

(3) "On the legislative front, we find less enthusiasm for regimenting this industry. I think congressmen are more aware of the service we render. FCC, however, apparently is going to continue to recommend legislation to regulate us."

Dalton reported that membership is now nearly 500, plus 20 associate members (manufacturers, brokers, etc.). Headquarters staff has increased from 4 to 9 since first of year—including addition of full-time house counsel Robert L'Heureux and public relations director Leonard Lieberman. Next annual convention is in Washington's Shoreham Hotel June 17-22.

STORZ SOCKED IN FORFEITURE CASE: "Apparent liability" of \$10,000 forfeiture under penalty provisions of Harris-Pastore Act has been incurred by Storz Bcstg. Co.'s radio KOMA Oklahoma City for rules violations, FCC ruled last week in 2nd case of kind.

Storz station was cited in particular by Commission for daytime transmitter operation prior to 4 a.m. and for maintaining field strength which "far exceeded the licensed maximum values." Accused of "willfully or repeatedly failing to operate station KOMA as set forth in its license," company was given 30 days from receipt of Nov. 21 notice to prove "non-liability" or surrender \$10,000.

Radio KDWB St. Paul was first station hit by FCC in forfeiture action. Crowell-Collier outlet was assessed \$2,500 in July (Chmn. Minow holding out for full \$10,000 fine permitted under law) for excess-power operation (Vol. 17:31 p7). Commission promptly collected forfeit for U.S. Treasury.

TV FILM CASE REACHES SUPREME COURT: N.Y. District Court ban on block booking of old movies for TV sales or licensing by 6 major distributors isn't tough enough, Justice Dept. told Supreme Court last week in appeal for review of Judge Archie O. Dawson's anti-trust order.

Dawson's judgments "invite widespread avoidance of the Sherman Act's prohibition against block-booking agreements," govt. complained in trying to reopen complex monopoly case, which started early in 1960 in N.Y. court (Vol. 16:9 p12 et seq.).

TV stations still are compelled to take packages of unwanted films in order to get few desirable features, Justice Dept. protested, telling Supreme Court that under Dawson's orders: (1) Film distributor may withhold movies from individual stations until it makes sure entire packages can't be sold in same markets. (2) Distributors don't have to price films separately and explain why cost of same films differs when bought as part of package.

"Extent of the coercive power left in the distributors' hands" is so great that "stations can & will be regularly induced" to take dogs among old features, govt. brief said. It maintained that distributors can use competition among stations as lever to force continuance of block-booking practices which Dawson's formula was supposed to prevent.

Nonsense, distributors retorted in counter appeals. They had first indicated they wouldn't fight Dawson's ban, but decided it was too tough after govt. moved to carry case to Supreme Court (Vol. 17:17 p12). Five of 6 distributors involved—Loew's, Screen Gems, Associated Artists, United Artists, C&C Super—asked Supreme Court for relaxation of anti-block-booking terms. Dawson's order also was directed at NTA.

GRAND JURY STUDIES MCA DEALS: Much rumored federal grand jury probe of big MCA, which announced in October that it is getting out of TV talent-agency or TV production business (Vol. 1:7 p4), finally got under way in Los Angeles last week in what is expected to be months-long proceedings.

Justice Dept. kept secrecy lid on specific targets of investigation, reporting only that special jury was being impaneled to see whether there have been criminal violations of anti-trust law by companies in entertainment industry. But there was little doubt that MCA's dual role as agency & producer was main subject of inquiry presided over by District Court Judge Pierson Hall.

Lengthy monopoly probe was promised by Judge Hall in questioning prospective jurors. They were asked whether they were prepared to stay on job in courtroom for 4 days per week for 3 or 4 months.

As WLBW-TV took over Miami's Ch. 10 from WPST-TV Nov. 20, latter's Pres. G. T. Baker ran ad in Washington papers indicating intention of filing application for channel again. Commission's authorization to WLBW-TV is for 4 months—but it's due to keep operating through next round of competitive hearings. It's assumed there will be many applicants for channel. In ad, Baker urged hearing be held in Miami, again denied that his organization was responsible for any improper approaches to FCC.

CURRENT CAPSULES

FCC is "wholly erroneous" in denouncing CBS "incentive compensation plan" for affiliates as contrary to Commission rules (Vol. 1:7 p3), Meredith Bcstg. Co. asserted in an early letter in behalf of its WHEN-TV Syracuse & WOW-TV Omaha. In stout defense of CBS plan, Meredith said that if FCC carries its reasoning far enough, "any agreement between a network & a station looking toward the sale of time would be a violation." It suggested that Commission shouldn't pick on CBS in any event, that "general rule-making proceedings should be instituted" for compensation plans of all networks to determine just where "the line of legality is to be drawn."

Crosley's WLWI (Ch. 13) Indianapolis remains on air for indefinite period, FCC staying effectiveness of decision which would have required Crosley to turn channel over to WIBC Nov. 30. Commission said status quo remains until 30 days after it renders decision on a petition for reconsideration. Crosley & WIBC had been competitors for Ch. 13 originally, and FCC awarded CP to Crosley in 1957. WIBC appealed to courts which sent case back to Commission on a technicality. With changed membership, FCC then decided grant to Crosley would give it too much "concentration of control" of mass media in Indiana-Ohio area (Vol. 1:8 p4).

FCC allocations actions: (1) Turned down petitions to move Ch. 2, Santa Fe, to Albuquerque or Las Vegas, N.M., finding "no merit" in them. (2) Finalized shift of ETV reservation from Ch. 73 to Ch. 9, Bay City, Mich. (3) Started rule-making to assign 8 uhf ETV channels in Georgia—Ch. 18, Dalton; 14, Draketown; 20, Wrens; 15, Cochran; 23, Dawson; 18, Ashburn; 14, Pelham; 17, Warm Springs. As in similar Kentucky case (Vol. 1:10 p2), Commission said it doesn't want to act finally on such "large block" assignments until whole allocations policy is set, but it welcomes comments until then. (4) Turned down requests for extension of Dec. 4 deadline for comments in short-spaced vhf rule-making. Commission has proposed to add one vhf channel each, at less than standard spacing, to: Oklahoma City, Johnstown, Baton Rouge, Dayton, Jacksonville, Birmingham, Knoxville, Charlotte (Vol. 17:31 p2).

Six-way contest for new Grand Rapids Ch. 13 has been set for hearing by FCC. Applications of Grand Bcstg. Co. and Atlas Bcstg. Co. were designated, will be joined by West Mich. Telecasters Inc., MKO Bcstg. Corp., Peninsular Bcstg. Co. and Major TV Co. FCC denied West Michigan's petition to make trafficking issue out of Grand's application. Federal Aviation Agency was made party to proceedings.

Special TV-radio "pressroom" is being created at the N.Y. office of U.S. Weather Bureau, we're told by Paul Kutschenreuter, asst. chief for technical services of USWB. It will be apart from facilities for print journalists & wire services, is expected to be ready by next fall, will feed live telecasts on pooled basis to all 3 networks. Plan is an outgrowth of extensive coverage given Hurricane Carla by KHOU-TV Houston, which USWB considers model of emergency communications. Since hurricane-prone area stretches from Brownsville, Tex. to Boston, and season lasts from mid-June to mid-October, USWB hopes to set up other TV pool facilities in such cities as New Orleans, Miami, Washington and Boston, and to maintain closer liaison (via NAB) with industry.

TV did itself proud during Carla, study of KHOU-TV viewer reaction showcased by Corinthian Bcstg. Co. in N.Y. last week indicated. Nine out of 10 respondents reported seeing KHOU-TV telecasts direct from Galveston, Tex. Weather Bureau. Some two-thirds relied on TV for regular weather news.

NAB will keep hands of FCC's deintermixture proposals for 8 markets (Vol. 1:10 p1), Pres. LeRoy Collins indicated at Jacksonville news conference. "I doubt we will get involved in the current deintermixture fight," he said when questioned at NAB's fall regional conference there.

BBC counterpart in U.S. is advocated by historian Arnold Toynbee as one way to make sure that public gets straight & unbiased news. "Semi-public corporation" along BBC lines should be created here in face of growing complexity of public affairs and increasing control of communications by few powerful companies, he argues in new NET series *Strategy of Truth*.

Transcontinent enters Cleveland: Purchase of radios WDOK & WDOK-FM Cleveland for \$1.4 million from Civic Bestrs. Inc. has been announced by Transcontinent TV Corp., which earlier left Rochester, N.Y. market after selling its WROC-TV (Vol. 1:10 p5). Civic Pres. Frederick Wolf was retained in "management capacity" by Transcontinent.

Personals

Leonard Goldenson, AB-PT pres., appointed by President Kennedy as member of White House Committee for Traffic Safety . . . James Conley, ex-WCAU-TV Philadelphia, named gen. sales mgr. of ABC-TV national station sales.

William R. McAndrew, NBC News exec. vp, receives communications achievement award from Catholic U., Washington . . . Claude Cain, KID-TV Idaho Falls sales mgr., also named station mgr.

Frank Stanton, CBS Inc. chmn., and Douglas Edwards, CBS correspondent, cited by San Jose State College for service to journalism . . . John Horn promoted to CBS corporate information mgr.

David Sarnoff, RCA chmn., appointed to U.S. Freedom from Hunger Foundation by President Kennedy.

Matthew E. Vieracker, WBKB Chicago gen. mgr., assigned by ABC International to Panama for year as consultant to affiliated Televisora Nacional, new Panama City Ch. 2 station . . . Edward Giller promoted to acting program dir. of WNBF-TV & WNBF Binghamton, Edwin Gimzek named WNBF-FM sales mgr., Ruth H. Hider merchandising & promotion mgr. of the 3 stations.

Quayle B. Smith joins Pierson, Ball & Dowd, Washington communications law firm . . . John Hopkins gen. mgr. of NAFT's KTVT Fort Worth-Dallas, elected pres.

Dr. Wilson M. Compton, ex-USIA dir., named trustee of joint IBEW-International Good Music Inc. fund for retraining of studio workers displaced by company's automated broadcasting equipment . . . Harry B. Green named gen. mgr. of NT&T's 6 CATV systems.

Marvin Korman promoted to new post of Screen Gems advertising & promotion mgr.; William Hart named Midwest sales mgr., replacing Robert Newgard, now Western sales mgr.

Frank P. Fogarty, Meredith Bestg. Co. exec. vp, renamed NAB freedom of information committee chmn. . . . Gordon Sherman, gen. mgr. of radio WMAF Springfield, elected Ill. Bestrs. Assn. pres.

Robert B. Jones Jr. of radio WFBR Baltimore elected Md.-D.C. Bestrs. Assn. pres., succeeding Lloyd W. Dennis Jr. of radio WTOP Washington.

Obituary

Frank Roberson, 79, senior member of Washington communications law firm of Spearman & Roberson, 1934-38 asst. FCC gen. counsel and former Westchester County, N.Y. judge, died Nov. 17 of heart disease in Washington home. Surviving are his widow, daughter, son, Frank F. Roberson of Hogan & Hartson TV-radio law firm in Washington.

Indictment of TV programming by 4 commercial stations in Washington, where school authorities have refused to support new educational WETA-TV (Vol. 1:6 p2), has been voted by board of D. C. Congress of Parents & Teachers. PTA group drafted letter to management of WTOP-TV, WRC-TV, WMAL-TV and WTTG protesting "mayhem, sadism, murder, rape, call girls, swearing and infidelity" in evening shows seen by children. Action was taken on recommendation of American U.'s Dr. Benjamin Alexander.

"Walk in My Shoes" print of ABC-TV's Sept. 19 *Bell & Howell Close-Up!* show has been presented to Library of Congress by ABC Washington vp Alfred Beckman.

NBC job for Meyner? N.J. Gov. Robert B. Meyner, who mounted apparently successful campaign to block sale of WNTA-TV (Ch. 13) Newark-N.Y. to educators (Vol. 1:10 p3), may wind up as NBC-TV performer after he leaves office in Jan. He says he's had no "firm offer," but NBC has discussed plans for Meyner & wife to host new panel show. Meanwhile, Meyner & N.J. Attorney General David D. Furman filed Court of Appeals rebuttals to FCC arguments for reversal of order which halted scheduled Nov. 27 transfer of WNTA-TV to Educational TV for Metropolitan Area. They said Commission established no good grounds for rehearing. Full 9-judge court will hear argument Nov. 27. At same time, N.Y. Education Dept. released report asserting that metropolitan area needs—and can support—10 ETV outlets.

Collins likes his job: "I am deeply involved in my present position and like it that way," NAB Pres. LeRoy Collins told news conference in Jacksonville in conjunction with regional fall meeting. Pressed by reporters to say whether he has any plans to return to politics in Fla., where he was governor before joining NAB, Collins said: "It cannot reasonably be anticipated that I ever would run again." He added this hedge: "It has long been a matter of principle with me never to close any doors that tightly. So let me say only that I have no plans & no intentions of ever running."

Interconnected ETV network of stations is needed and it's "absurd" that U.S. still lacks one, NBC public affairs dir. Edward Stanley told Kansas City convocation of American Assn. of Land-Grant Colleges & State Universities. He called on educators to develop their own TV as "greatest pathway" to education—and not count on commercial stations to do it for them. As example of what can be done, Stanley cited NBC-TV's *Continental Classroom*, which started in 1958 with 500,000 viewers, now has estimated 2 million.

ETV-PTA meeting was conducted from air by Pres. John E. Ivey Jr. of Midwest Program on Airborne TV Instruction in night flight aboard converted DC-6 which transmits courses to 6 states (Vol. 1:6 p2). In 2-hour telecast from plane, he told parents & teachers gathered in 2,000 schools below how they can organize to finance project in future years. Dr. Ivey estimated cost at \$3.7 million annually.

ETV fill-in will be given by NET officials & educational station mgrs. to Hyman Goldin of FCC's Office of Research & Education and James O. Juntilla of Broadcast Bureau at informal Nov. 27-28 N.Y. conference.

Horse-race broadcasts which seem to serve needs of gamblers, rather than public, can cost stations their licenses, FCC reminded licensees in new public notice. "Restatement of Commission Policy" followed suggestions at Senate Racket Subcommittee hearings that Chmn. Minow pay more attention to such broadcasts & less to crime & violence on TV entertainment shows (Vol. 17:37 p2).

Strict ban on cameras in Ont. courtrooms has been proposed by Justice G. A. Gale of provincial Supreme Court. He told Attorney General's Committee on the Administration of Justice that legislation forbidding TV coverage of judicial proceedings is needed.

Police guard was set up at 4 N.Y. area radios—WBNX, WWRL, WADO and WHOM—following undercover tip that Puerto Rican nationalists plotted to seize Spanish-language stations to broadcast UN speech by Cuban Ambassador Mario Garcia-Inchaustegui.

Print media and TV-radio were compared in terms of govt. regulation by Washington attorney Marcus Cohn in address to Fla. Bcstrs. Assn. in Jacksonville last week. He likened FCC licensing with Post Office's 2nd class mailing privileges. Tongue in cheek, he analyzed *Jacksonville Times-Union* according to FCC's application forms, found it 85% commercial, heavy on entertainment vs. information. Of advertisements, he found 13 for liquor, several for "bleeding bladders" and "change of life problems" and the like—types proscribed by NAB Code. "Newspapers have critics of all kinds—of TV-radio, movies, books, etc.," he said. "Why don't we have critics of other media? You'll get respect only when you realize your stature." Cohn said that broadcasting has a crisis about every 20 years—the current one aggravated by attacks from print media in financial difficulties.

Proposed \$5.7-million sale of majority interest in *Honolulu Star-Bulletin* & its broadcast properties by trustees of Wallace Rider Farrington estate to local businessmen has been blocked by court order obtained by Mrs. Farrington. She won temporary restraining writ on grounds that stock is worth more. *Star-Bulletin* operates KGMB-TV & KGMB Honolulu, satellites KHBC-TV Hilo & KMAU-TV Wailuku and radio KHBC Hilo.

FTC consent order forbidding deceptive pricing & "free" claims for Nutri-Health vitamin tablets in broadcast commercials and advertising circulars has been signed by Nutri-Health Inc., Baltimore.

New studios opened: Travelers Bcstg. Service Corp. (WTIC-TV & WTIC Hartford) dedicates its Broadcast House in downtown urban renewal project Nov. 27. Speakers include CBS Inc. Pres. Frank Stanton and Conn. Gov. John N. Dempsey.

Unauthorized transfer of control of radio WMGY Montgomery, Ala. from Joe Scott to C. A. McClure was scored by FCC in renewing station's license. Commission said it would overlook violation in view of good broadcasting records of station & McClure, but warned against further infractions. Chmn. Minow & Comr. Lee voted against grant.

Headline speakers scheduled for 17th annual Ga. Radio-TV Institute at Athens Jan. 23-25 include President Kennedy's Press Secy. Pierre Salinger, Asst. Secy. of State Roger Tubby, Asst. Defense Secy. Arthur Sylvester, NAB Chmn. Clair R. McCollough. Program also includes seminars on sales, management, programming, news.

Short-term renewal of 15 months has been ordered by FCC for radio WSRM Milton, Ga. Commission said programming deficiencies barred full 3-year license term, noted that station promised to do better. Comrs. Hyde & Craven dissented to notification letter.

Another CATV system has been acquired by H&B Americans' Transcontinent Communication Systems with purchase of Lovington (N. M.) Antenna & Service Co., which serves 1,800 subscribers. Tex-Mex Communications Co., which operates a microwave from Denver City, Tex. to Lovington, is included.

CBUT-1 (Ch. 9) Courtenay, B.C., 625 watts, unattended relay for CBUT Vancouver, due on air next July-Aug. with Canadian GE equipment.

New Canadian TvB members: CHEX-TV Peterborough, CKGN-TV North Bay, CKWS Kingston, CKNX-TV Wingham, Ont.

Formal opening of WUHF, FCC's experimental N.Y. Ch. 31 station, is set for Nov. 29 in Empire State Bldg. ceremonies. FCC Chmn. Minow will throw switch.

U.S. ETV aid for Pakistan is being promoted by Vice President Johnson as result of his first visit there in May and reciprocal trip here by camel driver Bashir Ahmad, who can't read or write. Plans for establishing educational TV station at Karachi and installing big community screens at 20-25 points within 100-mile radius are being worked out by Johnson & Pakistani Ambassador Ariz Ahmad, who points out 85% of his countrymen have never had schooling.

ABC-TV in Philippines: ABC International TV Inc. has signed agreement with Republic Broadcasting System (upcoming DZBB-TV Manila) to render programming, engineering & sales assistance to the Manila station and future Republic TV outlets in the Philippines. ABC International will act as sales and program purchasing rep for the stations. ABC also has interests in 2 Japanese stations—JOEX-TV Tokyo & JOOR-TV Osaka—and NWS-TV Adelaide, Australia, as well as stations in 9 Latin American countries.

Target dates have been set for 13 new "national" (govt.-owned) TV stations by Australia's Postmaster-General: For the Australian capital, Canberra, Dec. 1962. State of Victoria—Bendigo, April 1963; Ballarat, May 1963; Latrobe Valley, Sept. 1963; Goulburn Valley, Nov. 1963. New South Wales—Newcastle, April 1963; Wollongong, Sept. 1963; Orange, Oct. 1963; Richmond-Tweed, April 1964. Queensland—Darling Downs, July 1963; Rockhampton, Sept. 1963; Townsville, Oct. 1963. Tasmania—Launceston, July 1963.

Recording rights of American broadcasters & record-makers would be protected under international agreement reached at Rome conference under auspices of International Labor Organization, UNESCO and International Union for Protection of Literary & Artistic Works. Applying principles of present international copyright laws to broadcasting field, Rome compact would bind signatory countries to grant foreign performers same protection which is given nationals. At least 6 countries must ratify agreement before it becomes effective.

New Korean TV station operated by Information Ministry in Seoul is scheduled to start 5-hour daily programming in December.

To conform with treaties covering frequency allocations (1959 Geneva Radio Regulations), FCC has amended its rules (Subparts A & B, Part 2).

Emergency TV-radio system linking all Canadian stations with Army siren-warning setup in cities is being established by CBC. Operating much as Conelrad does in U.S., Canadian system is expected to reach 97% of population simultaneously.

International Broadcasting Awards for "most effective" 1961 TV & radio commercials will be announced by Hollywood Ad Club at banquet there next Feb. 13.

New Frontier relations with the advertising industry will be theme of 4th annual Advertising Federation of America mid-winter Washington conference next Feb. 7 in Statler-Hilton Hotel. Administration speakers will include FCC Chmn. Minow, FTC Chmn. Dixon, Commerce Secy. Hodges.

British "pirate" radio operating in Thames estuary just outside 3-mile limit is planned by 2 promoters who offer 6 minutes of commercials in every hour of 24-hour broadcasting.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

1961 TV SALES—LESS THAN 6 MILLION: It now seems nearly certain that 1961 TV sales (distributor-to-dealer) won't hit the widely predicted figure of 6 million. On basis of sales for first 10 months of year, best bet now is that year will close out with somewhere between 5.8 & 5.9 million sets sold to dealers, up from 5.7 million last year.

To hit 6-million figure, sales in November & December would have to run nearly 24% ahead of same months last year. This is possible, of course, but it doesn't seem to be in cards on basis of performance so far. Cumulative distributor sales for the year finally caught up with last year's figure in September (Vol. 1:6 p9), and for first 10 months of this year total sales were less than 1% ahead of 1960. In both September & October, sales were about 5% ahead of the comparable 1960 months. If sales this November & December run 10% ahead of last year's same months, total sales for year will be about 5,850,000 units.

Retail sales last year totaled 5,945,000, according to EIA's sampling survey. Our guesstimate is that 1961 retail sales will total approximately 6 million—although this can never be checked, since EIA has discontinued compilation of retail sales figures.

Preliminary tabulation of unofficial figures for October shows 5% dip in radio sales to dealers as compared with Oct. 1960—running counter to general 1961 radio sales trend. When it is recalled, however, that Oct. 1960 was exceptionally good month—25% ahead of Oct. 1959 (Vol. 16:48 p17)—this drop certainly isn't alarming. For first 10 months of 1961, distributors' radio sales were ahead of 1960 by more than 900,000 units, or nearly 12%.

Inventories at factory & distributor levels continued to show decreases from 1960 levels at end of October. TV inventories appeared to be at very satisfactory levels. While radio inventories were lower than last year, they were not down as sharply as TV.

What of the next 6 months? Federal Reserve Board's quarterly survey of consumer buying intentions shows that public is still keeping tight grip on its pocketbook. Compared with its April & July surveys, October poll showed slightly more consumers planning purchases of TV & hi fi. But compared with year ago, buying intentions were down.

Planning to buy TV sets in the 6 months from Oct. 1961 to April 1962 were 4.5% of those surveyed, down from 4.9% in Oct. 1960, but up from 4.1% in April and 4.2% in July 1961. Intentions to buy radios or phonos costing \$100 or more showed same pattern: 2.5% said in Oct. 1961 that they planned to buy them, as opposed to 2.7% one year earlier and 2.1% in both April & July 1961.

Here are unofficial figures on TV-radio production, sales & inventories for October 1961 and year-to-date vs. 1960:

	TELEVISION		10 Months	10 Months
	Oct. 1961	Oct. 1960	1961	1960
Production	625,000	500,000	5,019,000	4,873,000
Factory sales	598,000	506,000	4,817,000	4,685,000
Distributor sales	588,000	559,000	4,638,000	4,598,000
Factory inventory	413,000	490,000	—	—
Distributor inventory	820,000	838,000	—	—
	RADIO (excluding auto)			
Production	1,219,000	1,089,000	9,470,000	8,716,000
Factory sales	1,263,000	1,178,000	9,148,000	8,166,000
Distributor sales	1,109,000	1,166,000	8,542,000	7,641,000
Factory inventory	996,000	1,008,000	—	—
Distributor inventory	1,700,000	1,769,000	—	—

FM-STEREO SHOWCASE OPENS IN N.Y.: Cooperation with manufacturers, distributors & dealers will be keystone of Friendly Frost's new WTFM, serving N.Y. metropolitan area with FM stereo 24 hours a day. Station went on air Sat. Nov. 25 after announcing dealer-support program in full-page ads preceding day.

Station's deluxe installation at Fresh Meadow (near Flushing), Long Island, close to site of N.Y. World Fair, combines modern studios (RCA FM transmitter, 20-kw ERP, latest stereo equipment, 50,000 recorded stereo selections) with posh hi-fi showroom. Indicative of mutual manufacturer-station cooperation is fact that station starts up already in black, with 25% of its time sold out—sponsors including set makers Admiral, Clairtone of Canada, Du Mont-Emerson, GE, Grundig-Majestic, Motorola, Philco, Pilot, H. H. Scott, Stromberg-Carlson, Westinghouse, Zenith.

Behind carefully thought-out plans for trade cooperation is long-time TV-radio industryite Friendly Frost Chairman Gerald O. Kaye, who has served in set distribution (Bruno-N.Y.), broadcasting (onetime head of WNTA-TV & WNTA Newark-N.Y. and now affiliated with 2 other L.I. stations owned by Friendly Frost) and mass retailing (29 stores in Northeast).

Kaye & his associates have listened carefully to complaints of trade about earlier FM-stereo starters and are determined to provide smoothest and most efficient liaison. Station will supply point-of-sale material to all retailers, won't mention Friendly Frost (or any other retail outlets) on air, although special announcements will urge listeners to visit dealers for FM-stereo demonstration.

Its most effective gimmick is continuous stereo programming. It will urge dealer "to keep the dials of his demonstrator FM-stereo models set" at WTFM's 103.5 mc. Music & other program material particularly suitable for stereo demonstration will be featured on all-day "Stereo Spectacular" every Saturday. Even commercials and news pickups will be broadcast stereophonically.

In same modern building with WTFM studios is deluxe "Volare Sound Salon," operated as class merchandising outlet for high-end phonos & TV, much of it carrying "Volare" private label. Among consoles displayed last week when we visited the salon were top-price sets made by Westinghouse (from its "Curio Chest" collection), Capehart, Clairtone, Electrohome of Canada, Ampex, Pilot, Motorola, Stromberg-Carlson, Fonovox and Kane-Mark (the latter incorporating RCA color-TV chassis). Many bore "Volare" nameplate in addition to manufacturer's trademark.

WTFM will also loan out its salon & meeting space for gatherings of distributor salesmen, etc., to help them familiarize selves with FM stereo. Station was launched with big preview last week, attended by manufacturer & distributor personnel. Consensus of those we talked with bore out conclusions we reached in our article last week (Vol. 1:10 p7)—that consoles with FM stereo will be a slow-building market, and that WTFM's plan for trade-broadcaster co-operation is exactly the proper way to go about selling FM stereo to public.

Note: WTFM won't be only 24-hour stereo operation. It's understood that KCMO-FM Kansas City and KODA Houston also plan round-the-clock stereo. Among latest FM-stereo starters, incidentally, are WAYL Minneapolis & WAQE Baltimore.

UHF MARKET SLOW & STEADY; NO LIFT SEEN: What happens to uhf in near future depends on outcome of FCC's current N.Y. tests and its efforts in Congress to require industry to include all-channel tuners in all TV sets. As of today, with nearly 100 uhf stations on air and with N.Y. uhf project now broadcasting, there are still no signs of any substantial lift.

Industry production figures, as matter of fact, show that only 6% of all sets made during first 9 months of 1961 contained all-channel tuners, as compared with 8% for same 1960 period. This figure doesn't include conversions made in the field or sets sold with individual uhf tuner strips. Nevertheless, there was some momentary excitement supplied by uhf earlier this fall—and it wasn't in N.Y. It was in Louisville.

Set & tuner makers agree that Louisville was this year's uhf high spot. It provided an instance—rare in recent years—where a uhf station went on air with a primary network affiliation in predominantly vhf area. In this case it was WLKY (Ch. 32), with ABC programs. There was rush for converters & strips earlier this fall—Standard Kollsman estimates 20,000-25,000 strips were sold to consumers in area—but excitement has simmered down now as area is considered "converted." Although all-channel tuner business is down this year, Standard Kollsman reports 20% rise in uhf strip business, largely because of Louisville.

But Louisville is unusual phenomenon, is in sharp contrast to large areas—such as Washington & Philadelphia—where recent debuts of uhf stations created no stir at all. Difference, of course, is that these stations are educational outlets—not primary network affiliates.

How goes New York? Interrupted frequently by equipment troubles, FCC's WUHF (operated by N.Y.C.'s municipal WNYC) is now putting out narrow beam at about 1,000 kw ERP from temporary antenna facing North from Empire State Bldg. Permanent antenna is in place and scheduled to be put in use next week.

Most set makers aren't actively seeking uhf sales now in N.Y. market. There's little original programming so far on WUHF (much of time is devoted to simulcasts with vhf stations for test purposes)—but there are some indications that manufacturers will begin at least to offer some uhf equipment in N.Y. early next year for those who may want it. Du Mont to date is only brand advertising uhf in N.Y. market, and its newspaper ad copy features adaptability by means of uhf strips.

Standard Kollsman Pres. J. O. Burke reports "interest" by some of his set-making customers. He says it appears that several will offer drop-in models this winter aimed at N.Y. market. For this purpose, they're swinging over to turret tuners in some new models for adaptability to uhf strip.

Blonder-Tongue currently claims to be only manufacturer of converters, but it's understood Standard Kollsman is now considering entering this business, presumably on basis of slight renewed interest in anticipation of N.Y. programming. Blonder-Tongue Pres. Isaac Blonder, who earlier this fall predicted WUHF could bring \$100 million in new business to N.Y. dealers & service technicians (Vol. 1:2 p6), told us last week he thinks little impact will be felt in N.Y. for a year. All N.Y. parts jobbers now have Blonder-Tongue converters, but no strong business has been felt yet. Blonder feels that eventual good programming (Municipal Bcstg. Service has inside track to N.Y. World Fair, new Lincoln Center of Performing Arts, etc.) eventually will mean good steady uhf business in the big city.

First reports on reception in narrow 30-degree path of temporary antenna on Empire State Bldg. have been good, with comments coming from as far as 75 miles north—including some areas where reception from some of city's vhf channels is poor. In northerly direction from Empire State, there's no lack of signal. Feeding Blonder-Tongue BTU-2S 2-tube converter into RCA color set in location about 3 miles northwest of Empire State, we received strong Ch. 31 signal using coat-hanger as indoor antenna.

There's certainly no excitement in N.Y. over the new channel—most New Yorkers aren't aware it exists. Most set makers and their distributors say they'll supply uhf models on request, but there's been no request yet. We see no uhf boom coming in N.Y. on basis of station. Nation-wide, prognosis for uhf in 1962 is about same as 1961.

TOPICS & TRENDS

EIA Winter Conference this week (Nov. 28-30) in Los Angeles' Statler Hilton Hotel takes up "industry problems with few precedents in number or magnitude." Among subjects for consideration: FCC's program (Docket 14299) for promoting wider use of uhf frequencies by TV broadcasters; Congressional sentiment on FCC-sponsored legislation calling for production of only all-channel TV sets; creation of an EIA committee to make technical recommendations to FCC regarding feasibility of AM-stereo radio; problems of imports competition and foreign trade development.

Tighter FTC rules on use of manufacturers' list prices for comparisons in bargain advertising (Vol. 1:9 p9) have been recommended in initial decision by hearing examiner Leon Gross. In case involving Giant Food supermarket chain, he held such comparisons are deceptive when usual prices are lower than list prices—even though advertising makes clear that list prices are used only to identify products.

Sylvania enters institutional TV field with new 19-in. set equipped with combination wired remote control & pillow speaker, available on lease plan only, through American Hospital Supply Corp., Evanston, Ill., which has been named exclusive sales & leasing agent for Sylvania hospital equipment. Sylvania marketing vp Robert E. Brockway estimates that today's 1.7 million hospital beds will double in next 10 years. "Less than 20% of our hospitals," he said, "now have satisfactory TV installations. While 70-80% have some provision for TV, most of the systems are inadequate from the standpoint of antennas, maintenance and operating convenience."

Philco stockholders will vote this week (Nov. 28) on the proposed acquisition by Ford Motor Co. (Vol. 1:1-A p5). The special meeting will be convened at Philco's Philadelphia hq.

U.S.-Japanese transistor race: EIA of Japan forecasts record output of 200 million transistors in 1961. Whether this will outstrip U.S. production (as the Japanese did last year) is debatable. For the first 6 months of the year, U.S. was running 5 million units ahead of Japan—88,683,000 to 83,500,000. Japanese transistor exports for first half of this year were valued at \$4 million and totaled about 20% of Japanese transistor production. Sidelight of transistor competition between U.S. & Japanese firms, and among U.S. firms, is sharp lowering of prices. During first 7 months of this year, average U.S. factory price of a transistor dropped to \$1.71 from \$2.51 same period last year, decline of 32%.

Thermoelectrics made news on 2 fronts recently. RCA announced development of alloy materials with which heat can be converted directly to electricity at efficiencies approximating those of the gasoline engine. RCA said its alloy—germanium laced with silicon and coated on 2 sides with copper—is the most efficient, high-temper device so far developed and the first thermoelectric power-producing material that is stable in a high vacuum • General Instrument Corp. reported that it has developed a new method of bonding thermoelectric materials that opens the way to mass production of thermoelectric devices. GI has applied for patents on its achievement, which embraces the creation of a new semi-metal bonding material, called Generalock, and a manufacturing process for fusing dissimilar thermoelectric materials.

New-product innovations: Promotional Christmas season remote control set, tied in with Dec. 11 Bing Crosby TV program which it is sponsoring, is being offered by Motorola. The 19-in. set has all-transistor remote-control receiver chassis which costs less than 6¢ a year to operate when left on 24 hours a day. List price is \$299.95 . . . New Philco "international" product is its new 9-transistor AM-FM table-portable radio, manufactured in Germany, with suggested U.S. retail price of \$85.

Jerrold's Audio-Trol system, demonstrated at recent National Hotel Exposition in N.Y. (Vol. 1:9 p6), has been priced at \$325. It is designed to replace audio distribution systems for hotels, motels & institutions, using TV distribution system to feed up to 5 channels of FM, AM, background music or public announcements through unused TV channels. Audio programs are fed through TV speaker.

"An increase of approximately 8% is expected in the TV-appliance industry's sales next year compared with an estimated 4-5% growth in the gross national product forecast by many economists." So said Admiral Pres. Ross D. Siragusa at a National Industrial Conference Board meeting in Detroit. He forecast sales of nearly 6.5 million TV sets in 1962.

Service contracts for out-of-warranty GE TV sets & appliances will be offered on national basis through GE dealers which do not have own servicing departments, and the company has offered to help servicing dealers set up their own plans. Non-servicing dealers will get 10% commission on service contracts they sell.

Emerson color TV console (Model H1812), announced last week at \$750, features aluminized, bonded-shield color picture tube, full-power transformer chassis and lowboy cabinet in Walnut or Mahogany. A vhf/uhf version (Model J1812) also is available, at higher price.

Admiral's color TV is "now on a profitable basis and will continue to represent an increasing segment of [the] company's business in the years ahead," notes Pres. Ross D. Siragusa in his quarterly report to stockholders.

Raytheon broadened its foreign activities in 2 directions last week. It concluded a 5-year sales agreement under which newly-formed Visorama, S.A. of Argentina will purchase \$15 million of tubes & other components for assembly into TV sets. The TVs, incidentally, will contain printed circuits and other parts fabricated by Warwick Mfg. Raytheon also teamed with Tokyo-based Japan Radio Co. to form a new electronics company, New Japan Radio Co., to engineer & produce a complete line of microwave tubes. The new firm will commence operations early in 1962 in a 30,000-sq.-ft. plant owned by Japan Radio in a Tokyo suburb. The products will be marketed in Japan and throughout the Far East.

TV-RADIO PRODUCTION: EIA statistics for week ending Nov. 17 (46th week of 1961):

	Nov. 11-17	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	142,227	152,058	118,019	5,474,191	5,212,181
Total radio	292,060	458,324	367,048	10,381,849	9,515,476
auto radio	151,111	146,800	123,098	4,772,061	5,813,267

Shifting Retail Patterns: TV-radio-phono business is gradually drifting away from appliance stores to a wide variety of other types of retail outlets. This was indicated in National Appliance Audit figures released by Audits & Surveys Co., a marketing research organization. Highlights of the survey, which compares 1961 with 1958 retailing patterns:

TV-radio-appliance stores decreased by 10% from 33,540 to 30,320 while total number of stores carrying TVs, radios & phonos increased 6% from 111,450 to 118,390. Appliance stores, which formerly constituted 30% of all outlets handling consumer electronic products, thus have dropped to 26%. Furniture stores & dept.-general merchandise stores have been beneficiaries, each category increasing by 4%. Furniture stores carrying TVs, radios & phonos now number 17,781, up from 16,512, and dept.-general merchandise stores increased from 14,706 to 15,343. Greatest gain, however, came in "all other stores" category, which increased its outlets for TV-radio-phono by 20% (46,692 to 55,546).

Here is lineup now of types of outlets selling consumer electronic merchandise: TV-radio-appliance stores constitute 26% of outlets for these items (down from 30% in 1958), furniture stores 14%, dept.-general merchandise 13%, "all other stores" 47%.

Slightly fewer TV sets will be bought in 6-month period ending next April than were purchased in year-earlier period, Federal Reserve Board predicts. FRB's quarterly survey of consumer buying intentions shows that as of October, 4.5% of families queried planned to invest in TV vs. 4.9% in Oct. 1960. Similar decline (2.5% vs. 2.7%) in family purchases of radios & phono equipment costing \$100 or more is indicated by survey.

Add TV set census: More returns in 1960 state-by-state & county-by-county counts of appliances in U.S. households (Vol. 1:10 p8) have been released by Census Bureau. Following are state TV statistics:

State	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
Del.	128,582	100,906	15,251	12,425
Utah	241,532	192,795	19,888	28,849
Vt.	110,732	90,019	7,325	13,388

Banking by TV at drive-in windows is new closed-circuit application. Mosler Safe Co., using IT&T equipment, and Diebold Inc., working with RCA, have made test installations in Wis. towns where drive-in bank transactions are handled via inside-&-outside sets, 2-way radio and pneumatic tubes. Windows cost \$20,000-\$30,000 apiece.

Electronic product exports from U.S. in first 9 months of 1961 increased 33% above figure for corresponding 1960 period—up to \$437.4 million from \$329.8 million, Commerce Dept.'s BDSA electronics div. reported. Increased sales of computers & test equipment to Japan & Western Europe were responsible for much of advance. "Substantial gains" in exports of components also were noted. Exports of TV picture tubes went from \$13.9 million to \$15.7 million, Argentina accounting for \$4.9 million.

Stereo sales are up at Motorola, Consumer Products Div. Pres. Edward R. Taylor announced recently. Since

last summer's introduction of the 1962 line, he said, sales are running more than 10% ahead of same period last year, and—he added—"we felt that the performance of our stereo line last year was outstanding."

VOA mobile relay station will be built by Collins Radio's Alpha div. at Richardson, Tex. under \$1.3-million contract. Radio unit is scheduled to be used first near Monrovia, Liberia.

3M opens new tape plant: Minnesota Mining & Mfg. has opened a 100,000-sq.-ft. production plant for magnetic tape at Freehold, N.J. The new facility ultimately will increase 3M's capacity by 150%. The Freehold plant is expected to be operating at capacity by mid-1964.

Trade Personals

Robert G. Urban, Philco Consumer Products Div. mktg. vp, resigns to become pres., American Safety Razor Co.

William W. Wright named exec. vp, Beckman Instruments; Robert M. Ward appointed vp in charge of planning & supervision of corporate operating staff.

Wilfred E. Blanchard, Sylvania senior engineer, named coordinator-distributor sales, Electronic Tube Div. . . . Norman R. Lewis becomes sales rep in 11 Western states for Sylvania Chemical & Metallurgical Div., succeeding John S. Kratz, advanced to product sales mgr.-metallurgical products.

Larry R. Swiney & Carl Jennings promoted to Southern & Northern sales mgrs. respectively of Packard Bell's home products div. . . . Dr. Jacob Shekel, from Israel Defense Ministry's electronics div., joins Spencer-Kennedy Labs, Boston, as instrument development dir.

Benjamin Adler, Adler Electronics pres., named Fellow of the IRE for his "contributions toward effective utilization of the uhf spectrum" . . . James P. Ambrose, ex-Clevite Transistor Products, joins National Transistor Mfg. as production mgr.

William F. O'Boyle resigns as Symphonic Radio & Electronic gen. sales mgr.

Thomas K. Fox, asst. to pres., and David Westermann, gen. counsel, elected Hazeltine vps . . . Lloyd R. Everingham, ex-Ryan Aeronautical, elected pres. of Teletronics.

J. Stanford Smith elected a GE vp . . . McLain B. Smith, IBM vp & group exec., named corporate staff dir., succeeded by Orland M. Scott, formerly pres. of General Products Div.; John W. Haanstra, Div. vp., succeeds Scott.

Obituary

Isidor Goldberg, 68, founder & pres. of Pilot Radio Corp., died Nov. 23 in Northern Westchester Hospital, Mt. Kisco, N.Y. He had been in the industry for 50 years, began manufacturing wireless equipment while in his teens. In 1922 he founded Pilot Electric Mfg. Co., one of the first companies to make low-price shortwave sets for the home and do-it-yourself radio kits. Pilot also was one of the first manufacturers to enter the TV field. It subsequently left the field, is now a leader in hi-fi components and component consoles. Goldberg is survived by his wife, 2 daughters and a son.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Andrea Radio	1961—9 mo. to Sept. 30	\$ 4,623,972	—	\$ 199,781	\$0.80	251,036
	1960—9 mo. to Sept. 30	5,408,838	—	202,006	.81	250,700
Columbia Pictures	1961—year to July 1	130,349,529	85,375	(1,405,223) ⁵	—	1,449,030
	1960—year to July 1	118,560,481	3,368,989	1,904,587 ⁹	1.31 ¹	1,287,109
Consolidated Electronics Ind.	1961—9 mo. to Sept. 30	101,702,509	—	3,043,620	.96	3,157,002
	1960—9 mo. to Sept. 30	69,558,327	—	3,118,149	1.10	2,835,400
Daystrom	1961—6 mo. to Sept. 30	41,324,064	\$ 431,457	326,457	.26	1,255,640
	1960—6 mo. to Sept. 30	44,576,000	1,610,000	873,000	.70	915,503
Four Star Television	1961—qtr. to Sept. 30	3,000,778	—	181,675	.30	600,000
	1960—qtr. to Sept. 30	3,581,221	—	147,266	.25	600,000
Litton Industries	1961—qtr. to Sept. 30	73,000,000	6,425,000	3,425,000	.72 ¹	4,700,893
	1960—qtr. to Sept. 30	52,111,000	4,286,000	2,150,000	.49 ¹	4,372,056
NAFI Corp.	1961—9 mo. to Sept. 30	50,172,290	3,176,705	1,926,705	1.58	1,215,755
	1960—9 mo. to Sept. 30	40,729,635	2,264,302	1,329,302	1.08	1,230,755
	1961—qtr. to Sept. 30	12,255,457	41,648	291,648 ⁷	.24	1,215,755
	1960—qtr. to Sept. 30	12,920,513	(629,455)	(243,445) ⁹	—	1,230,755
Pacific Mercury Electronics	1961—year to June 30	18,644,509	(1,053,400)	(615,742) ²	—	698,500
	1960—year to June 30	21,512,931	618,834	196,855	.28	700,000
Paramount Pictures	1961—9 mo. to Sept. 30	—	—	5,310,000 ³	3.15 ³	1,686,956
	1960—9 mo. to Sept. 30	—	—	6,137,000	3.67	1,673,231
	1961—qtr. to Sept. 30	—	—	890,000 ⁴	.53 ⁴	1,686,956
	1960—qtr. to Sept. 30	—	—	2,405,000	1.44	1,673,231
N. V. Phillips Gloeilampenfabrieken	1961—9 mo. to Sept. 30	918,771,500	—	61,270,000	—	—
	1960—9 mo. to Sept. 30	904,846,500	—	75,473,000	—	—
Sangamo Electric	1961—9 mo. to Sept. 30	35,571,000	—	1,171,000	.72	1,635,600
	1960—9 mo. to Sept. 30	38,629,000	—	1,086,000	.67	1,621,803
Sonotone	1961—9 mo. to Sept. 30	16,396,000	—	(148,402)	—	1,158,745
	1960—9 mo. to Sept. 30	16,079,000	—	351,174	.29	1,148,287
Varian Associates	1961—year to Sept. 30	57,987,817	—	2,803,866	.73	3,831,745
	1960—year to Sept. 30	46,482,031	—	2,861,886	.85	3,369,875

Notes: ¹After preferred dividends. ²After \$366,000 tax credit. ³Before special capitals gains of \$980,000 (58¢ a share). ⁴Before special capital gains of \$558,000 (33¢). ⁵ Before \$1,616,979 profit on sale of studio

properties. ⁶Before \$202,153 profit on sale of studio properties. ⁷After \$250,000 tax credit. ⁸After \$386,000 tax credit.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Acme Electric	Q	\$0.07	Dec. 20	Dec. 6
American Bosch Arma.	Q (Omitted)	—	—	—
Electronic Instrument .	Q	.06¼	Jan. 5	Dec. 15
Electronic Instrument B	Q	.001	Jan. 5	Dec. 15
Federal Pacific Elec. . . .	Q (Omitted)	—	—	—
GE	Q	.50	Jan. 25	Dec. 22
Globe-Union	Q	.25	Dec. 9	Dec. 1
Globe-Union	Ex.	.20	Dec. 9	Dec. 1
Sprague Electric	Q	.30	Dec. 14	Nov. 28
Sprague Electric	Stk.	2%	Dec. 14	Nov. 28
Standard Kollsman	Stk.	3%	Dec. 29	Dec. 15

Emerson profit & sales in the fiscal year ended Oct. 31 rose about 10% from a net of \$1,686,568 (80¢ a share) on \$63,776,658 sales in fiscal 1960, Pres. Benjamin Abrams estimated. He said Emerson's Oct. sales set a monthly record, termed the outlook for fiscal-1962 profit & sales gains "optimistic." Abrams also reported that Emerson has purchased 150,000 shares of Granco Products, exercising its Aug.-1960 option to purchase 540,986 of Granco's one million authorized shares (Vol. 16:33 p13). In conjunction with the option, Emerson has appointed 3 of its executives to the Granco board: exec. vp Dorman D. Israel, asst. to pres. Morton E. Ornitz, Emertron Pres. Morton P. Rome.

Medical Video Corp., organized in Studio City, Cal. in 1960 to make & lease hospital closed-circuit TV equipment, plans public sale of 250,000 common stock shares at \$10 per share through Financial Equity Corp. An SEC registration statement (File 2-19285) said \$1.4 million of \$2.2 million estimated proceeds would be used in manufacturing operations.

Pentron Electronics 30% ahead: Sales and earning of the Chicago maker of tape recorders in the current quarter are running about 30% ahead of a year ago, Chmn. Osborn Andreas said recently. In the quarter to Sept. 30, the company earned \$125,000 (6¢ a share) on \$2.1-million sales, vs. a \$55,000 loss on \$615,000 sales in 1960's July-Sept. period. For fiscal-1962's first half, ending Dec. 31, Pentron expects to earn \$290,000 (14¢), compared with the year-earlier loss of \$250,000.

Texas Instruments sees good '62: Senior vp C. J. Thomsen told the St. Louis Society of Financial Analysts recently that 1962 will be "a better year" than 1961, forecast 1961 earnings of \$2.15-2.40 a share on sales of \$230-234 million. TI in 1960 earned \$15.5 million, or \$3.91 a share, on \$233-million sales.

Philco becomes Helios: For legal reasons involved with its forthcoming acquisition by Ford Motor Co., Philco will be renamed Helios for several hours on Nov. 30. Helios was Philco's original name, in 1892 (Vol. 1:1-A p5).

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WEEKLY **Television Digest**

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

RCA's ENGSTROM an engineer-administrator; his election as RCA president succeeding John L. Burns re-emphasizes RCA precept that scientific progress is key to its success (p. 1).

MANUFACTURERS MOVING ON TV ALLOCATION, EIA repeating opposition to all-channel legislation, Motorola's Galvin plumping for shift of TV to Ch. 7-and-up or to 60 uhf channels (p. 2).

FM SEMI-FREEZE IN WORKS AT FCC; about half of applications may be held up pending end of rule-making on allocations policy (p. 2).

FORD PLUMPS FOR GOVT. 'HANDS OFF' programming, urges industry to defend itself with own facilities and to editorialize (p. 3).

WNTA-TV DEAL BECOMES CLIFFHANGER as NTA & ETMA fail to close sale despite lifting of court stay. N.J. Gov. Meyner asks Chief Justice Warren to reinstate it (p. 3).

TOY COMMERCIALS CHALLENGED AGAIN by NAB's TV Code enforcers who find nearly half of 97 Christmas-gift claims violate pact with manufacturers' organization (p. 4).

N.Y. UHF PROJECT in full operation, as Chairman Minow throws switch in Empire State Bldg. First FCC test results indicate generally good signal (p. 4).

Consumer Electronics

CONSUMER ELECTRONICS dollar volume dropped in 1961 to \$2 billion at factory level from \$2.1 billion last year, EIA reports, although total electronics industry sales passed \$10 billion this year for first time (p. 7).

100 FM-STEREO STATIONS will be on air this winter—possibly more. Exclusive detailed lists show 43 stations now on air, give locations of 41 imminent starters, 39 "second-wave" FM-stereo starters (p. 7).

TV-RADIO-PHONO AD CODE approved by EIA, to be available in 2 weeks. Set makers reiterate opposition to all-channel-set legislation. 7-point import legislation program urged (p. 9).

PHILCO MERGES WITH FORD this week. By overwhelming vote of 3.4-million shares to 80,801, Philco stockholders approved acquisition by Ford Motor Co.; transaction will be completed by Dec. 11 (p. 10).

RCA PRES. ENGSTROM, ENGINEER-ADMINISTRATOR: Rare combination of engineering and administrative brilliance is focused in 60-year-old Dr. Elmer W. Engstrom who at week's end stepped up to presidency of RCA, succeeding John L. Burns.

World's largest electronics company, by naming to its presidency one of nation's leading scientists, re-emphasizes its long-held precepts that scientific progress is key to its success. Its 2 preceding presidents—Frank M. Folsom and John L. Burns—were, respectively, a top merchandiser and a leading management specialist-engineer. Each served RCA at a time when his specialty was badly needed by the company.

But Pres. Engstrom is far more than a leading engineer. As senior exec. vp since 1955, he has had direct administrative responsibilities for such activities as space & defense business—the latter category now representing 1/3 of RCA's volume.

As a scientist, Engstrom has been accorded every major award in electronics engineering. He joined RCA in 1930 when it took over radio engineering & manufacturing activities of GE, where he was employed from 1923. He has been involved in virtually every research activity of RCA, eventually heading up all research for company before moving on to broader over-all administrative post. Affable & highly regarded by electronics engineering fraternity, administrative talent of "Shorty" Engstrom (nickname is a mystery—he's about 5-ft. 9) showed up on many intra-industry organizations, including first & 2nd NTSCs, which developed standards for black & white and color TV.

Engstrom's salary and contract terms weren't announced. It's known that he is already under contract through retirement age, with flexible provisions as to salary. His election was met by favorable initial reactions on Wall St., RCA stock advancing when news came out Dec. 1.

John L. Burns, who became RCA president in March 1957, resigned his \$200,000 a year post "for personal reasons," but will continue as an RCA employe "to serve the company on special assignments from

Chmn. Sarnoff." His 10-year contract as president still had a little over 5 years to run when he submitted his resignation. He is succeeded on RCA board by Arthur L. Malcarney, exec. vp, defense electronic products.

Although an electrical engineer and well-known metallurgist, Burns' greatest renown is as management specialist. He came to RCA from a top position in Booz, Allen & Hamilton, management consultant firm which had served RCA for 10 years. He took RCA's helm during time of its need for organization, efficiency and direction. Company's stock at that time was fluctuating sharply, and financial powers behind RCA (notably Lehman Bros.) were pressing for top "management man" to bring stability.

During Burns' tenure much of this stability was achieved. RCA broadened its base in new electronics areas—particularly in the computer and industrial fields. Its consumer products operation, which had been showing signs of slippage, was placed on more efficient consolidated basis and moved lock, stock and barrel to Indianapolis, where, infused with new blood and retaining best of old leaders, it is beginning to move forward again.

There'll be all kinds of speculation about behind-the-scenes Sarnoff-Burns relationship. Rumors of Burns' resignation had been circulating for a few weeks, but before that there was little thought that he wouldn't complete his 10-year term. Whether there were policy differences between the 2 leaders—the creative genius and the hardheaded business-organization expert—is not known. But the Sarnoff-Engstrom team bids to be a harmonious one—the man whose name is synonymous with vision in the electronics industry, and the man with the know-how to convert this vision into reality.

MANUFACTURERS MOVING ON TV ALLOCATIONS: You can't tell yet whether there will be conflict or accommodation or something of both, between manufacturers and telecasters, regarding future of TV allocations.

In Los Angeles last week, EIA consumer products div. again voiced opposition to all-channel-set legislation (see p. 9). On other hand, it's well known that some manufacturers would be quite pleased to see all TV moved to uhf—to leave room for other radio services in vhf and to create market for new sets. But very few set makers are willing to push vigorously for uhf and breach with telecasters. An exception is Motorola's Pres. Robert Galvin, who told IRE meeting in Minneapolis last week that:

(1) TV should be moved to 30 channels starting with vhf Ch. 7 or to 60 uhf channels.

(2) FCC should be given power to allocate whole radio spectrum, including govt. portion, or that a "super spectrum agency" be created "to arbitrate between the FCC and the Interdepartment Radio Advisory Committee." He said IRAC now controls 70% of spectrum, FCC 30%—instead of the reverse of 10 years ago.

(3) "There is reason to believe" that FCC's N.Y. uhf experiment will justify moving TV to uhf.

Either of his proposed TV spectrum shifts, Galvin said, would stimulate manufacture of all-channel sets and eliminate need for legislation to force production of such sets.

Some manufacturers are unhappy about telecasters' efforts to get all-channel-set legislation to ward off FCC's deintermixture plans. In next session of Congress, going may get rough. Meanwhile, pro-uhf petitions are expected to be filed with FCC by individual manufacturers—but such move by whole EIA is considered quite unlikely.

FCC reversed itself last week, decided to postpone deadline for filing comments on short-spaced vhf drop-ins to Feb. 5 (from Dec. 4)—the same new deadline recently given to rest of big allocations rule-making. Reversal came at request of Comr. Bartley, who argued that all major moves belong in "one package." Only Comr. Cross dissented.

FM SEMI-FREEZE IN WORKS AT FCC: This week, FCC is expected to put about half pending FM applications on ice until conclusion of rule-making changing rules & standards. In June (Vol. 17:27 p5), Commission proposed major change in FM allocations. It's now believed poised to grant only those applications which would be unaffected by rules changes.

Plan under consideration is understood to permit granting of 72 of 131 pending applications for new stations, 30 of 93 applications for changes in existing stations. Plan calls for continued grants in smaller towns and areas with little or no FM service. The 31 applications in hearing status, however, would be exempt from freeze. Commission is considering granting those applications which:

(1) Wouldn't receive interference, from existing or proposed stations, within their 1 mv/m (60 db/u) contours and wouldn't create interference within 1 mv/m contours of existing or proposed stations.

(2) Wouldn't provide coverage more than equivalent of a 20-kw, 500-ft. station.

(3) Wouldn't radiate more than 20 kw in any direction. Contours would be calculated using same curves as proposed in TV allocations proceeding (Doc. 13440). Applications could be amended to move them from frozen to thawed state.

FORD PLUMPS FOR GOVT. 'HANDS OFF': Praising & prodding broadcasters, FCC Comr. Ford in speech last week rejected all proposals which would give govt. a greater influence on programming—except his favorite concept: Make broadcasters show they've really scouted their communities. He spoke at Los Angeles seminar on "community leadership" sponsored by Southern Cal. Bcstrs. Assn. and U. of So. Cal.

If govt. has anything to do with establishing standards of public taste, he said, broadcasting would become "an instrument of despotism. It has always seemed strange to me that some people who seem to have little confidence in govt. have great confidence in the govt's ability to set an example to showmen or creative talent of how to produce better shows or to be more creative." Other Ford points:

(1) Network competition is healthy now. Networks shouldn't be licensed because that would split program responsibility between stations & networks. But networks should be regulated instead, because of "wide divergence of economic power" between networks & affiliates.

(2) If industry wants "magazine concept" it should follow its judgment, but concept shouldn't be imposed by govt.

(3) Idea of govt.-dictated allocation of time for cultural & educational programs suffers from "presumption that pre-determination in Washington" is superior to broadcasters' own judgment.

(4) Concept of requiring gift of free political time makes no more sense than requiring utility companies to donate electricity & interconnection lines for political broadcasts.

(5) "Citizens Advisory Board" to help FCC? Commission already gets plenty of advice.

Ford then urged industry to speak up with its own facilities and to editorialize: "I see no reason why the power of broadcasting should not be used to defend & explain itself . . . This country can no longer afford to have a sterile broadcasting industry from the point of view of community thought, action and controversy. You have been given a valuable govt. resource to serve all of the interests of your community and this includes political, social and economic interests as well as entertainment."

WNTA-TV DEAL BECOMES CLIFFHANGER: Only one thing's sure about on-again-off-again \$6.2-million ETV deal for WNTA-TV Newark-N.Y. (Vol. 17:8 p8 et seq.): Suspense. Nothing else about Ch. 13 seemed certain at our deadline following hectic week which brought:

(1) Last-minute 5-3 vote by Court of Appeals lifting order by 3-judge panel which had stayed FCC's approval of transfer of WNTA-TV to Educational TV for Metropolitan Area (ETMA). They had agreed on Nov. 27 deadline for consummating sale.

(2) Appeal by N.J. Gov. Robert B. Meyner directly to Chief Justice Earl Warren to restore stay—and thereby hold up deal at least until Court of Appeals hears scheduled Jan. 10 arguments on Meyner's protest that Commission's action illegally deprives state of its lone vhf outlet.

(3) Apparent breakdown in NTA-ETMA negotiations for payment of \$6.2-million purchase price.

Court of Appeals barely got under sale-deadline wire in voting to overrule panel of Judges Wilbur K. Miller, E. Barrett Prettyman and Walter M. Bastian. With Judge Warren E. Burger not participating and Judge Bastian absent from arguments but voting anyway, majority acted Nov. 27 after 2-hour proceedings—45 minutes of them taken up by personal plea by Meyner.

"It is our only outlet and is as important as a newspaper to a community," Meyner said in his arguments for home-state retention of Newark-based Ch. 13. "We need educational TV, but most of all we need a New Jersey station." FCC's Daniel R. Ohlbaum carried day in court, however. Defending Commission's approval of sale, he pointed out: (1) WNTA-TV has been transmitting from Empire State Bldg. to same metropolitan area which ETMA would serve. (2) NTA is N.Y.—not N.J.—corporation to start with, just like ETMA. (3) On record of ETMA programming plans, N.J. would get as good or better coverage from ETV operation.

Meyner was undeterred. Acting "personally & as Governor," he hurried to Supreme Court to protest "unprecedented nature of en banc reversal of a per curiam court order" and ask Chief Justice Warren (who has D.C. Circuit supervision) to intervene & scuttle deal. FCC, NTA and ETMA trailed Meyner to Warren's desk with pleas that nothing be done to block transaction.

NTA & ETMA lawyers promptly got together in N.Y. Nov. 28 to close sale—and agreed only to disagree, leading to another impasse and new Dec. 4 deadline for decision. NTA demanded its \$6.2 million immediately. ETMA said it couldn't fork over that much cash while still-pending litigation threatened to void deal. NTA was reported to have counter-proposed \$2-million cash down payment and 7-year installments raising ultimate price to \$9 million—or one-year extension plan costing \$8.2 million. ETMA said no soap.

Resumption of full commercial operations by WNTA-TV was then promised by NTA Pres. Leonard Davis if Dec. 4 passes without agreement. Station has been preparing for this by dickering for lucrative contract for new N.Y. Mets baseball games.

So Meyner may turn out to be winner after all over ETV, despite FCC & court reversals. In bitter editorial Nov. 30, N.Y. Times said: "It will be a tremendous loss to the citizens of all 3 states [N.Y., N.J., Conn.] if this great opportunity for creative use of TV disappears—thanks largely to Robert B. Meyner."

TOY COMMERCIALS CHALLENGED AGAIN: Santa Claus still is up to trickery on TV despite compact between NAB's TV Code Review Board and Toy Mfrs. of the U. S. A. Inc. (Vol. 17:23 p10).

Nearly half of 97 toy commercials evaluated by Nov. 1 by Code's N.Y. office were objectionable, Code Authority dir. Robert D. Swezey disclosed last week in reporting that all agencies producing such advertising have been asked to submit demonstration products with their TV copy.

Four toy commercials were rejected outright by N.Y. office headed by Stockton Helffrich—and 43 others among 97 strayed from "guidelines" for honest Christmas advertising as set forth in agreement with manufacturers' organization, Swezey said. These were revised after negotiations, but "total revision of some of the questionable commercials was not possible" because of exigencies of holiday advertising schedules, Swezey reported. He pointed out 59 of 97 had been produced before June 1 agreement was signed and therefore were conceived without benefit of its "letter & spirit."

"Characteristics & performance" of toys will be checked against proposed TV claims for them in future if agencies comply with Helffrich's written requests for samples for "first-hand evaluation" by Code staff in N.Y. Agencies also will be expected to prove that quoted price for toy is "going price" in area where commercial is to be televised.

Santa's TV performances haven't all been bad, however. Helffrich said he's been getting "excellent" cooperation from industry in elimination of "only" & "just" from price claims in commercials for expensive toys, and that representatives of 11 leading makers are working closely with him in efforts to prevent unethical or misleading appeals to children.

FTC has started "active investigation" of "several" toy advertisers on TV, Deceptive Practices Bureau dir. Daniel J. Murphy reported. "We have received enough complaints from the public to warrant taking a hard look at those toy sellers who would push the Christmas spirit too far," he said. "It is one thing to excite a child's imagination & desire for a toy, but quite another to build him up for a let-down when he gets it."

N.Y. UHF PROJECT IN FULL OPERATION: FCC Chmn. Minow pushed a button in the Empire State Bldg. transmitter room Nov. 29 and the Commission's \$2-million N.Y. uhf experiment was officially under way. The button formally turned on the juice of 1-megawatt WUHF (Ch. 31). Fact that transmitter went off the air shortly after he pushed button didn't mar spirit of occasion. The trouble was located and Minow pushed button again for photographers.

Upstairs on 86th floor, news conference was already in progress, chaired by Comr. Lee. He predicted 100,000 uhf conversions in metropolitan area within year, reported city was planning to convert master distribution systems in its apartment projects, has already appropriated funds to convert all police stations and 50% of city schools, said he hoped FCC would turn station over to city after tests. He appealed to citizens to cooperate with engineering crews at test locations.

Although station officially began operation with permanent Melpar antenna and full 1-megawatt power from 50-kw RCA transmitter last week, it has been operating with temporary antenna at 80th floor level for several weeks. FCC chief engineer Ed Allen said all data from preliminary test results hasn't been

completely analyzed, but in general they seem to indicate "a good picture along the main radiant" (temporary antenna faced North) with good results shown in certain locations up to 70 miles. Asked what he thought test would show, he replied: "I think it is going to show approximately what engineering calculations indicate—that some places will have good pictures, some places bad ones, as with vhf, but with perhaps worse problems in shadowing areas."

Also present at ceremonies were Comrs. Hyde & Cross, other notables from N.Y. & Washington. Veteran industry engineer C. M. Jansky Jr., just returned from overseas, was asked to comment on uhf in Europe. He said 3,500 uhf allocations have been made for specific locations in 45 countries there. "There is no question but in Europe a large percentage of these will be activated. They are ahead of us—way ahead of us."

Special 90-min. dedicatory TV program presented 8:30-10 p.m. same evening on WUHF was skillfully done, traced history of radio & TV, with all-star regulatory cast including Comrs. Minow, Hyde & Lee, FCC Broadcast Bureau chief Kenneth Cox, general counsel Max Paglin, and—as a sample of type of program Municipal Bcstg. Service intends to feature during non-simulcast operation of the station—a string quartet.

Part of 90-min. special was taped several weeks ago at WNEW-TV, with remainder done on dedication day at WUHF studios using Videotape recorder which was put into service day before. We had previously viewed WUHF pictures from location at 98th & Broadway and reported strong signal, when station was using temporary antenna (Vol. 1:11 p9). Viewing it again from same location after permanent antenna had been put in service at full power on Empire State Building tower, we observed considerably less ghosting, even with our jerry-built non-directional twin-lead dipole receiving antenna. Ghosting at our location was judged about same as on vhf with similar indoor antenna.

CURRENT CAPSULES

Pay-TV argument before Court of Appeals in Washington last week probably didn't change prospects—i.e., Court approval of FCC's authority to allow RKO General 3-year test over uhf WHCT Hartford. But interesting aspect was judges' curiosity about probable programs and protection of public's money. Court comprised Judges Burger, Edgerton & Bastian. Burger was particularly concerned lest pay TV show "lady wrestling" instead of "Shakespeare." FCC gen. counsel Max Paglin's answer: Viewer can order decoder out if he chooses—but this is just kind of information FCC wants from test. Furthermore, test can be stopped if project gets out of hand. Harold Cohen, for RKO, reiterated that setup is solely a test, that losses are anticipated. For anti-pay theater interests, Marcus Cohn hammered at \$15 million to be paid by public in 3 years, said Commission had given toll proponents "blank check" in programming, insisted system would "siphon" programming away from free TV. Court decision is expected in month or so.

NBC celebrates its 35th birthday this week as "America's first broadcasting network." Annual meeting of affiliates (199 TV, 189 radio) at Hollywood's Beverly Hilton Hotel Dec. 6-8 will mark anniversary of initial network radio program from N.Y. Nov. 15, 1926—and claim title to "America's No. 1 network." Advance promotion of event includes 24-page capsule history of NBC. It boasts: "The alliterative transitions from Vic & Sade to Victory at Sea, from Hopalong to Sing Along, from Kaltenmeyer's Kindergarten to Continental Classroom, from a jovial Fibber McGee to a very factual Frank McGee have all made for literal transitions from pioneering to undisputed leadership for NBC."

Curbs on CATV to prevent invasions of small-market TV station areas by signals from big-city stations are urged by WBOY-TV Clarksburg, W. Va. in FCC rule-making petition. Argument against CATV was revived formally by station, which complained that CATV operator Fortnightly Corp. brought Pittsburgh, Steubenville and Wheeling signals into its territory. Proposed rules would: (1) Forbid licensing of TV station which permits CATV to duplicate its programming in another station's territory. (2) Prevent CATV system from doing this. United Artists is suing Fortnightly for copyright infringement through its distribution of TV signals carrying UA properties.

FCC budget raise to slightly over \$13 million from this year's \$12.5 million has been approved by Budget Bureau, it's understood. Virtually all other regulatory agencies—except NASA, AEC & FAA—reportedly suffered cuts. Most of FCC's increase is earmarked for Complaints & Compliance and Renewals & Transfers Divs.

Personals

Jacob A. Evans, ex-*American Weekly*, Sponsor, McCann-Erickson and NBC, named TvB's central div. dir.

Merrill Lindsay of radio WSOY Decatur elected a BMI dir. . . . Gar Jones named promotion mgr. of KXLY-TV & KXLY Spokane, replacing Jack Lanry, now in similar post at KIRO-TV & KIRO Seattle . . . Ted Smith of radio KUMA Pendleton elected Ore. Assn. of Bcstrs. pres., succeeding Gordon Capps of radio KSVR Ontario.

Ben B. Sanders of radio KCID Spencer, Ia. named 1961-62 NAB membership committee chmn. . . . Donald Andersson, ex-National Coal Assn. & co-author of *Radio & TV Workshop Manual*, joins Washington public relations firm of Richards & Associates . . . Gordon Walls, ex-WCAU-TV Philadelphia, heads new Blair TV sales office at Penn Center there.

Guy E. Yeldell promoted to KSD-TV St. Louis station mgr., Ray Karpowicz to sales mgr. . . . Peter Cary, Screen Gems, joins Desilu Sales as Western div. sales mgr.

Jerome Bredouw, from 20th Century-Fox, joins ABC-TV as on-air promotion dir. . . . Frank Howell promoted to national sales mgr. of WTVJ Miami . . . Bruce Henry, Hollywood & Chicago freelance writer, joins Fred A. Niles Communications Center, Chicago, as creative dir.

■

CBS-TV started something with "Biography of a Bookie Joint" on *CBS Reports*, secretly filmed in Boston. Expose wasn't televised there because network producers feared it might prejudice cases of persons arrested in gambling raids. But local officials were given private studio viewing. Results: (1) Suffolk County District Attorney Garrett H. Byrne announced he'd start grand jury probe of possible collusion between policemen & racketeers. (2) Boston Police Supt. Francis J. Hennessey stalked from preview, angrily refusing to answer any questions.

Sponsor's image is reflected in TV & radio programs he pays for, and he's wasting his money if he thinks quality of shows doesn't matter, NAB Pres. LeRoy Collins said in speech to joint meeting of Louisville Better Business Bureau & Ad Club. He urged advertisers to tie in with "more high-quality programming, regardless of the category," pointing out that broadcasting is unlike other media "because of the intimacy of its impact & the totality of its attraction."

Network TV billings in September rose 13.4% to \$58.2 million from \$51.4 in Sept. 1960, TvB reported. For 3 quarters this year, billings totaled \$538.6 million—up 9% from \$494.3 million in corresponding 1960 period. NBC led with \$201 million for 3 quarters, trailed by CBS (\$198.9 million) and ABC (\$138.6 million). In 9-month period, daytime billings increased 19.6%, nighttime, 4.4% above last year.

Two \$1,000 scholarships honoring memory of late NAB Pres. Harold E. Fellows will be awarded for 1962-63 college term by Assn. of Professional Bestg. Education. Employees or children of employees of TV & radio stations and networks are eligible for scholarships for broadcasting courses.

Illinois Maximum Coverage TV Committee is new group organized by co-chairmen Secy. of State Charles F. Carpenter and State Auditor Michael J. Howlett to fight deintermixture of Rockford & Champaign.

Model 935 stereo generator of Standard Electronics has been type-accepted by FCC for use with Standard's FM transmitters, Western Electric's 503 and Gates' FM-18.

Space communication system along lines drawn by FCC's Ad Hoc Carrier Committee (Vol. 1:5 p2 et seq.) is proposed by Senate Space Committee Chmn. Kerr (D-Okla.) in bill he plans to introduce early next session. Measure would set up privately-owned \$500-million corporation as foundation for worldwide system, in which participating carriers would own minimum of 5 shares priced at \$500,000 each. FCC would determine which companies could share ownership. Commission also would set rates for services insuring fair return on companies' capital investment.

Applications for microwaves to serve CATV systems should be more fully publicized, FCC decided last week, so that TV stations which desire to file pre-grant objections on basis of "economic injury" may learn of their existence. Case involved Western TV Corp., which seeks microwave to serve CATV systems in Riverton, Wyo. area. Western holds CP for common-carrier microwave which was protested by KWRB-TV (Ch. 10) Riverton. Hearing has been held, no decision yet. Meanwhile, Western has filed for another kind of microwave for same purpose, non-common-carrier, in new private microwave service. Though application was reported in FCC notices covering safety & special radio services, Commission believes such applications may be overlooked by station operators and their counsel.

Newspapers would be missed more than TV if public were deprived of both, ANPA's Bureau of Advertising reported in releasing poll financed by Newsprint Information Committee. Survey based on 4,826 interviews indicated 49% of sampling "would feel quite lost" without newspapers, 28% without TV. Report also claimed that at least one newspaper is read every weekday in 86.4% of 54 million continental U.S. households.

TV-radio degree courses were offered to undergraduates during 1960-61 term by 97 colleges & universities—one more than in 1959-60, according to 6th research report in series by Harold Niven of School of Communications, U. of Wash., Seattle. Number of juniors & seniors majoring in broadcasting dropped 391 to 2,618, however. In 1960-61, graduate students studying for doctoral degrees in broadcasting at 15 universities totaled 121—same number as in 1959-60.

Moulder gives up: Rep. Moulder (D-Mo.), House Commerce Communications Subcommittee chmn. and first head of Legislative Oversight Subcommittee who narrowly escaped election defeat last year (Vol. 16:46 p5 et seq.), has told friends he won't try again. Under Mo. redistricting law, his district will be combined for 1962 election with that of Rep. Ichord (D), who plans to seek another term.

Tele-Cine Inc., new Washington TV-motion picture production organization developed by Dr. Paul W. Schafer, head of Army's abandoned TV center at Walter Reed Hospital (Vol. 16:52 p8 et seq.), opens for business at 1017 N.J. Ave., SE (phone: 543-6076). Staff includes technicians who worked with him in pioneering Walter Reed project.

New 26-week TV course in English language has been produced by USIA's TV Service (Vol. 1:8 p2) for distribution to stations in 54 countries. Dir. Romney Wheeler said films took 2 years to complete, were budgeted at only \$100,000.

Special radio exhibition will be held Dec. 13-Jan. 25 in London's Science Museum to mark 60th anniversary of first successful wireless transmission across Atlantic by Guglielmo Marconi.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

CONSUMER ELECTRONICS DOLLAR-VOLUME DROPS: Electronics industry's factory sales set record in 1961 by passing \$10-billion mark, but dollar volume of its consumer-products segment dropped to \$2 billion from 1960's \$2.1 billion. So said EIA Pres. L. Berkley Davis last week at the Association's winter conference in Los Angeles.

He predicted industry factory volume would rise from \$10.15 billion in 1961 to \$10.8 billion next year, with consumer products regaining their 1960 levels, as result of expected continuing uptrend of national economy and increasing consumer spendable incomes.

Here are 1961's dimensions of electronics industry, compared with 2 preceding years, together with EIA's prediction for 1962:

FACTORY SALES BY U.S. ELECTRONICS INDUSTRY

(Add 000,000 Dollars)

	1959	1960	1961	1962
Consumer products	\$2,000	\$2,100	\$2,000	\$2,100
Industrial products	1,600	1,750	1,900	2,100
Military products	4,700	5,000	5,300	5,600
Replacement components	900	900	950	1,000
INDUSTRY TOTAL	\$9,200	\$9,750	\$10,150	\$10,800

Decline in consumer electronics dollar volume, said Davis, is due to (1) shift to lower-priced units in TV, and, earlier in the year, in phonos, and (2) lower production of auto radios. Toward latter part of year, he added, phono sales have swung toward higher quality & price level.

EIA's summation of TV factory sales for 1961 was identical to our recent prediction—although we used distributor-to-dealer sales (Vol. 1:11 p7). TV sales, Davis, said, will reach 5.8 to 5.9 million units, vs. 5.7 last year. Illustrating why dollar volume declined in TV this year, he gave this 9-month black-&-white factory-sales breakdown: Portables & table models, 61% of sales (vs. 56% during same 1960 period); consoles, 35% (vs. 40%); combinations, 4% (vs. 4%).

Total radio sales for 1961 will be slightly lower than last year's 16.9 million due to drop-off in auto radio sales. But home radio sales are due to be more than one million units higher than last year—11.6 million vs. 10.5 million. Portables now constitute 49% of all radio sales (up 8% from last year). Clock radios are down slightly from last year, and table sets are down 6%. Auto radios took big dip to 5.1 million from 6.4 million.

Phono sales will be more than 4 million, below 1960 level—but proportion of stereo-to-mono is growing. Stereo constituted 74% of factory sales first 9 months of this year vs. 68% same period last year. Sales of radios with FM are slightly ahead of 1960.

100 FM-STEREO STATIONS THIS WINTER: FM-stereo markets are opening up rapidly now, and our investigation shows there will be 100 to 125 stations broadcasting in stereo—covering nearly all major markets—before winter is over.

We present herewith the most complete lists ever compiled showing stations now stereocasting, stations due to start soon, and stations which have ordered stereo equipment. These lists can be valuable

in your marketing operations. Save them, or if you don't wish to cut your copy of the Digest, our Washington office can supply reprints.

There are now 43 stations on air carrying stereophonic broadcasts—and stereocasting is already available to more than half the population of the country. At least 41 more stations have received—or will receive by next week's end—the necessary generating equipment to broadcast in stereo. At least 64 more have placed orders for future delivery. This makes grand total of 148 stations either broadcasting in stereo or having purchased equipment to do so.

We have listed total of 123 stations (or locations) which are now or will soon become stereo-active. Our lists were compiled from data supplied by the 6 largest manufacturers of FM-stereo multiplex transmitter equipment, from FCC notifications and from stations themselves. The lists provide basic rock-bottom minimum. There are undoubtedly more in the works than those listed, and there probably will be some surprises—including stations which are building their own equipment, buying from smaller suppliers, those whose identity has been withheld, etc.

What stands out in these lists is that stereo is now coming to every part of the country, virtually every major market. Canada, too, is starting FM stereo, and at least 8 stereo generators have been ordered and/or delivered north of the border—2 from RCA, 3 from Canadian RCA, 2 from Gates, one from General Electronic Labs. One has even been ordered from Gates to an unidentified South American country.

Bottlenecks are rapidly being broken in FM-stereo station generating equipment and deliveries are now either well under way or about to begin by the 6 major manufacturers. Rundown of their status & comments:

RCA is now "keeping up with demand," shipping 10 a week, and will have shipped more than 35 units by Dec. 9. Standard Electronics has sold & delivered its first production run of 20 units, has taken orders for 10 of a 2nd run of 40, scheduled to begin week of Dec. 11. ITA Electronics has shipped 10 units, has backlog of orders for 10 more. GEL made initial shipments Nov. 15, has delivered 5 and is shipping "at a steady, conservative rate." Collins has shipped 2, has backlog of orders for 15 more. Gates, which just received FCC type acceptance, has 25 orders, starts shipments about Dec. 15.

Here is list of the 43 FM stations broadcasting stereo as we went to press:

FM STATIONS NOW BROADCASTING STEREOPHONICALLY

CALIFORNIA		NEW JERSEY	
Los Angeles	KFMU, KMLA	Dover	WDHA-FM
Sacramento	KSFM	Long Branch	WRLB
San Diego	KPRI	NEW YORK	
San Francisco	KPEN	Fresh Meadows	WTFM
San Jose	KSJO-FM	Garden City	WLIR
Santa Barbara	KMUZ	New York	WQXR-FM
Visalia	KONG-FM	Schenectady	WGFM
DELAWARE		Syracuse	WSYR-FM
Wilmington	WJBR	OHIO	
DISTRICT OF COLUMBIA		Akron (Barberton)	WDBN
Washington (Bethesda, Md.)	WHFS	Cleveland	WNOB
FLORIDA		Columbus	WBNS-FM
Miami (Coral Gables)	WVCG-FM	Middletown	WPFB
ILLINOIS		OREGON	
Chicago	WEFM, WKFM	Eugene	KFMY
MARYLAND		Portland	KPFM
Baltimore	WAQE-FM	PENNSYLVANIA	
MASSACHUSETTS		Norristown	WIFI
Lynn	WUPY	Philadelphia	WFLN-FM
Waltham	WCRB-FM	SOUTH CAROLINA	
MICHIGAN		Spartanburg	WSPA-FM
Detroit	WDTM	TEXAS	
MINNESOTA		Dallas	KIXL-FM
Minneapolis	WAYL	Houston	KFMK, KODA
MISSOURI		WASHINGTON	
Kansas City	KCMO-FM	Seattle	KLSN
St. Louis	KCFM	WISCONSIN	
NEBRASKA		Milwaukee	WMKE,
Omaha	KQAL-FM		WTMJ-FM

Here is list of 41 "second-wave" stations, which can be expected to be included in next batch of stereo starters. Many are brand-new stations not yet on air. Note that they will open up many new markets, be 2nd or 3rd program source in some others. This list includes stations to which stereo equipment has already been shipped, or will be shipped in the next week.

NEXT STATIONS DUE TO BROADCAST STEREOPHONICALLY

(* indicates new stereo city)

*Phoenix	ARIZONA	KEPI, KNIX	*East Lansing	WSWM
	CALIFORNIA		*Grand Rapids	WJEF-FM, WOOD-FM
*Fresno		KCIB, KXQR		
*Oceanside		KUDE-FM	MINNESOTA	
*San Diego		KGB-FM, KLRO	Minneapolis	KWFM
*Woodland		KATT	MISSOURI	
	CONNECTICUT		St. Louis	KSHE, KWIX
*Newton		WGHF	NEVADA	
	FLORIDA		*Las Vegas	KORK-FM
*Miami Beach		WAEZ	PENNSYLVANIA	
*Orlando		WHOO-FM	*Johnstown	WJAC-FM
*Sarasota		WYAK	Philadelphia	WHAT, WQAL
	GEORGIA		*Wilkes-Barre	WYZZ
*Columbus		WRBL-FM	TEXAS	
	ILLINOIS		Dallas	KSFM
Chicago		WFWT	*Wichita Falls	KNTD
*Rock Island		WHBF-FM	VIRGINIA	
	INDIANA		*Richmond	WFMV
*Evansville		WIKY-FM	Seattle	KISW
*Indianapolis		WISH-FM	WASHINGTON	
	KANSAS		Milwaukee	WFMR
*Lawrence		KANU	WISCONSIN	
*Wichita		KCMB-FM	CANADA	
	MICHIGAN		*Toronto	CFRB-FM
Detroit		WGPR	Four other Canadian cities, unidentified.	

This is list of cities where additional stations have ordered stereo generating equipment, but deliveries haven't yet been made. Call letters have been withheld by manufacturers (all 6 of whom are represented) for competitive reasons. Note that these are *additional* stations and are not duplicated on the preceding list:

ADDITIONAL STEREO EQUIPMENT ORDERS

- Los Angeles area (3 stations)
- San Francisco
- Jacksonville, Fla.
- Orlando, Fla.
- Washington, D.C.
- Indianapolis
- Louisville, Ky. (2 stations)
- Chicago (2 stations)
- Boston (2 stations)
- Detroit
- Midland, Mich.
- Minneapolis-St. Paul (2 stations)

- Long Island area, N.Y. (2 stations)
- New York City (2 stations)
- Raleigh, N.C.
- Cleveland, O. (2 stations)
- Pittsburgh
- Dallas (2 stations)
- Houston (3 stations)
- Norfolk, Va.
- Seattle (3 stations)
- Canada (3 stations)
- South America

TV-RADIO-PHONO AD CODE APPROVED: Long-awaited advertising practices code for consumer electronics industry was approved by EIA last week at its winter meeting in Los Angeles and will be available in about 2 weeks.

It will contain no surprises, be entirely voluntary—not "policed"—but industry hopes to persuade dealers to live up to it. Possibly most important section will be the one which deals with comparative sale price advertising; "former" price must be one at which dealer has previously sold the merchandise. Other sections deal with use of model numbers in advertising, bait advertising, product claims, etc.

Like the home laundry code after which it is patterned, consumer electronics ad code will include FTC's guides against deceptive pricing, bait advertising and deceptive advertising of guarantees. Entire TV-radio-phono ad guide has been submitted to, and approved by, the FTC.

Opposition of set makers to FCC's proposed uhf legislation—to require that all sets sold in interstate commerce be equipped with all-channel tuners—was reiterated by EIA's Consumer Products Div. at the Los Angeles meeting. In expressing its views for Congressional consumption, the division backed them up with statement that "no action could reasonably be taken pending findings of the N.Y. uhf tests" (see p. 4).

Touchy problem of imports again was major EIA topic, made more urgent by President Kennedy's plea for broadening of reciprocal trade agreements. EIA board adopted resolution calling on President & Congress to carefully consider 7 "recommended objectives" in any legislation governing American international trade.

EIA's 7 points, in brief: (1) Where tariffs are reduced or removed, make sure foreign countries also lower barriers to import of U.S. goods. (2) Insure adequate procedures to adjust tariffs or import controls

when imports of any product "threaten to undermine the stability of the domestic industry involved or an important segment of that industry." Such action should not be subject to Presidential veto. (3) Enact legislation for labeling of products completely made abroad or containing "major components" made abroad, with FTC to assure against deceptive advertising of foreign-made goods. (4) U.S. industry should be advised in advance of trade agreement negotiations exactly what products will be up for discussion. (5) Trade agreement should be adopted by Congress only after careful study of effect on U.S. industry. (6) Congress should have right to veto trade agreements by majority vote. (7) Congress should protect U.S. industry from sale of foreign products at lower prices than those prevailing in country of origin, by strengthening Anti-Dumping Act.

EIA board accepted invitation from EIA of Japan to send 4-man industry delegation to Japan to study industry there. Delegation, to be appointed soon by Pres. L. Berkley Davis, will leave early next year.

PHILCO MERGES WITH FORD THIS WEEK: In overwhelming numbers of more than 40 to 1, Philco stockholders last week voted to "commit the surgery that puts Philco out of business"—as one dissident shareholder expressed it. Within 65 minutes on Nov. 28, at the electronics giant's Philadelphia hq, 3,426,653 shares (opposed only by 80,801) voted to cease 69 years of autonomous action in favor of subsidiary operation under Ford management (Vol. 1:1-A p5).

By Dec. 11, Philco Pres. James M. Skinner Jr. told some 250 shareholders at special meeting, Philco will be dissolved, temporarily become Helios Corp. (its original 1892 name) for the purpose of transferring its shares to Ford, and emerge as subsidiary Philco Corp. of Delaware. Neither Skinner nor other Philco executives shed any light on future of consumer electronics operation under Ford flag.

Ford got the good news from Philadelphia only hours after it received the bad news in Detroit that the Justice Dept. had filed a monopoly-charge suit in Federal District Court to force Ford to give up Electric Autolite's sparkplug business, which it acquired for \$28 million last spring. Ford stock dropped $2\frac{1}{4}$ to $108\frac{7}{8}$ on the Detroit news, came back $1\frac{1}{4}$ with the Philco vote. Philco's stock inched up only $\frac{1}{8}$ to $23\frac{1}{2}$. (Dec. 1 Wall St. Journal noted: "Administration insiders expect the Justice Department won't sue to break up Ford Motor Co.'s acquisition of Philco Corp. Reason: Philco's poor financial shape.")

Opposition to Philco's sale was confined to a handful of stockholders, most vocal of whom was N.Y. attorney Abraham K. Weber, representing a group of shareholders. Responding to Weber's pointed questions, Skinner made these observations: Philco is in numerous fields—"computers & appliances to mention 2"—which offer great potential but "which require a vast amount of capital" which Philco doesn't have. The Philco board approved the Ford sale because "our borrowing capacity is at peak—exhausted." Asked by Weber if Philco "would go down the drain" if the Ford deal didn't materialize, Skinner replied: "The board is apprehensive." Weber argued that the exchange rate was "niggardly," told Skinner that "too many Philco stockholders are entranced by the Ford name to realize that they're only getting one share of Ford for each $4\frac{1}{2}$ of Philco."

Overruled as "out of order" or "irrelevant" on a host of questions, including whether Philco had explored merger with other companies, Weber asked Skinner: "If Philco is in such bad shape, why is Ford taking it over?" Replied Skinner: "I'll have to refer you to Ford." The exchange grew heated at one point when Weber termed Skinner's handling of his questions as "high handed," reminded him that "this is our company, not yours." Weber was still talking when Skinner, ignoring him, called for the vote.

In Detroit, Ford refused comment on the Philco vote, noted that there were still formal papers to sign before transaction is completed. "We can't make any detailed plans until then," a spokesman said, adding that completion is expected "sometime after the first of the month [Dec.]." Approval by Ford stockholders is not required.

Financially, Ford's acquisition of Philco involves more than \$100 million. As of Sept. 1, Philco had outstanding 4,104,033 shares of common, 100,000 shares of preferred. Under the agreement, $4\frac{1}{2}$ shares of Philco common will be exchanged for one Ford share; preferred holders will receive for each share \$101.50 in Ford stock plus accrued & unpaid dividends.

TV-RADIO PRODUCTION: EIA statistics for week ending Nov. 24 (47th week of 1961):

	Nov. 18-24	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	133,303	142,227	91,627	5,603,382	5,302,877
Total radio	242,778	292,060	273,164	10,630,883	9,693,479
auto radio	139,078	151,111	98,333	4,906,846	5,911,305

TOPICS & TRENDS

Opposition to Philco's "Instant Dividend" program (Vol. 1:8 p9) is mounting. RCA is known to take dim view of merchandising gimmick, is expected to come out strongly against it at distributors meeting in Chicago's Edgewater Beach Hotel this week.

Motorola mktg. vp S. R. (Ted) Herkes blasted dividend plans in a Nov. 28 speech before Chicago Alumni Chapter of Alpha Delta Sigma. "Plans like this," he said, "do not merchandise the values of the products, their quality, their reliability, but use the products only as premiums in a promotional plan that is certainly poor merchandising. These plans are no substitute for plain old-fashioned selling. It is our opinion that if our industry is to become the dynamic, profitable business it's capable of being, order must be restored quickly through the restoration of hard sell."

In ID-hot Pittsburgh, Electronic Service Dealers Assn. has warned: "This plan is disastrous for the local appliance dealers. If it spreads, the number of dealers going out of business will be terrific."

"Bonafide suggested retail selling prices" may be established legally by manufacturers for retailers, FTC hearing examiner Herman Tocker said in another ruling on hot issue of "list" prices in bargain advertising (Vol. 1:11 p9). Initial decision in case involving Regina Corp., Rahway, N.J. maker of household appliances, held that manufacturers must place restrictions on "deceptive" use by retailers of such prices, however. And Tocker ruled that manufacturers must not contribute to cost of retail advertising which they know is intended to mislead customers.

Crosby Electronics & subsidiary Crosby-Teletronics, both in separate Chapter X reorganization proceedings (Vol. 1:10 p11), have resumed operations under trusteeship of Ralph Edsell Jr. after agreement with govt. which had closed Crosby plants in Syosset & Westbury, N.Y. for non-payment of withholding taxes. Judge Joseph C. Zavatt, Brooklyn, set hearing for Jan. 3.

General Dynamics/Electronics has temporarily suspended production of its Stromberg-Carlson stereo phonos & radio-phonos as latest step in "inventory reduction" program (Vol. 1:9 p6). Stoppage will result in layoffs for some 350 workers, and GD/E vp Arthur J. Hatch said resumption of production will depend on developments over the next few weeks.

Hitachi Ltd. had record sales & earnings in 6 months to Sept. 30, topped all Japanese firms. Sales rose some 33% from a year earlier to more than \$387 million, profits climbed 23% to \$30.9 million. Second-highest profits were earned by Toshiba—\$23.7 million on \$261.8-million sales, a 13% gain in both sales & profits over a year ago.

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
Rollins Bcstg.	1961—6 mo. to Oct. 31	\$ 2,999,289	\$ 511,317	\$ 258,006	\$0.27	954,851
	1960—6 mo. to Oct. 31	1,853,391	432,216	229,463	.26	899,053
Screen Gems	1961—qtr. to Sept. 30	7,448,000	—	341,735	.13	2,538,400
	1960—qtr. to Sept. 30	6,218,000	—	152,545	.06	2,538,400
Stanley Warner	1961—year to Aug. 26	134,720,744 ¹	7,981,873	4,301,873 ¹	2.12	2,026,374
	1960—year to Aug. 26	132,153,749	7,163,803	3,513,803	1.73	2,025,374
Sterling Television	1961—6 mo. to Sept. 30	565,556	—	36,149	.08	—
	1960—6 mo. to Sept. 30	383,642	—	16,833	.04	—
TelePrompTer	1961—7 mo. to July 31	—	—	(61,970)	—	685,811
	1960—7 mo. to July 31	—	—	52,635	.09	685,811
20th Century-Fox	1961—39 wks. to Sept. 30	81,188,678	—	(11,544,007) ²	—	2,495,926
	1960—39 wks. to Sept. 24	80,177,841	—	2,997,115 ²	1.26	2,383,286

Notes: ¹Record. ²After \$9.2-million write-off of theatrical & TV inventories and before gain of \$25,785,917 (\$10.31 a share) on sale of studio

properties—resulting in actual net of \$14,191,910 (\$5.69). ³Before special credit of \$735,614 (31¢).

Trade Personals

Dr. Simon Ramo, Thompson Ramo Wooldridge exec. vp, named to new post of vice chmn. . . R. C. Loomis, formerly pres. of General Dynamics' Convair Div., joins American Electronics as pres. & chief exec. officer, succeeding Philip W. Zonne who becomes chmn.

John L. Hanigan, Corning Glass, appointed to executive committee of EIA's Tube & Semiconductor Div.; Stephen Levy, Lansdale (Philco), named chairman of the division's semiconductor section.

Seymour Schwartz, chmn.-pres. of Transistor Applications Inc., elected chmn. of subsidiary New England Transformer Co. . . H. Herbert Harris, ex-Philco, named exec. asst. to divisional vp & gen.-mgr. of General Instrument's F. W. Sickles Div., a new post.

Gordon MacKechnie named to new post of asst. product mgr. for audio products by Ampex International Operations, absorbing some duties of product mgr. William L. Cara who resigned to become mktg. mgr. of Stancil-Hoffman Corp.

H. Wayne Bracken, GE's Atlanta district sales rep, moves into new post of TV Dept. merchandising mgr.; Jack L. Hunter appointed distribution planning mgr., Radio & TV Div.

J. Stanford Smith elected a GE vp, named head of new mktg. & PR services post; Virgil B. Day, formerly relations services vp, heads new post of management development & employe relations services.

Gene R. Marner promoted to research dir. of Collins Radio's Cedar Rapids div. . . A. Keith Cook promoted to Oak Electronics gen. mgr. . . Donald J. Flynn promoted to Sylvania equipment sales engineer in Midwest region.

Edward S. Gagnon named Gates Radio special projects mgr.

Obituary

Elbert (Al) Merriam, national service manager of Symphonic Electronic Corp., and former service manager of Sylvania Home Electronics Corp., died of a heart attack last week.

Transistor factory sales rose to a 1961 monthly record in September, EIA reported last week. The September volume totaled 19,386,202 units—up markedly over previous-leader June's 17,899,005. Despite record sales, however, the total dollar value of \$27,220,248 ran a poor third to March's \$29,815,291 (on 15,129,273 units) and April's \$27,388,278 (on 15,072,064). Indicative of the profit squeeze in transistors, cumulative sales rose more than 46 million units to 136,490,332 from 90,263,352 in 1960's first 9 months. Dollar value, however, increased less than \$5 million to \$227,002,035 from \$222,198,961. EIA's figures:

	1961		1960	
	Units	Dollars	Units	Dollars
January	12,183,931	\$22,955,167	9,606,630	\$24,714,580
February	13,270,428	25,699,625	9,527,662	24,831,570
March	15,129,273	29,815,291	12,021,506	28,700,129
April	15,072,064	27,388,278	9,891,236	23,198,576
May	15,128,181	25,113,042	9,046,237	24,714,580
June	17,899,005	26,148,746	10,392,412	27,341,733
July	11,227,388	17,506,011	7,070,884	18,083,802
August	17,193,860	25,155,627	9,732,993	22,739,969
September	19,386,202	27,220,248	12,973,792	28,442,229
TOTAL	136,490,332	\$227,002,035	90,263,352	\$222,198,961

New TV-home count: Household appliances in standard metropolitan areas are covered in new Census Bureau series of 1960 reports supplementing state-&-county statistics (Vol. 1:11 p11). First advance returns released in series, which is scheduled for completion next March, detail

housing characteristics of Phoenix & Tucson areas in Arizona and Lewiston-Auburn & Portland areas in Maine. TV counts:

Area	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
Phoenix	191,076	146,808	19,691	24,542
Tucson	77,426	59,923	7,433	10,053
Lewiston-Auburn ..	21,740	17,678	2,325	1,737
Portland	37,901	28,868	6,182	2,851
Ga.	1,070,325	785,145	71,569	213,582
Hawaii	153,064	110,835	8,312	33,865
Ky.	851,867	619,953	48,397	183,458
Ia.	841,357	709,867	40,349	91,124
Tenn.	1,003,301	753,367	60,460	189,474

Finance

Admiral expects its 4th-quarter profit to be "substantially" above the \$957,113 earned in the 3rd quarter (Vol. 1:9 p10) and sales to exceed July-Sept.'s \$49.6-million volume. In 1960's 4th quarter, Admiral lost some \$3 million on \$42.9-million sales. Pres. Ross D. Siragusa said he expected the sales & profit improvement to continue into 1962's first quarter, noted that sales are up for all Admiral consumer products divisions. "Particular strength," he said, is being shown by appliances. Conversely, Admiral's military products division is operating unprofitably, but "we're hopeful that, beginning in 1962, some earlier research & development work will bear fruit."

TV-Electronics Fund Inc. raised net assets 30.8% to record total of \$443.8 million in fiscal year ended Oct. 31 vs. \$339.4 million in fiscal 1960. Shares outstanding totaled 49.7 million vs. 45.8 million, adjusted per-share value was \$8.92 vs. \$7.41, Pres. Chester D. Tripp reported to stockholders. Principal portfolio changes were additions of Atlantic Research, Barnes Engineering, Corning Glass, CTS Corp., Milgo Electronic, Technical Material and Wyle Lab common stock, elimination of holdings in Admiral, Martin, Royal McBee, and Smith-Corona Marchant.

Webcor foresees earnings of \$2 million (\$2 a share) on \$29-million sales in the 6 months to Nov. 30, compared with the \$91,000 profit (10¢) on \$16.7-million sales reported in the year-earlier period. (The 1960 figures include only one month of subsidiary Dormeyer Corp., acquired Nov. 1960.) Pres. James E. Archambault reported also that Webcor will enter the institutional equipment field in the spring with a multichannel recorder designed to anesthetize patients by using both voice & music, a line of phonographs for elementary grades, and a language lab system that can give instruction in different languages & learning levels simultaneously to 30-40 pupils.

Zenith increased its quarterly dividend last week and voted an extra payment of 36%¢ a share. The new quarterly dividend is 20¢ a share, payable Dec. 29 to holders of record Dec. 8. It is equivalent to 60¢ a share, up from 50¢, on Zenith's stock prior to the 3-for-1 split Nov. 20. Extra dividend carries the same record & payment dates.

Common Stock Dividends

Corporation	Period	Amt. Payable	Stk. of Record
Amphenol-Borg Elec. ..	Q	\$0.35	Dec. 29
Bendix	Q	.60	Dec. 28
Clarostat Mfg.	Stk.	3%	Dec. 29
Heli-Coil	SA	.30	Dec. 15
Intl. Resistance	Ex.	.15	Dec. 28
RCA	Q	.25	Jan. 22
RCA	Stk.	2%	Jan. 29
Rollins Bcstg.	Q	.08	Jan. 25
Warner Bros.	Q	.30	Feb. 5
Wells-Gardner	Q	.30	Dec. 15
Zenith	Q	.20	Dec. 29
Zenith	Ex.	.36%	Dec. 29

WEEKLY **Television Digest**

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

SUMMARY-INDEX OF WEEK'S NEWS**Broadcast**

CBS & NBC UNLEASH ATTACK ON 'WASTELAND' CHARGE, Stanton & Sarnoff seeing attempts at govt. program dictation. Sarnoff also concerned with "imbalance" between network & station profits (p. 1).

RE-RUN OF OPTION TIME DEBATE heard by FCC in oral argument. Decision not expected until end of network program hearing (p. 3).

3-YEAR 'TRAFFICKING' RULE ON TAP, FCC to consider restrictions on station sales, including staff recommendations to tighten original proposal (p. 4).

TIGHT LID ON SHORT-SPACED VHFS maintained by FCC which declines to drop in more (p. 4).

UPBEAT FINALE TO WNTA-TV SAGA—sale to educators okayed when Gov. Meyner gets assurances N.J. will get adequate attention on station (p. 4).

Consumer Electronics

SKINNER QUITS PHILCO as Ford takes over, president resigning to "open way to appointment of new chief." Ford's Charles E.

Beck mentioned as possible successor (p. 7).

RCA COLOR DOLLARS exceeded b&w in Nov., Saxon tells distributors at Chicago meeting. Figure includes chassis & components (except picture tube) made for RCA Victor & other original equipment manufacturers (p. 7).

'ID' ALSO SIGNIFIES "irate dealers" as supermarket-tape programs spread; NARDA holds emergency meeting in N.Y. to develop program to combat promotion; dealers alarmed (p. 7).

EIA EXPANDING ACTIVITY in consumer product field, naming full-time staff director for TV-radio-phono. Starts study of AM-stereo proposals (p. 9).

JAPANESE TV-RADIO-PHONO exports to U.S. rose only 8.5% in year, totaling \$52.9 million for first 9 months of 1961. Tube & toy radio exports rise, while transistor radios drop. Prices decline in all radio categories (p. 10).

WINTER DROP-IN TIME arrives, RCA showing new black-&-white and color lines, Zenith adding stereo consoles & combos, DuMont premiering 3 color consoles (p. 11).

CBS & NBC UNLEASH ATTACK ON 'WASTELAND' CHARGE: After months of silent seething, 2 network leaders—CBS Pres. Frank Stanton and NBC Chmn. Robert Sarnoff—struck back strongly at govt. critics led by FCC Chmn. Newton Minow.

On same day, Dec. 7, both delivered speeches bitterly lashing "the government"—plainly focusing on Minow—charging attempted program dictation.

Minow's reaction: "I think it's very desirable for industry spokesmen to express their points of view. One of my main purposes is to encourage discussion of industry responsibilities. I plan to go into this in my speech before the Commonwealth Club in San Francisco Dec. 22."

The 2 attacks were immediately interpreted in Washington as opening guns, on eve of FCC's network program hearing (postponed from Jan. 9 to Jan. 23), to counter FCC's tightening regulatory activities—particularly before Congress. There's anticipation, in fact, of introduction of legislation designed to rip every vestige of program evaluation from Commission's hands.

Both men found same quote to epitomize their speeches, Justice Brandeis': "Experience should teach us to be most on our guard to protect liberty where the government's purposes are beneficent."

Herewith are highlights of Stanton's address, the Benjamin Franklin Lecture at U. of Pennsylvania:

"The public verdict is, I have no doubt, the safest and surest, the most valid and most enduring, one. But it has its price. It is less swift and less efficient, but it shares such limitations with all other procedural aspects of the democratic life."

Stanton quoted from Minow's NAB speech, in which the FCC chairman said "a vast wasteland" was to be observed if one spent an entire day with "eyes glued to that set until the station signs off." Said Stanton:

"The danger of this kind of sensationalized and oversimplified approach, with its broad brush conclusions, is not only that it grotesquely distorts the situation as it is, a clear perception of which is necessary to improvement, but also that it invites impulsive measures directed at making fundamental changes on the ground that any change is a change for the better. Actually, the only change that I have seen suggested is that the government supervise programming by use of its licensing power and by regulating a major program source, the networks.

"How much improvement can either of these really bring about? If government authority sets standards, qualitative or quantitative, for TV programming, whose standards are they going to be? The chairman of a commission? A majority of a commission? A Congressional committee?

"You would have authoritative standards that would stifle creativity. You would have a rigidity that would discourage experimentation. You would have the subjective judgment of a small group impose on the many. And you would have the constant danger of the misuse of the medium for political purposes."

Stanton also attacked recent statement of Wall St. Journal Pres. Bernard Kilgore, who said freedom of the press shouldn't be confused with freedom problems of a licensed medium (Vol. 1:9 p1). Said Stanton:

"I am not in sympathy with the soft inclination to turn the content of any medium over to government control on the grounds that to insist on the rights of a new medium will obscure the rights of the older. Whether it is apparent on the surface or not, the freedoms of all media are interlocked. . . . Basic freedoms are not divisible, to be rationed out discriminately."

Stanton went to great pains to show that TV does serve minorities, with culture, information, news and other non-entertainment fare. Listing cross-section of such programs, he said:

"TV does, in fact, have a variety of programs that are, while directed hopefully at the majority, seeking to meet standards of excellence in substance or in manner acceptable to the most demanding minority . . .

"A decade from now, if the public verdict prevails, TV will be unrecognizable from what we have today. The medium will change because there is a constant, slow but inevitable upward movement in the standards and interests and capacities of a free people . . .

"In a pluralistic society like ours there are a great many additional built-in safeguards against persistent excesses. These are far more effective over the long haul than paternal authority."

In Beverly Hills, meanwhile, NBC's Sarnoff offered 35th convention of affiliates (to which Minow sent greetings "as one 35-year-old to another") a speech hailed as "the answer to Minow." Sarnoff also voiced another major concern: network profits are down while station earnings are up.

TV thrives on criticism, he said. However: "When criticism comes—pointedly & suggestively—from the voice of governmental authority, speaking softly but carrying a big hint, at what point does criticism become coercion—where does freedom leave off and interference begin? . . . Some would interfere with no more than a lifted eyebrow, using it as a kind of semaphore to wag this program type off the air and signal more time for that one. I believe this is a dangerous, mistaken and illiberal doctrine . . .

"Any doctrine of coercion is dangerous because even if it could be administered with impeccable intentions and flawless wisdom, it creates a precedent that could be disastrous in the hands of some future authority who might be unwise, ill-intentioned or both."

Sarnoff also dug at some broadcasters: "Freedom is not a rallying cry to be raised as a smokescreen for opportunistic self-seeking. Broadcasters who use it that way pervert the meaning of freedom; all they really want is freedom from their obligations to the public."

Disparity between network and station profits is "a striking & growing economic imbalance," the NBC chairman asserted. He noted that combined pre-tax earnings of the 3 TV networks dropped 22% in 5 years ending in 1960, while station profits rose 44%.

Unrecovered costs of news, information and entertainment rose to \$118 million last year for TV networks—up 80% in 5 years, in NBC's case—Sarnoff noted. He listed NBC's objectives for years ahead:

(1) Keep pushing color. (2) "We intend to be first in global TV." (3) "Maintaining the front-running position in popular entertainment; and we do not expect to apologize for it." (4) With "more programming of cultural substance, we intend to keep leading the audience, but we have no intention of getting so far out ahead that we leave it behind." (5) Push ahead with expansion of news and informational programs. (6) More

children's programming of the highest possible standard." (7) "We intend to hew to the ideal of a balanced program schedule."

His wrapup: "After 35 years of serving the public, we do not intend to be panicked now, and neither should you."

NAB Pres. Collins offered this reaction to the speeches: "Dr. Stanton made the very sound observation that governmental control of broadcast programming is no way to improve programming, and in this every thoughtful American will concur. Mr. Sarnoff has given one of the most responsible & enlightened commentaries I have yet seen on (1) the responsibilities of broadcasters to provide an ever-increasing quality of public service and (2) the recognition by conscientious broadcasters that this is the surest defense against any improper governmental intervention in the freedom of broadcasting."

RE-RUN OF OPTION TIME DEBATE: Final decision on option time, after full-day oral argument before FCC last week, isn't expected until conclusion of network hearing. Scheduled to start Jan. 23 (postponed from Jan. 9), hearing on network programming practices is believed by Commission to be so closely related to option time that the 2 should be considered together.

Eleven attorneys, closely questioned by Commissioners, went over much of ground explored time & again by FCC. Networks & affiliates again argued that option time gives networks ability to assure advertisers proper coverage, thus placing economic foundation under whole system of networking and supporting most valuable aspect of TV programming. They urged FCC not to tinker with system in hopes of giving non-network program sources access to prime time—with objective of increasing competition. They argued that they need economic support flowing from option time in order to present "comprehensive" service including public affairs programs which syndicators don't offer.

They insisted that FCC shouldn't change its mind simply because there's change in its membership. Original vote was 4-3 to preserve option time—ex-Comr. King voting with majority. KTTV Los Angeles appealed to courts. After Minow joined Commission, FCC asked court to remand case back to it to see whether option time should now be abolished. They argued, also, that "rationing" amount of network programming accepted by stations would come dangerously near censorship. Counsel for NBC affiliates suggested that if Commission abolishes option time it set up procedures whereby it could quickly reinstate practice if experience with non-option doesn't work out.

Option time opponents repeated their assertions that networks will still get all clearances they need, that limitations on network hours will stimulate great growth of non-network program suppliers. They argued, again, that option time is an anti-trust violation even if Commission believes practice is in public interest.

Westinghouse Bcstg. Co. takes interesting position. Despite fact it has 2 CBS affiliates, 2 NBC, one ABC, it plumped for giving networks 3 option time hours in each segment of day—but allowing stations to take no network programs outside option time. Goal is to increase access to station by regional & local accounts.

Comr. Ford may be a key figure in final vote. He voted against option time originally, indicating belief competition would be fostered, stations would have greater freedom of program choice and other types of adequate clearance systems would develop. However, when FCC recently frowned on CBS's incentive compensation plan (Vol. 1:7 p3), he abstained from voting. During oral argument last week, he said that CBS plan was sort of thing he had in mind—but that plan is being attacked on anti-trust basis, too. So, he concluded, no one will know what's legal or illegal until it's finally fought out in courts.

CBS and 40 of its affiliates, meanwhile, answered FCC's charge that CBS "incentive compensation plan" violates rules, penalizes affiliates if they carry programs of other networks (Vol. 1:7 p3).

CBS insisted that no existing rule prohibits its plan, gave examples of plan in use to show that affiliates still clear as they did before. Contrary to FCC's assertions, CBS said, there has been increase in non-network programming among affiliates using plan. FCC's action, CBS asserted, is "part of a campaign to reduce, by governmental fiat, the incentive to clear network programs, whatever the means used to seek such clearances."

All 40 affiliate incentive-plan users, with exception of KPIX San Francisco, backed up CBS, asserted that they're not penalized, not excluded from carrying other network fare. KPIX disagreed, said it had signed with CBS under protest.

3-YEAR 'TRAFFICKING' RULE ON TAP: FCC is scheduled to discuss this week the "anti-trafficking" station-sale rule it proposed year ago (Vol. 16:50 p1)—and it's understood that staff recommends it go through with it, make it tighter.

Original proposal calls for a hearing when any station owned for less than 3 years is to be sold, with these exceptions:

(1) Inadequacy of operating capital. (2) Death or disability of station principals or key management personnel. (3) "Other changed circumstances affecting the licensee or permittee occurring subsequent to the acquisition of the license or permit." FCC staff makes these current recommendations:

(1) Drop the "inadequacy of operating capital" exception because it's too difficult to pin down. Substitute for it a proviso that seller can't get more for station than he paid, plus operating losses.

(2) Drop the exception regarding death or disability of "key management personnel"—because they can be replaced.

(3) Reject proposed exceptions based on "human factors" such as unhappiness with community, dislike of broadcast business, desire to enter larger markets.

(4) Allow exception when sale is required by divorce settlement, when transfer is gift to owner's children and when station involved is uhf.

(5) When multiple owners are involved, deep inquiry should be made even if station has been held more than 3 years.

There's no telling whether Commission will buy foregoing recommendations—but staff usually carries considerable weight.

TIGHT LID ON SHORT-SPACED VHFS: FCC went to substantial pains last week to let it be known it really wants to keep strong control of vhf standards, that it doesn't intend to break down the service by chipping at coverage, that it looks to uhf for expansion.

Commission turned down petitions for reconsideration to add short-spaced vhfs to Columbia, S.C.; Akron, O.; Portland, Me.; Milwaukee, Wis.; Toledo, O.; Saginaw-Flint-Bay City, Mich.; Jackson, Miss.; Worcester, Mass.; Orlando, Fla.

In its decision, Commission stated: "While we are prepared to make substandard spacings [in 8 major markets], a strict limitation upon the number of such assignments must be maintained. Otherwise the danger of a mass proliferation of short-spaced assignments would threaten—without concomitant benefit—the wide range of existing service and severely hamper our long range program to improve TV service by increased use of the uhf band. Without derogating from the merit of bringing additional vhf service to other suggested cities—some of which have substantial populations—the Commission is convinced that the solution to the present shortage of spectrum space in these areas must depend upon utilization of the uhf band." No dissents.

FCC Chmn. Minow met with President Kennedy last week to discuss concept of civilian control—through a commission or an administrator—of whole spectrum, both govt. & non-govt. Nothing conclusive.

UPBEAT FINALE TO WNTA-TV SAGA: It's over—almost—N.Y. educators' \$6.2 million acquisition of WNTA-TV (Ch. 13). N.J. Gov. Meyner dropped his litigation to block sale, accepting assurances that N.J. would get adequate innings on station—after wearying wee-hours negotiations at his mansion in Princeton Dec. 4, the day that sales contract was to expire.

National Telefilm Associates, assured that payment it would get for station wouldn't be jeopardized by litigation, was happy to go through with deal. Transfer was to be consummated Dec. 8 but "complex legal details" delayed finale until Dec. 13. But parties visualize no new last-minute hitch. Broker is Howard Stark.

Meyner was given these guarantees to take care of N.J. programming needs: (1) He'll be member of N.J. association formed to advise station on state's interests. (2) He and 2 other prominent N.J. citizens will become members of station's board of trustees. (3) Station will carry daily N.J. newscast. (4) Meyner's weekly telecast will be continued.

FCC played substantial role in negotiations—details not yet disclosed—Chmn. Minow's administrative asst. Tedson J. Meyers sitting in on talks. Said an FCC spokesman: "It's an excellent example of how government can take a creative, helpful role." Station is to go dark until ETV forces can recruit staff.

CURRENT CAPSULES

Big national advertisers have edge in buying time on affiliated TV stations but few small businessmen are complaining. That was consensus of testimony at 2-day House Small Business subcommittee hearing last week to probe local advertising opportunities on TV. Panel comprises Chmn. Rep. Alford (D-Ark.) and Rep. Avery (R-Kan.).

FCC Broadcast Bureau Chief Kenneth A. Cox testified to "relatively few complaints" from the country's 4 million small business concerns "as to lack of access to TV or radio."

It's a matter of economics, he said, because radio is better geared to local advertising through its vast number of independent stations. RAB Pres. Kevin B. Sweeney agreed, urging small businessmen to use radio.

TvB Pres. Norman E. Cash said that, contrary to complaints, small firms don't yet realize full potential of TV. He noted that 2,958 small advertisers used spot TV last year.

Several small businessmen told of difficulty in buying prime time at rates they could afford. They said small businesses were declining because network demands prevented local advertisers from waging local campaigns.

"It's just like somebody coming into your home, taking over your own bedroom and sending you out into the back lot," said Chris E. Finkbeiner, pres. of Little Rock Packing.

Cox said network dominance over programming was "a matter of serious concern and requires constant regulatory vigilance," but that FCC lacked legal power to tell stations to whom to sell time. He said one solution was expansion of uhf, and urged passage of all-channels-set legislation to stimulate its growth.

A public defender at FCC hearings to look after viewers' interests was urged last week by the Continuing Conference on Communications and the Public Interest. Released by Chmn. Gilbert Seldes, Dean of the Annenberg School of Communications, U. of Pa., report said broadcasters always have counsel at hearings but no FCC staffer has job of getting viewers' opinions. Report said FCC should consider charging fees up to \$100 for licenses to become self-supporting and hire adequate staff. Reservation of channels for FM educational stations and local hearings on applications for new licenses were also urged by group. Conference's exec. committee consists of Seldes; Syracuse U. vp Kenneth Bartlett; Charles Siepman, chmn. of NYU communications & education dept.; and Dallas Smythe, U. of Ill. communications research professor.

FM semi-freeze—granting only those applications complying with certain technical criteria—was imposed by Commission last week as forecast in our previous issue (Vol. 1:12 p2). FCC made one change from initial proposal: It decided that applications in hearing status would also be frozen if they failed to comply with new criteria. Educational FM applications are exempt from freeze. Purpose of delay is to maintain status quo pending consideration of standards revision. Last week, FCC granted extension from Dec. 11 to Jan. 10, the deadline for filing reply comments in the proceeding (Doc. 14185 & RM-94).

Station owners who want protection from competition are paving way for stringent, utility-type government regulation, FCC Comr. Hyde warned Colorado Bcstrs. Assn. last week. TV must be "an unimpeded and unsubservient communications service," he said, stating that attacks on current programming are a challenge to a free industry to improve itself.

Personals

William R. McAndrew, NBC News exec. vp, becomes an NBC director. Ellis O. Moore promoted to NBC press and publicity vp; Alexander S. Rylander, promotional services vp; Grant A. Tinker, general program exec. vp.

Alvin H. Perlmutter, program mgr. of WNBC-TV N.Y., joins Spectrum Associates as exec. producer and program supervisor . . . John Panagos, vp of United Bestg. Co., Washington, promoted to exec. vp.

Lawrence D. Huntsman, District of Columbia asst. corporation counsel, joins Washington law firm of Welch, Mott & Morgan . . . George Dessart promoted to public affairs director of WCAU-TV Philadelphia.

Maurice E. McMurray, ex-Storer Bestg., joins Broadcasters Advertisers Reports as sales vp . . . George Andros promoted to TelePrompTer national broadcast sales mgr. . . . Lee O'Brien, ex-BBDO, joins WOR N.Y. as research dir.

Dr. Charles Lee, vice-dean of Annenberg School of Communications, U of Pa., cited by Poor Richard Club of Philadelphia for 25 years' service in communications . . . Robert N. Brumfield Jr. promoted to news director of WKRC-TV & WKRC Cincinnati.

Don Menchel promoted to vp of TV Stations Inc., 8-year-old film buying organization of more than 100 stations. Formerly with ABC, Menchel has been with TV Stations 5 years, is elevated from mgr. of Buying Div.

"Biography of a Bookie Joint" is causing a furor among Massachusetts political & religious leaders (Vol. 1:12 p6). Reform GOP Gov. John A. Volpe planned to view a private screening of the Nov. 30 secretly filmed *CBS Reports*. Richard Cardinal Cushing said producers of film, which showed 10 Boston policemen entering & leaving a gambling house, "owed an apology" to city. He said he had not seen film. Mass. House Speaker John F. Thompson, a Democrat, called for FCC probe. Dwight Strong, exec. secy. of New England Citizens Crime Commission, and Rev. Myron Fowell, leading Congregationalist clergyman, praised CBS.

KGMB-TV (Ch.9) & KGMB, with *Honolulu Star-Bulletin* and satellites KHBC-TV Hilo & KMAU-TV Wailuku, have been sold for \$11,130,000 by trustees of Farrington estate to Hawaiian group headed by J. Ballard Atherton, pres. of Hawaiian Telephone Co., and Chinn Ho, pres. of Capital Investment Co. Broker: Vincent Manno, newspaper specialist associated with TV-radio broker Howard Stark.

FCC allocations actions: (1) Proposed to shift WTTV's Ch. 4 from Bloomington to Indianapolis and to consider whether one of area's vhf's should be given to ETV. (2) Proposed to give ETV 12 more uhfs in Fla., in addition to its 5 vhf & 4 uhf ETV assignments: Ch. 28, Bradenton; 15, Ocala; 17, Marianna; 17, Palatka; 26, Leesburg; 33, Lake City; 25, Boca Raton; 18, New Smyrna Beach; 14, Cocoa; 21, Madison; 31, Ft. Pierce; 16, Ft. Myers.

Spot TV billings for third quarter were up 2% to \$127,644,000 from \$125,012,000 for the same period 1960. TvB reports food and grocery products accounted for \$29,163,000; Proctor & Gamble was again the largest single advertiser with \$13,680,700.

MCA is buying Columbia Savings & Loan Assn., Denver, in further diversification move. The \$12-15 million deal will give talent agency control of \$52 million in deposits and ownership of a 14-story office building in Denver.

FCC decreed \$8,000 forfeiture against radio WCUY (FM) Cleveland Heights in latest Harris-Pastore Act ruling (Vol. 1:11 p3). Ruling cited station for testing new transmitter without notification and broadcasting on new frequency without authorization.

Three ad agencies have been selected by Commerce Dept. to handle overseas promotion of U.S. Travel Service. BBDO will handle program in U.S. & Italy; Ogilvy, Benson & Mather is designated for Great Britain, France & Germany; Communications Affiliates Inc. was assigned to all international public relations activities.

TV is good for eyes, Dr. Morris Kaplan of U. of Colo. told American Medical Assn. clinical meeting in Denver. He said many doctors have wrong idea that patients with faulty vision should "save" eyes. They ought to be exercised instead by watching TV & movies, Dr. Kaplan reported.

NAB Engineering Award winner for 1962 will be nominated by engineering conference subcommittee headed by NAB engineering mgr. George W. Bartlett. Other members named at Washington meeting of committee: Jack Petrik (KETV Omaha), William S. Duttera (NBC), William B. Honeycutt (KRLD-TV & KRLD Dallas).

Status of ETV today is reviewed by NET's Washington office (1619 Massachusetts Ave., NW) in new brochure, *Current Developments in Educational TV*.

WCCA-TV (Ch. 25) Columbia, S.C. & WCCB-TV (Ch. 32) Montgomery, Ala. name Weed as national rep. Weed has moved N.Y. hq from 579 to 535 Fifth Ave.

Anti-payola consent judgments issued by the FTC before passage of criminal legislation in 1960 will stand, the commission decided 4-1 last week. Five record companies had appealed, citing FTC's decision to dismiss payola complaints still pending when the Communications Act was amended last year to make payola a crime. Companies said it was unfair to let some off free with judgments on record against others. FTC said it couldn't justify reopening the cases. Comr. Elman dissented. Losers were Bernard Lowe Enterprises, Atlantic Recording, Vee-Jay Records, Am-Par Record, Carlton Record.

Viewers will get "just what they deserve" if they don't complain about poor programs, FCC Chmm. Minow told Washington PTA meeting last week. NAB vp Howard Bell said TV broadcasters knew they had a duty to appeal to "high rather than low denominators". Minow said that TV producers don't deliberately air bad programs, but that they tend to underrate the public's taste, knowledge and understanding. He said he'd rather see poor TV than interfere with free speech, but asserted that broadcasters should be held to their promises.

TV in Communist Poland is much like that in capitalist U.S.—at least when it comes to beefs, reports Ignacy Waniewicz, Warsaw's educational & instructional program editor-in-chief. Ending TV inspection tour here, he said: "We get telephone calls from the public. And critics! There are more TV critics than viewers. Each newspaper has a critic and many are not too well qualified." Poland's 9 stations now cover only half of country, but Waniewicz predicted all but about 2% of nation will be blanketed within 2 years.

Ameco, Phoenix manufacturer of CATV equipment, has been established as separate corporation from parent Antennavision Inc. Ameco crews or equipment helped set up CATV systems in Yuma and Yuma Test Station, Ariz.; Van Buren, Ark.; Holtville, Imperial, El Centro, Calexico and Brawley, Cal.; Yates Center, Kan.; Waynesville, Mo.; Artesia, N.M.; Oxford, N.Y.; Buffalo and LaVerne, Okla.; Mill Hall and Huntingdon, Pa.; Alpine, Colorado City and Irran, Tex.; Moab, Utah; Monterey, Mexico.

Patron saint of ETV & radio chosen last week by Pope John XXIII: St. Ambrose, 4th century Roman bishop. The Pope told 250 delegates from 68 countries in Rome, at first World ETV and Radio Congress, that ETV has mission to help "eliminate the scourge of illiteracy" and educate those with little formal schooling.

Revised AP radio-TV style book goes out this week to member stations. Book was prepared by AP radio-TV news editor John A. Aspinwall and committee headed by Jack Krueger of radio WTMJ Milwaukee.

USIA's 16th semi-annual report, describing agency's operations during first half of 1961, now available from U.S. Information Agency, Washington 25, D.C.

Protest against CATV microwave grantee by KWRB-TV Riverton, Wyo. involved Carter Mountain Transmission Corp., not Western TV Corp. as was inadvertently reported in Vol. 1:12 p6. Western is a CATV operator, not a microwave grantee.

Scrambled police lineups and medical instruction will be transmitted over FCC's experimental WUHF by City of New York. Transmissions will take place when propagation measurements aren't being made.

Telestima Mexicano has bought first outside-U.S. Videotape cruiser from Ampex.

New Station on air last week: KDCD (Ch. 18) Midland, Tex.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

SKINNER QUILTS PHILCO AS FORD TAKES OVER: First of the big changes at Philco will be at the very top. When Ford formally takes over today (Mon., Dec. 11), its first act will be to accept resignation of Pres. James M. Skinner Jr., who said he had informed Ford that "at this point the interest of Philco, under its new ownership, would be best served by opening the way to the appointment of a new chief executive officer."

Skinner's was 2nd major resignation at Philco since sale to Ford was announced—consumer products marketing vp Robert G. Urban having quit 3 weeks ago to become president of American Safety Razor Co. (Vol. 1:11 p11). Skinner, now 47, joined Philco in 1934 as a factory expeditor, became vp of the TV div. before being elected president in April 1956, succeeding James Carmine. A year later he also succeeded Chairman William Balderston as chief executive officer. Philco has been without a chairman since Balderston's retirement in 1957. Skinner's father was president of Philco from 1929 to 1939.

Skinner will be available as consultant to Ford "for a period of months," he said in an official statement, "at the request of the Ford Motor Co."

Mentioned prominently as successor to Skinner as Philco chief executive—at least on temporary basis—is 40-year-old Charles E. Beck, now Ford assistant treasurer and director of business planning. A specialist in corporate finance, he joined Ford in 1949, later became mgr. of the company's investment analysis dept.

More details about Ford's plans for operation of Philco as a division should come this week when motor giant formally absorbs the electronics-appliance manufacturer. Ford has slated a Dec. 11 news conference to introduce executives who will head up new Philco subsidiary.

RCA COLOR DOLLARS EXCEEDED B&W IN NOV.: RCA reached a color milestone in November, when color became more important than b&w in dollar volume for the month.

RCA distributors, meeting in Chicago last week, were told by RCA Sales Corp. merchandising vp Raymond W. Saxon that dollar volume of company's factory shipments of color receiving equipment exceeded b&w by 10.4% last month. And, he added, this has not been at the expense of a poor b&w month, since RCA's b&w shipments were 13.4% above last year. Color shipments for month were more than double RCA's Nov.-1960 figure.

Included in Saxon's comparison were all RCA color & b&w chassis and chassis components & subassemblies (except picture tube) made for RCA Victor and other original equipment manufacturers. RCA makes color chassis and/or major color parts & subassemblies for Admiral, Emerson-Du Mont, GE, Magnavox, Olympic, Packard Bell, Philco, Sylvania and Silvertone (Warwick)—every U.S.-made color TV brand except Zenith.

RCA replaced its entire low-end color set line with new group of 11 basic models, showing them at distributor meeting for first time. All sets except \$495 table model now use Pittsburgh-type bonded safety glass with no-glare surface, and have been upgraded into "Mark" series, a designation heretofore reserved for top-of-the-line. Distributors gave most applause to new "compact consolette" furniture model at \$595. Basic color set pricing is unchanged. (For new RCA b&w line, see p. 11).

'ID' ALSO SIGNIFIES 'IRATE DEALERS': Philco's "Instant Dividend" scheme for super-marketing TVs, radios & appliances (Vol. 1:8 p9) is proving an instant success wherever it's tried. It's also a smash success in frightening & alienating dealers—to a degree that many gimmick-scarred industryites believe that harm & ill-will it is engendering will plague industry long after "ID" is just another forgotten promotion.

What may shape up as important test of legality of claims made for supermarket-tape plans broke at week's end when RCA's Pittsburgh distributor Hamburg Bros. reportedly filed documented complaint with

FTC. Agency's principal power is that of policing ad claims for misrepresentation, and Hamburg Bros.' complaint could well influence direction & duration of fast-spreading promotion. Also taking positive action was National Appliance Radio-TV Dealers Assn. Moving fast to stem tide, NARDA called for better promotions to counter "ID" & similar merchandising gimmicks, was shaping up counter-promotion for use by individual dealers to cope with such competition in their localities.

That "ID" will fall of its own weight is opinion (or wishful thinking) of leading manufacturers & dealers with whom we spoke last week. At same time, however, there's real alarm that (1) rapidly-spreading "ID" will mushroom throughout country, (2) other TV & appliance manufacturers will hop on bandwagon with their "ID" variations, (3) supermarkets will eventually bypass dealers completely and retail their own TVs & appliances bought direct from manufacturers (dealers really aren't essential or necessary to operation of plan), (4) tape-register plan will spread to large & medium-size corner grocers, drug stores, meat market, and what have you.

Storm warnings are clearly flying throughout industry, as indicated by rush gathering in N.Y. last week of NARDA's board for emergency meeting with dealers along Eastern Seaboard. Exec. vp Jules Steinberg set stage with opening remarks that "every retailer in the country has his eyes on this room today" to see what can & will be done "to meet an apparent threat to appliance dealers." Meeting was called to exchange & gather facts & ideas for guidance of an emergency NARDA committee which meets in Chicago this week and—as Steinberg put it—"will remain in session until they arrive at a solution to this problem."

There was no mistaking alarm & anger of most dealers at NARDA meeting. There were several expressions of interest in, and even favor, for supermarket tape plans, to be sure, but virtually all dealers with whom we spoke, and those who spoke at the meeting, said they attended to get facts about ID and guidance for combating it.

Mechanics of supermarket tape plans are quite simple. Customer signs instalment lease at participating supermarket for Philco TV or appliance of her choice, payment to be made at rate of \$10 per month for a term of 12-to-36 months depending on total price, plus financing at 12%, of product. Credit approval is obtained in 24-48 hours, delivery of product follows immediately. Each month, supermarket allows customer a credit of 5.5% of her total tape purchases against \$10 due. If customer spends \$182 in given month, supermarket credit of 5.5% would liquidate \$10 instalment due on appliance. If purchases total, say, \$100, credit is \$5.50 and customer pays \$4.50 cash for that month's instalment.

Still a well-guarded secret is "inner arithmetic" involving market, dealer and finance company—but NARDA meeting did shed some light in this area, and dispel hopes that program might become too costly for supermarkets. Admiral's Robert Shaw suggested as "possible arithmetic" that supermarket pays nothing if customer's shopping bills stay under \$120 a month. Above that, market's share is figured on a sliding scale up to 3%, up to \$280. "On that basis," Shaw noted, "this program wouldn't cost supermarket much, and they could keep it up all day long."

NARDA Chmn. Mort Farr emphasized that most tape-register sales involve low-end, low-profit appliances & instruments, that housewife has to buy some \$6,000 worth of groceries to buy for \$280 a portable TV she can get in her dealer's store for \$179 without tying herself to a supermarket and a contract for 3 years. He noted that "this is one promotion where the supermarket gets part of the profit that normally goes to the dealer, but the more food customers buy, the more the promotion costs the supermarket."

Another dealer at NARDA meeting had this insight on pricing: On TV that costs him \$125, participating dealer sells it for \$209, including financing, under ID program. Dealer grosses 17%. Difference between 17% and price to consumer, less financing, goes to supermarket to help defray costs. Market also gets rebate of 5% of carrying charges from finance company.

Although these various "educated guesses" varied as to percentages, it's clear they're all in same target area. Clearly one indication that program is not costly to low-margin supermarkets is that many of them—notably big Food Fair—are continuing giveaway of stamps, which cost them up to 2.5% of gross.

NARDA meeting also unearthed these facts: (1) Survey by NARDA in Pittsburgh found one supermarket offering last year's Sylvania products at higher than list prices. (2) There's no evidence of increased food prices at markets selling appliances. (3) NARDA has been meeting with various manufacturers who are watching developments and who likely will join tape-register parade if they start feeling sales pinch.

In ID-hot Pittsburgh, where promotion really took off, rumblings of discontent developed in another quarter. Better Business Bureau urged consumers to study tape-register plans carefully before committing

themselves, noted, in part: "The BBB made test shoppings which revealed in many cases that the appliances were being offered in supermarkets at prices substantially higher than regular retail going prices of identical items."

BBB found, for example, asst. gen. mgr. J. K. Orr told us, participating dealer selling TV set in supermarket at \$270, and in his own shop he offered same model for \$169 cash, \$190 with 18-month financing. Orr also told us that BBB is now receiving queries from non-participating supermarket customers who want to know why they, too, aren't entitled to 5.5% discount on their food purchases.

TV manufacturers are pretty much on record as opposing tape-register plans. Motorola's mktg. vp S. R. Herkes already has blasted promotion (Vol. 1:12 p11), Westinghouse consumer products vp Chris J. Witting has noted his opposition. We spoke with several other leaders last week, came up with these comments:

Zenith Sales Corp. Pres. Leonard C. Truesdell pulled no punches: "We don't like tape-register plans. We think it's degrading. We think it's unfair to the retailers who built this industry. It will cause a lot of commotion before it dies of its own weight. It won't be long before the public realizes that it is paying full list prices at high interest rates for merchandise they can get from dealers without committing themselves to these long-term food buying deals. We've seen these promotions come and go—and this one will go, too, but, unfortunately, not before causing a lot of confusion."

Sylvania Home Electronics Div. vp-gen. mgr. Robert E. Kenoyer told us that Sylvania TVs "at the present time are being offered through the cash-register tape program in the Pittsburgh area only. It is not a factory program. Our Pittsburgh distributor, Graybar Electric, made the arrangements locally with their dealers and the supermarket. In other areas where tape programs are operating, there has been no noticeable effect to date on our normal sales pattern. We consider this type of program to be local in nature and do not intend to sponsor it on a national factory basis."

GE told us that sales executives of its Major Appliance Div. "are familiar with details of the plan as it has been carried out in Pittsburgh. We have not been able to detect any specific effect on sales of GE major appliances. We have no plans as a division for developing such a program."

Admiral would not comment one way or another regarding its opinion of tape-register plans, their effect on Admiral sales, its own plans for entering or abstaining from such promotions.

Raymond Saxon, RCA Sales Corp. merchandising vp, told distributors last week: "RCA is firmly convinced that the best method of distribution for our products is through the cooperation of and association with independent distributors and their total dealer organizations. We now feel even stronger about maintaining that policy in the light of such developments as the Instant Dividend plan. We have no intention of taking away from you the right to devise merchandising plans that would sell more RCA Victor products in your market area. In addition, we do not want to, or intend to, do anything that would bypass any of your dealers. We do not believe that the Instant Dividend plan and/or a similar approach through the supermarket fits our way of business or, for that matter, your way of business. No matter how you look at it, with trick mirrors or not, the consumer is getting the short end of the deal with these tape plans. Once she realizes there are less expensive ways of buying a home entertainment product the supermarket may once again return to the business of selling food."

"It's like a chain letter," summed up NARDA Chmn. Farr, voicing opinion that the faster supermarket-tapes succeed, the sooner they'll fail. "This promotion may be good for the instant," he said, "but if all the stores and all the dealers go into it it'll burst like a bubble. It's only a promotion, after all, and the novelty won't last." Although there can be no organized boycott, Farr pointed out meaningfully that dealers can buy from whom they want, noted that "some manufacturers may be hurt" by time tape plans run their course.

EIA EXPANDING CONSUMER PRODUCT ACTIVITY: Heavier activity in behalf of consumer electronics manufacturers—together with stepped-up membership recruiting drive—is foreshadowed by decision of EIA's Consumer Products Div. to employ full-time staff director. Smallest of EIA's divisions in terms of number of members, it nonetheless might be called EIA's "original" division, since the manufacturer group was organized in 1924 (as Radio Mfrs. Assn.) by group of makers of home radios.

Although EIA's reorganization plan (Vol. 17:21 p20) is still under study, presumably the naming of a staffer solely in charge of consumer electronics activities is completely compatible with this plan. Preliminary

versions of the plan envision EIA as virtually a group of manufacturers' associations, each with considerable autonomy and independence.

It's understood new staff director has been tentatively decided upon, will be announced in week or so after approval of all division members. Division is headed by Motorola's Edward R. Taylor as chairman.

Other actions taken by EIA Consumer Products Div. executive committee at recent Los Angeles meeting, in addition to those reported last week (Vol. 1:12 p9), revolved around stereo radio. Committee approved a proposal that EIA Engineering Dept. study AM stereo proposals to determine whether it should make any recommendations to FCC. Commission recently indicated it has no intention of entertaining proposals for AM-stereo service in near future.

The EIA committee was asked to backtrack on its decision to authorize the term "FM stereo" and discourage use of word "multiplex" as confusing to consumers. Committee listened to report by officials of San Francisco's highly successful stereo station KPEN, who suggested that use of "multiplex" in advertising & sales promotion might be "more meaningful to the consumer" than "FM stereo." Suggestion was referred to EIA's radio section.

JAPANESE CONSUMER EXPORTS UP SLIGHTLY: Dollar volume of Japanese TV-radio-phono exports to U.S. appears to be leveling off. On basis of Japanese govt. figures for first 9 months of 1961, exports of these categories increased only about 8.5% over the same 1960 period—\$52,858,000 vs. \$48,767,000.

This doesn't necessarily mean total Japanese electronic exports to U.S. aren't up at higher rate. Figures obtained thus far include only TV-radio-phono categories, don't contain such fast-growing items as tape recorders, nor do they cover parts, transistors & tubes.

The end-product figures received so far do show sharp change in mix of exported items, and some shifts in pricing. Only major category to show drop from 1960 period is radios with 3 or more transistors, which dipped 2% in units, 18% in dollar volume. This was due at least partly to Japan's export quotas, partly to more vigorous competition from U.S.-made sets. It was more than counterbalanced by large increases in exports of tube radios and so-called "toy" radios (less than 3 transistors), up 175% & 89% in unit shipments, respectively.

TV exports increased from 2,600 in 1960 to 12,300 this year—mostly TV chassis shipped from Japan Victor to Delmonico. This was sizeable gain, but 1961 volume so far has been lower than anticipated.

Prices of radios exported from Japan have fallen sharply in the last year. During first 3 quarters of 1961, radios with 3 or more transistors averaged \$11.09 each at factory, down from \$13.25 during the same period of 1960. Toy radios dropped to \$2.60 from \$2.88, tube radios to average of \$6.50 from \$7.25. Price of average TV set went up even more sharply—probably due in part to start of imports of transistor TV sets and more deluxe 110-volt TV sets (including combinations) this year.

Here are the 9-month Japan-to-U.S. exports in major TV-radio-phono categories for 1961 vs. 1960:

Product	Jan.-Sept. 1961		Jan.-Sept. 1960	
	Units	Value	Units	Value
Total radios	7,684,000	\$50,173,000	5,247,000	\$47,987,000
3 or more transistors	2,879,000	31,913,000	2,944,000	39,001,000
toy type	3,331,000	8,608,000	1,767,000	5,090,000
tube type	1,475,000	9,562,000	536,000	3,896,000
Radio-phono combos	50,000	1,731,000	21,000	648,000
TV receivers	12,300	953,000	2,600	132,000
TOTAL VALUE		\$52,858,000		\$48,767,000

TV-RADIO PRODUCTION: EIA statistics for week ending Dec. 1 (48th week of 1961):

	Nov. 25-Dec. 1	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	114,724	133,303	91,649	5,718,106	5,392,767
Total radio	393,981	242,778	400,179	15,931,710	16,003,231
auto radio	141,748	139,078	117,134	5,048,594	6,027,007

TOPICS & TRENDS

Winter drop-in time is here, with new models introduced last week by RCA, Zenith & Du Mont.

Zenith dropped in 2 basic stereo consoles in walnut, without radio at \$199.95 & \$209.95, with AM-FM & stereo-FM radio at \$319.95 & \$329.95, and 4 TV-radio-phono consoles with stereo FM at \$650-\$895.

Du Mont has added 3 color consoles with bonded tube to its "Custom Collector" series at \$795.

RCA showed distributors 11 new 23-in. black-&-white sets, all using bonded tubes. Special group is new "compact consolette" line with wooden cabinets at \$259.95. Other new 23-in. sets vary from metal table model at \$199.95 to 2 lowboys at \$329.95. (For RCA's new color line, see p. 7).

Zenith Pres. Joseph S. Wright forecasts 5% increase in 1962 sales of b&w TVs. He expects 3 factors to produce sales gain: replacement demand, higher consumer income, increasing number of new families.

60% of TVs sold in Russia this year failed within 6 months, Communications Minister Nikolai Psurtsev told Supreme Soviet last week.

Giant Japanese manufacturer Toshiba proposes U.S. public offering of 30 million of its common shares. Offering is expected early next year and would have gross market value of some \$9 million, based on recent prices on Tokyo Exchange. Smith, Barney & Co. and Nomura Securities Co. Ltd. head underwriters. Stock will be offered in form of American depository shares, each ADS representing 50 shares.

Electronics Investment Corp. reported net assets of \$39,239,303 in fiscal 1962's first half ended Oct. 31, up sharply from \$32,377,675 a year ago. Net assets per share increased to \$7.16 from \$6.70; capital shares rose to 5,480,497 from 4,632,960.

IBM Chmn. Thomas J. Watson anticipates record sales & earnings this year, noted that use of data-processing machines & systems is "continuing to expand at a far greater rate than most companies in this industry could have possibly anticipated 5 years ago—and I don't see any slowing down of the growth rate."

For lovers of hot music, Roger Mark Co., Chicago, now offers music system which literally "pipes" music through the house—via the hot-air ducts. Priced at \$49.95, device is hooked up to furnace and to the hi-fi amplifier, radio or TV, sending sweet music up through the hot-air registers. By using 2 units, one for hot-air ducts and the other on cold air return vents, you can get "a stereophonic effect."

Stromberg-Carlson Pagemaster citizen's band personal radio system has been purchased from General Dynamics by Siegler's Bogen-Presto Division. Acquisition includes capital assets, patents, inventories and distribution network of Pagemaster paging system.

Amphenol-Borg Electronics will set up manufacturing operations in Japan, Brazil and Australia. Japanese facility is expected to become operative before end of 1962. International Operations vp William H. Rous said Amphenol-Borg has not yet decided whether new foreign operations would be wholly or jointly owned, or under licensee arrangement, but noted that "we tend to prefer as much ownership as possible."

New Components: GE has a new variable reluctance stereo cartridge, the "Orthonetic," which features "a unique" suspension & damping system, has frequency response of from 20 to 20,000 cycles. It's available in 2 models—with .5 mil diamond stylus at \$29.95; .7 mil version, \$24.95 ● Motorola has announced a remote speaker kit for portable radios which retails for \$5.95. Unit has 4-in. speaker in finished box, a 5-ft. cord, is available with 2 sizes of jacks to fit Motorola's full line of portables.

Trade Personals

F. W. Godsey Jr., retired Electronic Communications pres. and ex-Westinghouse vp, joins NASA as consultant.

S. George Lawson appointed vp-gen. mgr. Sylvania Semiconductor Div., succeeding Dr. William J. Pietenpol who is joining IBM as components development mgr. . . . Frank J. Skwarek named corporate vp of Polarad Elec-

tronics' new Electronic Systems Div. . . . Paul G. Hansel appointed Electronic Communications engineering vp.

Hoyt P. Steele named mgr., GE anti-trust settlement & litigation operation, a new function established to handle cases arising out of electrical price-fixing conspiracy (Vol. 17:25 p21).

William F. O'Boyle, ex-Symphonic Radio & Electronic, appointed Sonic Electronics sales & mktg. vp . . . Edward

J. Gerrity Jr. advanced by ITT to PR dir., proposed for election as vp.

Frank Nichol named Houston Fearless exec. vp & chief exec. officer, succeeding Barry J. Shillito, resigned . . . Daniel T. O'Connell appointed Consumer Products Div. sales mgr., Jerrold's Taco subsidiary.

Sidney R. Curtis named to new post of plans & programs vp in realignment of General Dynamics/Electronics management. Other appointments: Dr. Nisson A. Finkelstein, research & engineering vp; Arthur J. Hatch Jr., commercial products vp; Roy W. Jones, operations dir.; Robert D. Gray, quality control dir.

Obituary

James Gordon Tufts, 66, senior vp of Dominion Electrohome Industries, died Dec. 5 at his Toronto home. He had been with the Canadian electronics & home-instrument manufacturer for 34 years. He is survived by his wife and daughter.

IRE's Medal of Honor for 1962 will be awarded to Vice Chancellor Dr. Edward V. Appleton of U. of Edinburgh for pioneer work in investigating ionosphere. Other recipients of IRE prizes at N.Y. convention next March 28 will be: Victor H. Rumsey, U. of Cal., Morris N. Liebmman Award. Henri B. Smets, European Nuclear Energy Agency, Paris, Browder J. Thompson Award. William Culshaw, National Bureau of Standards, Harry Diamond Award. George A.

Morton, RCA, Vladimir K. Zworykin Award. Marvin Chodorow & Toew Wessel-Berg, Stanford U., W.R.G. Baker Award. IRE also has tapped 78 radio engineers & scientists in U.S. & abroad for designation as Fellows—highest IRE membership grade.

Distinguished Service Award of President's Committee on Employment of Physically Handicapped has been won by H. H. Scott Co., Maynard, Mass. maker of stereo equipment. Company was cited for providing plant assembly jobs for mental patients at nearby Bedford Veterans Administration Hospital and rehabilitating them for release from institution at rate of 50-100 per year.

Securities Act violations have been charged by SEC against Siltronics Inc., Pittsburgh manufacturer of electronic & communications equipment, and 8 brokerage houses in connection with sale of 150,000 common stock shares. SEC said Siltronics' offering circular was "false & misleading" because it failed to identify 5 underwriters whose stock distribution plan may have pushed up price of issue, which reached \$5 bid June 29. Stock was first offered 3 days earlier at \$2 per share.

Lynch Corp. stockholders have approved plan to absorb Peninsular Metal Products Corp. on a stock exchange basis—one share of Lynch common and one 5-year warrant to purchase another share for each share of Peninsular common. Lynch is parent company of Symphonic Electronic Corp.

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
Automatic Radio Mfg.	1961—year to Sept. 30	\$15,308,354	—	\$1,629,231	\$0.60	1,960,015
	1960—year to Sept. 30	15,075,687	—	1,766,152	.90	1,960,015
Columbia Pictures	1961—13 wks. to Sept. 30	—	—	1,242,000	.80 ¹	1,493,895
	1960—13 wks. to Sept. 30	—	—	(1,107,000) ²	—	1,319,287
Hallicrafters	1961—qtr. to Nov. 30 ³	18,000,000	—	460,000	.21	1,005,000
	1960—qtr. to Nov. 30	11,683,000	—	356,000	.16	1,005,000
Lafayette Radio Electronics	1961—qtr. to Sept. 30	5,034,818	—	150,657	.14	1,045,750
	1960—qtr. to Sept. 30	4,326,920	—	144,923	.14	1,025,000
Microwave Associates	1961—year to Sept. 30	10,709,500	—	756,000	.76	999,200
	1960—year to Sept. 30	8,691,500	—	593,000	.60	986,700
Warner Bros.	1961—year to Aug. 31	83,514,000	—	7,209,000 ¹	5.97 ⁴	1,207,513
	1960—year to Aug. 31	87,163,000	—	7,102,000	4.64	1,527,900
United Artists	1961—9 mo. to Sept. 30	85,310,000	—	3,014,000	1.74	1,729,373
	1960—9 mo. to Sept. 30	80,595,000	—	2,987,000	1.73 ⁵	1,664,218

Notes: ¹After preferred dividends. ²Before \$1.6-million profit on sale of land, which produced actual net of \$510,000 (30¢ a share). ³Estimate.

⁴Before special dividend of \$4,511,000 (\$3.73) on stock of Associated British Pictures Corp. ⁵Based on shares outstanding Sept. 30, 1961.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Automatic Radio	Stk.	4%	Dec. 29	Dec. 13
Axe Science & Elec.	—	\$0.50	Jan. 12	Dec. 15
Clevite	Q	.35	Dec. 28	Dec. 15
Corning Glass	Q	.37½	Dec. 27	Dec. 15
Corning Glass	Ex.	.50	Dec. 27	Dec. 15
Decca Records	Q	.30	Dec. 29	Dec. 18
Meredith Publishing	Q	.35	Dec. 13	Dec. 4
Newark Electronics "A"	Q	.06¼	Dec. 29	Dec. 15
Times-Mirror	Q	.12½	Dec. 21	Dec. 6
Times-Mirror	Stk.	2%	Jan. 15	Dec. 14
Trans-Lux	Q	.10	Dec. 29	Dec. 15
United Artists	Q	.40	Dec. 29	Dec. 15

GE's profit margin is widening as result of sales increases and cost-control measures, Chmn. Ralph J. Cordiner reported. He noted that GE's earnings trend this year "has been steady improvement by quarters." Earnings in first 9 months were down 11% from a year ago, but 3rd-quarter net rose to 5.4% of sales from 4.7% in 2nd quarter, 4.3% in first.

General Tire & Rubber will propose to April 3 stockholders meeting a 3-for-1 split of common stock. The board also intends to increase the common dividend to a quarterly rate of 10¢ a share on the new shares in 1962. This would be equivalent to 30¢ a share on the present common, which now pays a quarterly dividend of 25¢.

DEC 1 1961

WEEKLY Television Digest

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

HARRIS SEEKS RATINGS-INCOME CORRELATION. asks radio stations to furnish month-by-month breakdown of national & regional ad income, 1957-61 (p. 1).

LOOK TO L.A. FOR NEXT ETV MOVES. FCC likely to play match-maker, help local business-civic-ETV interests promote purchase of vhf (p. 1).

LICENSE DENIAL URGED IN OBSCENITY CASE. Examiner Donahue would prefer fine & probation for WDKD Kingstree, S.C. but finds way barred by legalities (p. 2).

PRIME-TIME PROGRAM venture unveiled by Katz Agency & Ziv-UA (p. 2).

EIDOPHOR THEATER TV impresses admen as TNT shows production model of projector unit capable of movie quality (p. 3).

FCC REVERSAL ON CATV MICROWAVES, in Riverton, Wyo. case, means rejection of "censorship" charge when impact of common carrier on station's livelihood is weighed (p. 3).

Consumer Electronics

50 FM-STEREO STATIONS due by Christmas; 4 new markets open. Kaye predicts \$350 million retail FM sales next year (p. 7).

SANDWICK NAMED DIRECTOR of EIA consumer product activity on full-time basis; begins Jan. 15 (p. 7).

COATESVILLE, PA.—an "ID" case history. We find Food Fair test there of Philco merchandising plan a rousing success; participating dealer reports he's done 6-month volume in 2 weeks (p. 7).

TRENDS IN DROP-IN lines: Compact 23-in. sets, more 27-in., transistor remote chassis, bonded-tube color sets. Motorola breaks \$139 set (p. 9).

AD PRACTICES CODE for consumer electronics released by EIA as voluntary standards of honesty (p. 10).

PHILCO'S FUTURE UNCHARTED in Ford galaxy; new Pres. Charles E. Beck tells us task of "evaluating Philco's products & operating procedures is only about 20% completed" (p. 10).

HARRIS SEEKS RATINGS-INCOME CORRELATION: Rep. Harris (D-Ark.) moved another step in his probe of ratings last week by asking cross-section of radio stations to reveal income data during 1957-61 so that it may be compared with rating trends.

It's part of study which in March produced "Madow Report" for Harris—analysis of rating services by expert committee chairmanned by Stanford Research Institute's William G. Madow. Group concluded rating services' output had "potentials" for abuses & errors "but on the average . . . were doing a pretty good job" (Vol. 17:13 p3).

Letter from chief counsel Charles Howze of Special Subcommittee on Regulatory Agencies told broadcasters that group is conducting follow-up inquiry of "uses to which broadcast ratings are put by licensees, advertisers and others." Howze said that following questions are being addressed to "quite a few" stations:

"Please describe any program format changes, ownership changes, increases in power, changes in your national or regional radio rates between Oct. 1957 & April 1961." In addition, letter seeks:

Month-by-month breakdown of both national and regional advertising income station received during Dec. 1, 1957-April 1, 1961.

This demand for confidential financial data is irking recipients, to say the least. Howze tells us that no hearings on subject are planned yet but that he hopes there will be, that TV isn't included in inquiry yet but may be later.

LOOK TO L.A. FOR NEXT ETV MOVES: Though sale of WNTA-TV N.Y. to educators is still bollixed up, rumbling has started regarding purchase of a Los Angeles vhf by educators there. Nothing specific yet. No station mentioned. But top educators in area are bestirring themselves, seeking support of business-

civic leaders of caliber that pushed N.Y. project. Reports are that at least one station in L.A. has left impression it's interested in right price.

FCC had put its weight behind vhf for ETV for L.A., as well as N.Y., you'll recall—when it started "formal inquiry" inviting ideas on ways & means for converting commercial vhf's in those cities to ETV (Vol. 17:14 p2). After playing matchmaker in N.Y., it's presumably prepared to do same in L.A.

N.Y. educators offered \$6.2 million to NTA last week, ready to close. NTA said it couldn't take it—now. Educators said they're prepared to start legal action to force sale. WNTA-TV's creditors are jockeying, each seeking best possible slice of pie that can't quite go around. Deal is still expected to go through, if participants' nerves hold. Networks talked meanwhile, about their promised contributions to the purchase. ABC gave \$250,000. NBC gave \$250,000, cut from the \$500,000 it promised—because, it said, ABC contributed \$250,000. It's understood NBC has to get board approval to go to \$500,000. CBS has given its \$500,000, WNEW-TV & WOR-TV \$250,000 each. ABC said it gave Educational TV for the Metropolitan Area \$250,000 "which ETMA asked AB-PT for."

LICENSE DENIAL URGED IN OBSCENITY CASE: Famed "Charlie Walker" case of radio WDKD Kingstree, S.C. (Vol. 17:23 p5, et seq.) advanced another stage last week when examiner Thomas H. Donahue recommended station be taken away from owner E. G. Robinson Jr.

Donahue indicated he'd prefer to see Robinson fined, up to \$10,000, under new forfeiture law, and put on year's probation, rather than see his license lifted. However, he said forfeiture can't be used because of legal technicalities, namely that Commission hadn't gone through the particular "notification" to the accused required by Communications Act.

Examiner found that disc jockey Charlie Walker was plenty obscene—his 53-page decision had choice examples—and that Robinson showed "execrable judgment" letting Walker carry on for years despite public complaints. He also found that FCC had power to weigh obscene broadcasts against a licensee, contrary to claim of Robinson's counsel that only courts may adjudicate obscenity charges.

But Donahue found Robinson sorry about what happened, not "a venal man of evil purpose" or "a congenital liar." He also said that WDKD's performance—aside from Walkerisms—"little better or little worse" than most other stations in same general situation, including "a horrendous number" of commercial spots (up to 475 daily on the daytimer).

Donahue considers Robinson "typical of a type of modern American businessman. With financial success as the goal, he is in a hurry to get on with the job and more interested in results than means or methods . . . The Commission is not in the business of reforming the morals of the American businessman . . . A chastened malefactor is sometimes a better bet" than someone who hasn't been disciplined.

Govt. is also to blame, said Donahue. Early in the game, he asserted, someone from Justice Dept. or FCC should have warned Robinson of risk he ran. Also in Robinson's favor, he said, is this:

"The determination that will be ultimately made of this matter may also be interpreted by the industry and the public as one of a series of events signaling abandonment by the Commission of a laissez faire policy of regulation in the field of programming and indicative of a rebirth of interest and concern by the Commission in that area of station operation. In the complex of broadcasting in the U.S., WDKD is not a large operation. If such an interpretation as that suggested is correct, it would be regrettable that the significance of the pronouncement be watered down by any conflicting interpretation to the effect that a small station is being harshly used merely as a whipping boy in a regulatory gesture."

But he could find no legal alternative to denial of license renewal.

KATZ & ZIV-UA PLAN PROGRAM TIE-IN: Experiment in nationwide prime-time non-network programming will be attempted next season by Ziv-United Artists and Katz Agency, which represents 40 TV stations. Tie-in could set precedent for other station reps & syndicators, opening up new non-network program buys for sponsors and program sources for stations.

Plan works this way: Representative committee from Katz-repped stations will meet with Ziv-UA, review all shows under consideration by that film producer for 1962-63 syndication. They will select 2. Katz-repped stations will get first crack at these first-run shows. One of them will be specified for prime-time slotting and sale to national (or regional) advertiser. The other can be used as spot carrier.

If enough stations sign up, Katz will try to sell the prime-time show to national sponsor. Advantage to advertiser is that he will be guaranteed prime time in all markets he signs for. Advantage to station is that it will have top-quality first-run non-network vehicle to sell. If sufficient Katz stations sign up for the experimental 1962-63 shows, plan is virtually certain to be expanded in following years.

Katz officials pointed out last week that first-run station programming has dwindled from 29 programs in 1958 to 7 this year. They & Ziv-UA hope their plan will be shot-in-arm for non-network programming—and, incidentally, national spot TV business. They're not unmindful, either, that FCC could curtail or eliminate network option time, opening up more opportunities for non-network programming in prime time.

Eventually the plan could lead to programming innovations and lower prices for first-run shows due to pooled purchasing power of stations, Katz & Ziv-UA spokesmen said. But for first season, they're anxious to get plan off ground with 2 shows—guaranteed to be cream of Ziv-UA's crop. Plan still requires acceptance by substantial number of Katz-repped stations. Programs would be available to non-Katz stations in other markets or areas where Katz outlets had turned show down.

Significance of plan is that it is first move by station rep to create new-program hookup, alternate program source with guaranteed time clearance for advertiser. It follows recent moves and announcements by some group-owned stations (Westinghouse, Time, others) towards expanded non-network programming for their owned and other stations.

EIDOPHOR THEATER TV IMPRESSES ADMEN: Perfected Eidophor theater-TV projection system was demonstrated to admen & newsmen last week by its U.S. distributor, Theatre Network TV (TNT), and results were impressive.

Occasion was formal opening of TNT's closed-circuit Technical Center at Woodside, Long Island. What guests saw was demonstration on theater screen of black-&-white Eidophor system, which overcomes most of theater TV's previous shortcomings—brightness 15 times greater than average Schmidt optical system used with ordinary TV projectors, contrast 5 times greater, twice the resolution.

TNT officials said they now have more than 30 Eidophor projectors available for closed-circuit customers; TNT is also U.S. sales agent for Swiss-made system developed by Ciba Ltd.

Eidophor picture was so bright & detailed that it made 525-line U.S. TV standards appear inadequate for theater projection. TNT engineers told us they had experimentally increased Eidophor resolution to 1,100 lines with good results. When TNT Pres. Nathan L. Halpern predicted that Eidophor some day would be medium for projection of movies in theaters (eliminating distribution of film), there seemed to be no reason to doubt statement on basis of progress to date in improving theater TV—provided that special high-definition microwave system could be set up to accommodate 35-mm film's greater detail as compared with U.S. TV standards.

Color Eidophor wasn't demonstrated, although Ciba has color unit for special medical TV uses. TNT doesn't use Eidophor for inter-city color programs, because Eidophor's color is field-sequential (441 lines, like old CBS color system) and network lines aren't equipped for it. However, TNT is establishing closed-circuit color network, is now receiving new 3-barrel Norelco color projectors (using conventional Schmidt optical system) from Philips of Netherlands.

Including the Eidophor units, which have been made as portable as many conventional closed-circuit projectors, TNT now owns 145 closed-circuit units, covers entire nation for CCTV business & sales meetings.

Eidophor may lead to revival of idea of entertainment by theater TV, which caused great stir in TV's early days but never was highly successful. Halpern broached subject, said new projectors "rekindle the possibility of large-scale pay-TV entertainment in theaters."

FCC REVERSAL ON CATV MICROWAVES: In key case involving KWRB-TV (Ch. 10) Riverton, Wyo., FCC last week instructed staff to reverse examiner's recommendation and draft final decision denying grant of microwave to feed 2 more distant signals to CATV systems in area (Vol. 17:22 p11).

This looks like solid final view of Commission. Though it wasn't announced, vote was 5-1 (Bartley absent), thus most unlikely to change.

FCC's action Dec. 14, after hearing oral argument, means this: It believes that it has authority to weigh what a common carrier carries—in terms of possibility of reducing TV service to public.

Commission rejected view of its own Common Carrier Bureau, which with microwave grantee Carter Mountain Transmission Corp. had argued that denial of the microwave grants was "censorship." It's understood that even Comr. Craven, the most "censorship" shy of commissioners, voted against this argument.

KWRB-TV had argued that 2 more out-of-town signals fed to CATV subscribers within its coverage area might so reduce its appeal & income that it would go under—thus eliminating service to rural viewers not reached by CATV. FCC concluded that its fears were justified.

Upshot of all this: Very likely negotiation between KWRB-TV and CATV operator to make certain cable systems will carry KWRB-TV's signal, with good quality, and won't feed subscribers programs duplicating KWRB-TV's. This is basis of CATV-station settlements in many areas.

FCC analysts don't visualize stations using new FCC policy to try to kill CATV's by asking Commission to revoke all microwaves bringing in big-city signals. FCC policy is to acknowledge value of multiple signals provided by CATV but not to the point where existence of local station is jeopardized.

CURRENT CAPSULES

NAB's Freedom of Information Committee, seeking meeting with President Kennedy, was surprised & delighted when he invited it to 1½-hour lunch last week. Kennedy was made aware, evidently, that broadcasters have felt left out while he has been conducting tete-a-tetes with newspaper publishers. Committee Chmn. Frank Fogarty, Meredith stations, said that group plumped for greater access to govt. information, that more live broadcasts of presidential news conferences was urged and "we got no promises"—Kennedy leaving impression he's concerned about "over-exposure." Group also pushed for repeal of political equal-time Sec. 315 of Communications Act, asked for more advance notice on JFK's speeches outside D.C.

NAB Radio Code Board held the line last week, retaining standards covering commercial time practices, hard-liquor ban, personal products. Meeting in Washington under chairmanship of Cliff Gill, KEZY Anaheim, Cal., Board: (1) Kept rule of 18-min. maximum commercials per hour or 5 min. per 15-min. segment, provided weekly average isn't more than 14 min. per hour. (2) Reaffirmed flat ban on hard-liquor commercials or advertising of anything else which "could in their presentation induce the use of hard liquor." (3) Retained prohibition against commercials for "intimately personal products" which "might offend & embarrass."

NAB Radio Code Dir. Charles M. Stone reported Code subscribers total record 1,460, up 14% since July 1. Under new monitoring system, he noted, 66 stations in 34 markets have been covered for 397 hours, with 91.2% of commercial time found to comply with Code time standards. Luncheon guests of Board, from FTC: Edward Downs, senior staff attorney; Sam Stowe, information dir.

A "Public Affairs Editorializing Conference" in Washington March 1-2 was scheduled by NAB's Editorializing Committee, meeting in Washington last week under Chmn. Daniel Kops, WAVZ New Haven & WTRY Troy. Purposes: (1) Advise novices on "techniques, responsibility and legal problems." (2) Give examples of successful efforts to alert public on local problems. (3) Have govt. leaders give broadcasters background on national problems. Group lunched with FCC Chmn. Minow.

Short-spaced vhf drop-ins will be sought by educators as part of big plan providing long look ahead on ETV allocations, to be submitted to FCC. ETV's vhf aspirations are in addition to expected claim on large portion of uhf spectrum. FCC Chmn. Minow also likes ETV drop-in idea. He recently dissented when Commission declined to add drop-ins beyond the 8 it had proposed (Vol. 1:13 p4), saying he'd consider slipping Ch. 11 into Orlando, with coverage to include burgeoning Cape Canaveral area, which has "urgent needs" for ETV.

FCC's decision on option time, too early to predict so soon after big oral argument (Vol. 1:13 p3), is nonetheless headed in following direction currently, decision not likely before late Jan.: cut out option time for year or so, see what happens, reinstate it if year's experience bears out fears of networks & affiliates.

A Dept. of Consumers, as proposed in S-1688, shouldn't invade FCC's jurisdiction. That's gist of what Commission is considering commenting in report to Congress. FCC takes position that it has legal responsibility for weighing consumer complaints about phone & telegraph service and rates.

Personals

Robert A. Lang, former CBS News vp, joins ABC News as associate to news vp **James Hagerty** . . . **Harry E. Smith** appointed marketing mgr., GE Technical Products, including manufacture of broadcast equipment . . . **Irwin Segelstein** named Benton & Bowles TV-radio programming mgr. and advanced to vp.

Ronald F. Goodsman of Rediffusion (West Indies) named gen. mgr., Trinidad & Tobago TV, part-owned by CBS, scheduled to start in Nov.

Thomas W. Sarnoff, NBC West Coast administration vp, promoted to West Coast vp, succeeding **John K. West**, named RCA staff vp, Western Distributor & Commercial Relations . . . **David E. Schoumacher** promoted to news director, KTIV Sioux City.

Ira Wolff, NBC TV sales promotion mgr., becomes NBC Films sales planning mgr. . . . **Robert C. Chase**, former advertising executive and TV producer, sets up Robert C. Chase & Associates, visual advertising consultants, Paul Brown Bldg., St. Louis.

Arthur A. Gladstone, legal asst. to FCC Comr. Lee, and **Chester F. Naumowicz Jr.**, attorney in FCC Office of Opinions & Review, appointed hearing examiners, bringing Commission total to 17.

Dr. F. S. Rivers, Ont. Education Dept. chief education director, becomes chairman of CBC National Advisory Council on School Bestg.

B. A. Olerich promoted to gen. mgr., Ampex, and pres. of overseas subsidiary Ampex International S.A.

Marvin L. Shapiro promoted to TvAR eastern sales mgr. . . . **Herschel Harris**, Independent TV Corp. of Canada sales mgr., promoted to gen. mgr. . . . **Ben Strouse**, pres. of WWDC-FM Washington, named chmn. of NAB 1961-62 FM committee.

William P. Keeney, from Lavenson Bureau of Advertising, joins WRCV-TV & WRCV Philadelphia as business mgr., succeeding **Arthur A. Watson**, named WRCV-TV station mgr.

Dick Compton, news editor, KVTW Sioux City, promoted to news director.

White House telecast starring First Lady will be taped by CBS for showing in early 1962. In pioneer TV appearance by a President's wife, Mrs. Kennedy will show off new decorations and furnishings. Program will be similar to 1952 TV tour former President Truman gave public through newly remodeled Executive Mansion.

Educational foundation to encourage arts & scholarship has been established by **A. J. Fletcher**, pres. of WRAL-TV Raleigh. Fund will be used to encourage mass media to improve distribution of culture & information, to help finance English-language opera in small towns and for scholarships & prizes. WRAL-TV has long had its own "grass roots" opera company.

Radio-TV Correspondents Assn. elects: **Robert H. Fleming**, ABC, pres. for 1962, succeeding **Ann M. Corrick**, Westinghouse; vp, **Bill Monroe**, NBC; secy., **Wells Church**, CBS; treas., **Stephen J. McCormick**, MBS. **John W. Roberts**, Time-Life-Fortune Bestrs.; **Arthur F. Barriault**, NBC; **Leslie W. Higby**, McCaffrey Reports, named delegates-at-large.

North Carolina Assn. of Bestrs. expands Jan. 1, naming **Ed Rankin**, **John Hardin** PR firm's Raleigh mgr., full-time exec. secy., assisted by **David Murray**, ex-WTVD Durham. New quarters established at 302 Superior Bldg.

"Mr. Minow is Right" titles Dec. 12 N.Y. Times editorial which said that "too many TV programs fit Mr. Minow's unflattering [wasteland] description; and the admitted merits of the public service presentations do not begin to cancel out the wasted hours of tawdry, witless stuff, presented so much of the rest of the time." Editorial was prompted by Stanton-Sarnoff attacks on Minow (Vol. 1:13 p1). Times acknowledged that "networks heads do raise a serious question in suggesting that govt. concern over programming content is tantamount to improper control." However, it concluded that because of channel scarcity, "govt. must regulate entry into the business and try to insure the best and most diverse broadcasting." Interestingly, Minow nowadays is remarking about improvement in programming but says he doubts that he or Commission contributed to it.

FCC and Treasury agents are entering Boston police controversy set off by CBS Reports telecast, "Biography of a Bookie Joint" (Vol. 1:13 p6). FCC is expected to ask CBS for report on Nov. 30 documentary after Mass. House Speaker **John F. Thompson** complained to Chmn. Minow. Veteran agent **George Wilson** was sent by Treasury Dept. to Boston to probe police corruption. Gov. **John A. Volpe** asked Boston Police Commissioner **Leo Sullivan** to resign and started removal proceedings when the police head refused, while **Richard Cardinal Cushing** charged CBS had used police state tactics in secretly filming policemen entering and leaving gambling hall.

"United States Hearing Highlights" is new tape & film service started by veteran telecaster **G. Bennett Larson** (most recently mgr. of KCPX-TV Salt Lake City) to cover Congressional and administrative agency hearings. First project of new Washington D.C. TV-Radio Programs Inc., Jefferson Hotel, 1200 16th St. NW, is coverage of FCC's network program hearing starting Jan. 23. Plan is to offer stations weekly one-hour condensation of hearings. FCC's hearing is to be covered also by Metromedia stations and by radio WNYC N.Y.

"Teaser" ad cost radio KDAY Santa Monica apparent \$5,000 forfeiture in latest FCC Harris-Pastore Act ruling (Vol. 1:13 p6). Commission said spots consisting only of sentence "Remember June 25" violated Communications Act by failing to identify sponsor or product. Comr. **Cross** voted for \$1,000 penalty.

Highest-price radio purchase in history was approved by FCC last week: \$10,950,000 sale of WMGM N.Y. by **Loew's** to **Storer**. FCC also approved **Storer's** sale—made necessary by WMGM purchase—of WWVA & WWVA-FM Wheeling to WWVA Inc. (**Ira Herbert**) for \$1.3 million.

Sale of KCSJ-TV & KCSJ Pueblo, Colo. by **Star Bestg.** to Metropolitan TV for \$1,250,000 has been approved by FCC, along with Metropolitan's resale of KCSJ to **Sangre De Cristo Bestg.** for \$210,000.

Cascade Bestg. Co. has been purchased by **Haltom Corp.**, 100% owned by **Cascade Pres. Tom Bostic**, who had owned 20% of Cascade. Cascade operates KIMA-TV & KIMA Yakima, KEPR-TV & KEPR Pasco, KLEW-TV Lewiston, Ida. Price hasn't yet been disclosed.

Scripps-Howard purchase of WPTV (Ch. 5) W. Palm Beach from **John H. Phipps** for \$2 million was approved last week by FCC.

ETV for American Samoa is under consideration by authorities there who called on NAEB for advice. NAEB consultant **Vernon Bronson** flew out immediately.

Canadian FM households total 314,000, 7% of nation's 4,489,000 homes, reports Dominion Bureau of Statistics.

Pitching for uhf, Eitel-McCullough, maker of uhf transmitter klystron tubes, said it's ready to quote klystrons up to 250 kw. It now offers 12½ to 50 kw units. Said Pres. W. W. Eitel & Chmn. J. A. McCullough: "The 70-channel uhf band, now grossly under-employed, is in our opinion, and apparently in the Commission's opinion, the best avenue of solution to the general problem . . . Pursuing a policy of expanded deintermixture, progressively eliminating local mixed situations, while also urging the more general manufacture of all-channel receivers, seems to us a sane & sound program." Ten-page brochure, "Uhf-TV Facts You Need," is available from company, 301 Industrial Way, San Carlos, Cal.

Teleglobe civil defense warning system, using phone lines and battery operated speakers in homes and public offices (Vol. 1:9 p5), was "unqualified success" in Dec. 7 Johnstown, N.Y. test, according to State Civil Defense Dir. Lt. Gen. F. W. Farrell. Teleglobe's Jack Poppele said system is outgrowth of organization's pay-TV work but has nothing to do with toll system. Speakers are activated from civil defense hq and are independent of regular AC power supply. Poppele reports that authorities have asked for plans to equip 4-5 N.Y. counties. Costs haven't been firmed up yet.

Add foreign stations: Singapore govt., planning first station in early 1962, has ordered transmitting equipment from Marconi. Costa Rica has authorized 2nd station, Tic Tac Television (Ch. 9). U.S. Embassy in Costa Rica reports imports of \$844,765 worth of U.S. sets in 1960, \$199,905 in first 9 months of 1961.

FCC allocations actions: (1) Finalized shift of Ch. 12 from Brainerd to Walker, Minn. (2) Finalized substitution of Ch. 34 for 56 in Binghamton, modifying CP of WBJA-TV to Ch. 34. (3) Proposed shifting Ch. 17 from Ft. Lauderdale to Miami, reserving it for ETV—in addition to ETV WTHS-TV (Ch. 2).

Paramount's pay TV technical-test application for uhf Ch. 83 received FCC approval last week, Commission making clear that "public participation shall not be solicited." Call: KM2XOG.

"Report on ETV Legislation," 12-page brochure, is available from Joint Council on Educational Bestg., 1619 Massachusetts Ave., NW, Washington 6.

A 30-lb., one cu. ft. video tape recorder for satellite use has been developed by Ampex for NASA's Goddard Space Flight Center. Goddard reports that it can record 4 mc of TV or equivalent information for half hour—then transmit it, erase, repeat cycle. Said Goddard: "Although the recorder was not designed for any specific spacecraft, it is expected to play a prominent role in a number of large 'second generation' satellites currently under development at Goddard." Spokesman tells us: "I understand it can be reduced further—putting all the circuitry inside the 8-in. reels." Device uses 2-in. video tape.

Statewide ETV for Va. has been recommended by Commission on Public Education. Report to Gov. Almond asks survey to determine if 5 allotted uhf channels are adequate to cover state. Northern Va. picks up WETA (Ch. 26) Washington and 2 commercial stations telecast public school programs, but much of state has no access to ETV, report said. Closed-circuit TV for state teachers colleges was also proposed.

Four new CATV systems in British Columbia, built for Fred Welsh Antenna Systems Ltd.: Cowichan Valley Television, Duncan, potential of 1,800 homes; Castle Cablevision, Vancouver, 6,000; Quadra Cablevision, Vancouver, 4,000; Merritt Cablevision, Merritt, 800. Cable Vision has bought Richmond Telecable, Victoria, changed name to Victoria Cablevision, plans to expand to 24,000 within 2 years.

"Anti-trafficking" station-sales proposal, scheduled to be considered by FCC last week (Vol. 1:13 p4), was put off for discussion at later date.

Latest starter: KAIL-TV (Ch. 53) Fresno, granted FCC authority to begin last week.

Television Digest Staff Appointments

Two veteran staff members of *Television Digest* have been promoted: David Lachenbruch, to managing editor, headquartered at 625 Madison Ave., New York 22, N.Y. (Plaza 2-0195); Harold Rusten, to associate editor, with offices at 111 Beverly Rd., Overbrook Hills, Philadelphia 51, Pa. (Midway 2-6411).

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
Ampex	1961—6 mo. to Oct. 31	\$36,480,000	—	\$ 492,000	\$0.06	7,758,182
	1960—6 mo. to Oct. 31	35,701,000	—	459,000	.06	7,278,230
	1961—qtr. to Oct. 31	19,125,000 ¹	—	421,000	.05	7,758,182
	1960—qtr. to Oct. 31	17,817,000	—	93,000	.01	7,278,230
Desilu Productions	1961—26 wks. to Oct. 28	7,405,791	\$ 130,295	130,295	.11	1,155,940
	1960—26 wks. to Oct. 28	8,462,495	242,917	120,917	.10	1,155,940
	1961—13 wks. to Oct. 28	4,299,521	—	260,933	.22	1,155,940
	1960—13 wks. to Oct. 28	5,903,717	—	322,314	.28	1,155,940
Times-Mirror	1961—40 wks. to Oct. 8	93,352,567	—	3,610,729	.86	4,199,358
	1960—40 wks. to Oct. 8	83,927,188	—	3,533,933	.85 ²	4,179,397 ²
Trav-Ler Radio	1961—6 mo. to Oct. 31	12,851,000	—	360,000	.37 ³	962,845
	1960—6 mo. to Oct. 31	10,996,000	—	230,000	.24 ³	865,765
	1961—qtr. to Oct. 31	8,644,000	—	325,000	.34 ³	962,845
	1960—qtr. to Oct. 31	6,212,000	—	125,000	.13 ³	865,765

Notes: ¹Record. ²Adjusted for Jan.-1961 4% stock dividend. ³Based on 962,845 shares outstanding Oct. 31, 1961.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

50 FM-STEREO STATIONS BY CHRISTMAS: At least 4 new FM-stereo markets have opened in last 2 weeks, and it's probable that more than 50 stations will be providing stereo music on the night before Christmas.

Updating our list of stereo stations printed 2 weeks ago (Vol. 1:12 p7), we now have total of 48 known to be on air or due to start in next few days, as of presstime. The 4 new stereo markets are Phoenix, Ariz. (KEPI); Orlando, Fla. (WHOO-FM); Rock Island, Ill. (WHBF-FM); Providence, R.I. (WPFM). In addition, St. Louis now has its 2nd FM-stereo outlet (KSHE). These new stations may be added to list of 43 stations we printed 2 weeks ago.

Four additional stations are reported by EIA to have begun stereo, but have not been checked by us. They are WOOD-FM Grand Rapids, KHGM Houston (which would be that city's 3rd stereo outlet), WYZZ Wilkes-Barre (said to be testing), CHFI-FM Toronto.

FM stereo will spark record \$350 million retail sales of home FM receiving equipment next year, Friendly Frost Chairman Gerald O. Kaye predicted last week. He placed 1961 FM sales at \$300 million and forecast that FM stereo & FM car radio will push FM sets-in-use from today's 15 million to 50 million in 5 years.

SANDWICK NAMED EIA STAFF DIRECTOR: A long-time working specialist in consumer electronics has been named to new post of full-time staff director of EIA's Consumer Products Div. He's Luther Martin (Sandy) Sandwick, who resigns as Pilot Radio sales vp end of this month to take over at EIA's Washington hq Jan. 15.

A 32-year veteran in industry sales & management, Sandwick most recently was active in EIA as chairman of its phono section, in which post he was a prime mover behind promotion of FM stereo. A Phi Beta Kappa (U. of Chicago), he has held posts as sales mgr. of Magnavox Electro-Acoustic Products Div., vp of Wilcox-Gay and headed his own wartime firm which made phonos & audio-visual aids for armed forces.

His appointment, approved unanimously by EIA Consumer Products Div. headed by Motorola's Edward R. Taylor, should be extremely popular one with industry, and signal intensified activity by the Association in consumer product field. Sandwick's philosophy with regard to the challenge of his new post: "The industry should get a larger share of the consumer dollar by fighting in the store instead of in the streets."

Note: Sale of Pilot Radio is being negotiated by estate of founder-Pres. Isidor Goldberg, who died Nov. 23 (Vol. 1:11 p11). Executors are his widow Jean Goldberg (now Pilot's sole owner) and N.Y. attorney Leon A. Mnuchin. They were directed under terms of Goldberg's will to sell or liquidate business within 6 months. However, time extension can be granted by court.

"We expect that the business will be continued," attorney Mnuchin told us last week. "Negotiations are going on with many people. It is a fine business and the company is in excellent financial shape." A pioneer in radio and in TV, Pilot Radio now is a leading manufacturer of hi-fi components and component consoles. Spurred by FM stereo, firm's component shipments are said to be running about 23% ahead of last year, console sales on par with last year.

COATESVILLE, PA.—AN 'ID' CASE HISTORY: For first-hand look at "Instant Dividend" in action, we spent some time last week in Coatesville, Pa. (pop. 12,971) where giant Food Fair (456 stores) is testing controversial Philco-conceived merchandising program (Vol. 1:13 p7). Supermarket chain actually is testing "ID" in total of 10 stores in 3 cities (Harrisburg & Lansdale, Pa. are other 2), will expand if "further study indicates that 'ID' increases our volume sufficiently to cover basic costs," spokesman told us.

Those "basic costs," we learned, range from zero to 4%. If shopper's monthly food bill is under \$50, cost to Food Fair is zero. In fact, we understand, store actually makes money because of rebate it gets on

financing charges from Philco Finance Corp. Above \$50, Food Fair's share of "ID" is calculated on sliding scale up to 4%. At \$120, for example, market pays 3% of 5.5% credit it gives shopper; Philco pays 2.5%.

"ID" is rousing success in Coatesville, at this early stage of game, for participating Philco dealer and Philco Finance Corp. William McKeown, Food Fair's Coatesville manager, told us "this is the greatest promotion I've seen," but it's still too early to know its true influence on sales. Test has been underway some 2 weeks. "It's really bringing them in," McKeown said, "and they are buying more of everything." Studies are being initiated this week to determine if "ID" is bringing in new customers.

Participating dealer is 65-year-old Lipkin Furniture, owned by Ben Bernstein. "We've done a 6-month volume in 2 weeks," he told us. "We're selling 10 times as many TVs and appliances as we did before 'ID' and we're moving the big, plush appliances in quantity." Last year, he pointed out, "we sold maybe 6 of the large freezers. I've tripled that in just the past 2 weeks." Product mix is across board, Bernstein said. "We're moving everything—washers, dryers, freezers, hi-fi, TVs."

Lipkin Furniture is big, modern store some 5 blocks down main street from Food Fair. Store has only small TV display, and nothing to indicate tie-in with gala "ID" promotion at supermarket. There, Bernstein has representative product display and sales girl (salary & commission) who explains "ID," signs customers to instalment lease. Although he expects to get around to a tie-in display in his story, he's really in no hurry. "Surprising thing," he said, "is that this 'ID' is turning out to be plus business. There's been virtually no drop-off of our usual in-store business."

Bernstein charges suggested list prices for Philco products both in store and in Food Fair. "There's no price difference," he said, "except that financing under 'ID' can run up to 36 months. In the store we usually run to about 18 months." He told us that his margin on 'ID' sales is "about 5% lower" than his regular margin. He also rebates 1% to the food market for advertising, "and I believe Philco does also."

Under mechanics of "ID" program, Bernstein obtains credit check of applicants within 24-48 hours through his regular sources, makes delivery of product immediately thereafter. Paper is financed through Philco Finance Corp., which pays him in full when deal goes through. Bernstein is on paper, of course, and will be saddled with any defaults and repossessions which develop. However, "we don't expect any problems along those lines," Bernstein said. "We're careful in our credit approvals and, after all, the whole program is hinged on people buying not luxuries but the necessities of life. This is a sound promotion, not a gimmick, and it's here to stay."

Other Coatesville TV-appliance dealers we spoke with reported no sales effect, so far, from "ID" promotion, several were unfamiliar with promotion, none reported comments from customers. S. A. Warne, manager of Sears Roebuck's Coatesville store, told us TV-appliance sales were rolling according to pattern, and "I don't think Food Fair is going to put us out of business." Irving Fink, who handles Emerson line in his Allied Home Equipment Co., said none of his customers has mentioned "ID" promotion and there's been no drop in sales.

Things may change this week when Philco opens ad campaign in Coatesville featuring photos of Coatesville-area folks who have purchased TVs & appliances under "ID" plan at Food Fair.

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Philco's working up a system to enable all its dealers to participate in "ID" program, consumer products vp-gen. mgr. Henry E. Bowes told us last week. "The only reason we're not yet in the larger cities like Philadelphia & N.Y. is that we're still working out details which will enable all of our dealers to benefit from it." The "details" involve rotation of duty days & hours by area dealers in nearest participating supermarket, ("ID" is now in operation in more than 200 stores from coast to coast).

Queried about Philco reaction to increasing alarm among nation's TV-appliance dealers, Bowes told us: "That's what happens when you're first with a good idea." In Philco's first official explanation of "ID," Bowes declared: "From our test results, we have every reason to believe that our new marketing program may revitalize appliance & electronic goods sales in the U.S." He said that experience-to-date "indicated that electronic sales account for about 52% of 'ID' business; household appliances make up the remaining 48%." He pooh poohed dealer fears that supermarkets may eventually bypass dealers and deal directly with the factory. "They have enough of their own problems in their own field to want any part of ours," he said.

Other "ID" developments last week:

Admiral "is not particularly enthusiastic about tape-register plans and prefers to merchandise

through regular channels," electronics div. vp Ross D. Siragusa Jr. commented last week. However, although there is little chance that Admiral will enter any such program nationally, he said the company is keeping its eye on developments.

Electronic Service Dealers Assn. of Western Pa. has petitioned FTC to investigate "what we feel to be an unfair attempt to eliminate free competition." Association secy. Joseph E. Doyle said Pittsburgh's 3 largest department stores—Gimbel Bros., Joseph Horne Co., and Kaufmann's—were among 158 dealers who signed petition.

TRENDS IN NEW DROP-IN LINES: Traditional midwinter introduction of new consumer electronic merchandise so far sees these trends beginning to shape up:

In TV, there's slightly more emphasis on compact 23-in. merchandise as sell-up from 19-in. portables & table models. Manifestations are RCA's "Compact Console" series with furniture styling (Vol. 1:13 p11), redesign of some Motorola consoles to achieve "longer lower look," and added 23-in. table models from virtually everybody. Other trends: Full-feature Motorola 19-in. set at \$139.88 is certain to have impact on industry. And Motorola also announced it's adding 27-in. models, thereby joining Admiral, Magnavox, Du Mont & Packard Bell in that field.

The "always-on" remote control for TV is gaining new adherents. Introduced by Admiral last year, use of transistorized remote receiver chassis in set permits consumer to leave this part of set on all the time (it costs only a few cents a year in power), so that remote unit in effect can turn set both on & off. Drop-in lines by Motorola & Zenith both feature this type of transistorized receiver. In color sets, trend this year probably will be toward use of Pittsburgh-type bonded picture tubes in all sets except table models, as already incorporated in RCA's new color line.

In stereo, trend continues toward lower-priced, more compact consoles. With spread of FM stereo (see p. 7), multiplex feature is being priced inboard in more high-end models, and there's more tendency to push built-in FM-AM tuners in stereo consoles. In radio, trend toward transistorization of non-battery home sets may be foreshadowed by Trav-Ler announcement that all its sets except clock radios will soon be tubeless.

Last week's new-product introductions included complete new 45-set black-&-white line from Zenith, with 19-in. portables starting at \$169.95 and topped by \$600 tambour-door remote 23-in. console.

Motorola's drop-ins made news at Chicago distributor convention, particularly these 2 TV items: The 19-in. set at \$139.88 (step-up at \$149.95) with 4 frame-grid tubes, monopole antenna. New 27-in. models at \$369.95 & \$389.95. Motorola's new always-on remote is featured in 19-in. sets at \$229.95 & \$249.95.

In car-radio field, Motorola announced FM tuner at \$69.95, designed to play through any AM auto radio, brought out as result of success of its \$125 FM auto radio. New low-priced car-radio line features hybrid tube-transistor set at \$29.95, all-transistor sets beginning at \$39.95, plus line of original equipment-type sets for GM cars. Also announced was merchandising tie-in with Montgomery Ward, the big retailer handling Motorola car sets through its 520 retail & catalog outlets.

Additional emphasis on FM radio was supplied by RCA's addition of FM-AM tuner to its "compact cabinet" low-end stereo line, so that AM-FM-phono consoles now start at \$229.95 (\$159.95 without radio). RCA also added FM-stereo feature to 2 more of its "Hutch" models without increasing price (\$595), making total of 5 stereo combos (from \$399.95) with FM stereo inboard.

Note: Optimistic view of 1962 business was painted for Motorola at distributor meeting by consumer products mktg. vp S. R. (Ted) Herkes. He said he expects company's TV unit sales to rise 50% over this year's volume. Upturn has started already, he said, with Motorola unit sales up 15% in October, 23% in November and currently running 25% ahead in December, compared with 1960 levels. "For 6 months of 1961," he said, "consumers milled around at the marketplace but with their money tucked away in the bank. The past few months they have decided to take a recess from their worries and get on with living. They are shopping now."

A 14-year peak in domestic home radio sales was predicted for next year by RCA Sales Corp. marketing vp Raymond W. Saxon last week. He forecast sales of 12 million units, up from an expected 11.6 million this year and 10.7 million in 1960. This would be biggest single year in unit sales since postwar peak years of 1947 & 1948, which saw 17.4 & 13 million sets sold. For next year, he predicted 50% of domestic sets sold will be transistor radios.

EIA ISSUES AD PRACTICES CODE: "Recommended Advertising Practices for the Home Entertainment Electronics Industry" was released last week by EIA—culmination of year of preparation & legal wrangling.

The 15-page booklet is available on request from EIA, 1721 De Sales St. N.W., Washington, or we'll be happy to send you one if you contact our Washington office. EIA's own ad code is brief, occupies only 3 pages of booklet, which also includes FTC guides against deceptive pricing, bait advertising and advertising of guarantees.

Code had been held up by lawyers' arguments over possible anti-trust implications. This was finally settled by deciding to make code completely toothless—merely a guide to "basic standards for honesty in advertising which [EIA believes] are in the best interests of the public and [the] industry." In foreword, EIA notes that it is "advised by counsel that it would not be appropriate for it or its Consumer Products Div. to attempt to enforce these standards in any way, to entertain any complaints regarding practices in contravention of these standards, or to interpret recommended practices in their application to any particular circumstances."

Standards were published, said EIA, "in the hope that they will be voluntarily observed by all members of the industry who recognize that the best way to avoid excessive governmental regulation of advertising is for each advertiser to deal fairly with the consuming public." Code is divided into 4 sections. Here is summary:

Comparative price advertising: When price reduction is stated or implied, advertiser himself should have recently made regular sales at the higher price. References to "established retail price" should apply to price normally charged by advertiser himself or others in area. The term "sale" should be used only in case of legitimate price reduction. Items should not be "pre-ticketed" with higher than normal selling prices.

Other price ad practices: Ads where price is given should refer to specific model number. Demonstrators & floor samples should be identified as such. When price quoted is "with trade," all conditions should be stated. If price doesn't include delivery, installation, service or warranty, this should be mentioned. Terms of instalment payments should be spelled out. If "free" offers have strings attached, the conditions "should be clearly & conspicuously disclosed at the outset of the advertisement (and not merely by a footnote)."

Bait advertising: Products advertised should be available for prompt delivery and willingly sold. Where quantities are limited, this should be stated in ad. Advertiser shouldn't disparage "by acts or words" the product advertised, nor should he show or demonstrate an advertised product which is defective or unsuitable for the purpose stated in the ad.

Product claims: Advertiser should be prepared to support all claims or illustrate with demonstrations or statistical data. Comparisons between competitive products, in ads or on sales floor, should be "bona fide factual." If warranties apply only to certain parts, this fact should be stated. Money-back offers should refer to return of full purchase price, unless otherwise specified. Advertisers must be prepared to promptly fulfill advertised warranty obligations.

PHILCO'S FUTURE UNCHARTED IN FORD GALAXY: "We have no immediate plans for any changes in Philco's operation for the simple reason that our task of evaluating Philco's products and operating procedures in only about 20% completed." So we were told last week by purposeful but affable Charles E. Beck after Dec. 11 news conference which officially introduced the 40-year-old Ford Motor Co. executive as new president & chief executive officer of reconstituted Philco Corporation—now a Delaware-incorporated Ford subsidiary (Vol. 1:12 p10).

"It's just too early to know what steps will be taken" to rectify Philco's disastrous financial performance last year and this, Beck told us. "We shall certainly analyze that performance and retain the best of it. We have every intention of doing our best to make every aspect of Philco's operation profitable."

Although conference shed no light on future of specific Philco consumer products, Beck noted that half of Philco's \$250 million assets are in consumer product operations, stated categorically "we have every intention in the foreseeable future of continuing in the consumer products business."

Irving A. Duffy, Ford director and general-products vp, and newly elected chairman of Philco subsidiary, commented: "Philco's reputation is one of the many assets that drew us to it. We like the range of Philco products, its research and its ideas. It has excellent consumer products, computers and allied

products, and products & services to support our govt. defense & space requirements. We firmly believe there is a sales growth ahead for each of them." Philco will be operated as part of Ford's general products group, which also includes Aeronutronic, Hardware & Accessories and Autolite divisions and Ford's tractor operations.

These key points were emphasized by Beck & Duffy in their comments to press:

(1) New management is squarely behind controversial "Instant Dividend" merchandising program (Vol. 1:13 p7). Beck called it an "excellent" promotion, one that "needs to be fully understood to be appreciated." He said "it has our full support." (For more on "ID" program, see p. 7).

(2) New company will get double-barreled trademark impact by using Ford symbol in all Philco ad & sales promotion efforts, and by promoting Philco as a Ford subsidiary.

(3) Philco will continue its fight to regain possession of Ch. 3 Philadelphia and will press its various lawsuits now pending, including color TV battle with RCA.

(4) Ford's Aeronutronic Div. will not be merged with Philco's govt. operations. Duffy termed the activities "complementary."

(5) Despite financial drag of Philco's computer operations, Ford will intensify efforts for new business. "Electronic computers offer a tremendous opportunity," Beck said, "and we intend to get our share of the market."

Beck, who joined Ford in 1949 as a financial analyst, succeeds James M. Skinner Jr., who recently resigned as Philco president (Vol. 1:13 p7) but who will remain available as consultant to Ford "for a period of months."

Three days prior to Dec. 11 signing of Ford-Philco acquisition Ford Chmn. Henry Ford II resigned as director of GE. Earlier, Ford director Ernest R. Breech resigned from board of Whirlpool Corp.

New Philco board is made up of Ford executives exclusively. They are Ford Chmn. Henry Ford II, Pres. John Dykstra, finance vp Arjay R. Miller, vp-gen. counsel William T. Gossett, Duffy and Beck, who has been director of Ford's business planning office since May 1960.

In view of Philco's poor financial showing (Vol. 1:8 p11) which led up to Ford sale, it's not surprising that key financial posts on new management staff went to Ford executives. Financial vp is Gene McCormick, formerly controller of Ford's Hardware & Accessories Div. Controller is Paul J. Miller, previously associate dir., Ford business planning office. William R. Wilson, former Philco finance vp & treasurer, was elected treasurer. Former Philco controller Ernest E. Bareuther becomes assistant controller. Henry R. Nolte, formerly Ford associate general counsel, is vp-secy.-gen. counsel.

Other Philco executives fared well generally in realignment of new subsidiary. Henry F. Argento becomes govt. product planning & mktg. vp (from former Philco post of Govt. & Industrial Group vp); Henry E. Bowes continues as vp-gen. mgr., Consumer Products Div.; Robert F. Herr continues as TechRep Div. vp; Robert M. Jones is industrial relations vp (was personnel vp); David B. Smith is engineering & research vp (was technical affairs vp).

Other changes of interest: Philco Research Div. becomes Philco Scientific Lab; former vp Donald G. Fink appointed director. Larry F. Hardy, previously Philco PR vp and onetime longtime consumer products vp, is now PR dir. Former operations vp Joseph H. Gillies named assistant to Beck. Harvey Williams, formerly Philco International president, now International Div. gen. mgr.

Reconstituted Philco Corp. is organized by staff & operating functions. Staff functions include finance, legal, engineering & research, govt. product planning & mktg., industrial relations, PR, and organization & executive personnel planning. There are 9 operating divisions, reporting to Beck: Consumer Products (Henry E. Bowes gen. mgr.); TechRep (Robert F. Herr); International (Harvey Williams); Lansdale (William J. Peltz); Computer (Clarence E. Burke); Communications & Weapons (Frank E. Stehlik); Communications Systems (Maj. Gen. Elmer B. Garland); Western Development Lab (Oscar T. Simpson); Sierra Electronics (former vp Willard Feldscher). Philco's former Govt. & Industrial Group has been reorganized into other operations. Former G&I executives who will continue on staff of new govt. product planning & mktg. vp, Henry Argento, are Joseph M. Hertzberg, John B. Hunt and Harold E. Rice, all ex-vps, and A. P. Hill. James E. Leeper, formerly Washington vp on corporate staff and now Washington Office mgr., also will report to Argento.

Consumer Products operation under Bowes will continue with many of former personnel in same posts, but with new titles. Major product group managers are Armin Allen, home electronic products; R. Jack

Cherry, refrigeration, freezers and air conditioners; Jack Rischel Jr., laundry products. All formally were vps in charge of same product groups.

Philco showed its new TV line to distributors last week at closed meetings in Chicago and Philadelphia. Also introduced was a stereo unit. Distributors also were given details of expanded ad & sales promotion campaign which teams Ford-Philco logos.

TV-RADIO PRODUCTION: EIA statistics for week ending Dec. 8 (49th week of 1961):

	Dec. 2-8	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV	128,306	114,724	110,386	5,846,412	5,500,703
Total radio	396,584	393,981	384,279	16,328,294	16,385,694
auto radio	123,882	141,748	112,297	5,172,476	6,137,931

Trade Personals

E. V. Huggins, formerly Westinghouse vp & exec. committee chmn., named to new post of exec. vp of associated activities, supervising Westinghouse International and other foreign interests; Pres. Mark W. Cresap Jr. absorbs chairmanship of exec. committee. George L. Wilcox, previously vp & assistant to Cresap, appointed to new office of vp & deputy to exec. vp John K. Hodnette, who takes over Defense Products Group heretofore supervised by Huggins.

John K. West, NBC West Coast vp, appointed RCA staff vp, Western distributor & commercial relations, headquartered in Los Angeles. He succeeds Harold R. Maag who assumes new post of RCA staff vp, Southwestern distributor & commercial relations, Dallas hq. West is succeeded in his NBC post by Thomas W. Sarnoff.

John J. Graham, former division vp & gen. mgr. of RCA's communications & controls div., joins ITT as exec. asst. to pres., elected vp.

Frederick Shuh, General Instrument-F. W. Sickles of Canada Ltd. gen. mgr., elected vp . . . Alexander (Duke) Wellington appointed Symphonic Radio & Electronic national sales mgr., replacing William F. O'Boyle, now with Sonic Electronics (Vol. 1:13 p11).

Frank W. Mansfield, Sylvania mktg. research dir. and EIA mktg. data dept. dir., elected Advertising Research Foundation chmn., succeeding CBS Radio Pres. Arthur Hull Hayes.

Leonard F. Cramer has been relieved of his duties as pres. of Standard Kollsman's Casco Products div., presumably will be reassigned to post with parent company. Onetime Magnavox vp-gen. mgr. and Crosley vp & TV-radio gen. mgr. joined Casco in Aug. 1960 (Vol. 16:31 p19).

Gordon K. Greenfield, America Corp. pres., elected Republic Corp. pres., succeeding Victor M. Carter who continues as chmn.; William Zeckendorf, Webb & Knapp pres. & America dir., elected chmn. of Republic's exec. board. Proposed merger of America & Republic has been approved by boards of both companies, but is blocked by anti-trust suit filed by Justice Dept.

George Found named Avnet Electronics mktg. vp, a new post . . . John Reine elected Graybar Electric exec. vp, a new post . . . Dr. Leon S. Nergaard appointed microwave research lab dir., RCA Labs, Princeton.

Arthur C. Omberg elected Bendix Corp. vp . . . H. Tyler Marcy advanced by IBM to general products div. vp from development lab mgr. . . James W. Harpel, formerly controller, elected Seeburg finance vp.

Marion F. Chetty appointed foreign mfg. operations mgr., Sylvania International, succeeding David K. Elwell,

named Sylvania purchases & transportation dir. . . Leland G. Shaffer appointed northwest district mktg. mgr., Sylvania Electronic Systems . . . Peter Kolsinki & Edward Dietrich named Sylvania Home Electronics district service mgrs.

Earl B. Dunckel has been named GE corporate PR rep in Washington.

Obituary

Ernest Searing, 84, retired International Resistance pres.-chmn., died Dec. 6 in a Philadelphia hospital. He retired from IRC in 1959 after 30 years' service. During World War II, Searing was appointed to the War Production Board, served on the radio replacement parts industry committee.

Harold M. Winters, 57, formerly RCA East Central regional sales mgr., died Dec. 9 at his Kansas City home. He had been with RCA for 35 years, resigned last June because of ill health. He was at onetime distribution director (appointed 1947) for the former RCA Victor Div. and held various sales executive posts in RCA's consumer products operation. Winters is survived by his wife & daughter.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Capitol Records	Q	\$0.50	Dec. 29	Dec. 15
CTS Corp.	Q	.12½	Jan. 20	Dec. 31
ITT	Q	.25	Jan. 15	Dec. 21
Motorola	Q	.25	Jan. 15	Dec. 29
Muter	Stk.	5%	Jan. 20	Dec. 30
Howard W. Sams	Q	.15	Jan. 25	Jan. 10
Sangamo Electric	Q	.18¾	Jan. 10	Dec. 23
Universal Pictures	Q	.25	Dec. 28	Dec. 18
Universal Pictures	Ex.	.25	Dec. 28	Dec. 18
Western Electric	Q	.90	Dec. 29	Dec. 20
Western Union	Q	.35	Jan. 15	Dec. 22

Automation is coming to Japan, to reduce labor costs, Snyder Mfg. Pres. Ben Snyder said on his return to Philadelphia. He spent 6 weeks in Orient establishing outlets for firm's TV & auto radio antennas: Shiro Trade of Tokyo & Hong Kong, for Far East; Javit Enterprises, Honolulu, for Hawaii; Alaska Brokerage, Anchorage, for Alaska. Snyder said rising labor costs have made Japan ripe for American-made goods.

Foreign buyers & agents interested in U.S. electronic equipment can be reached through lists available at Commerce Dept. field offices or in Washington. Price is \$1 a country, with separate lists for home and industrial equipment.

Adler Electronics has expanded its Pelham, N.Y. production plant by 45,000 square feet.

WEEKLY **Television Digest**

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

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

EDUCATORS BLOCK OUT TV SPECTRUM NEEDS, say ETV will need more than 1,000 assignments within 10-15 years, including 66 more vhf's, some obtainable via short-spaced drop-ins (p. 1).

MINOW ATTACKS 'FALSE ALARMS' RE CENSORSHIP, says he'll continue to speak up, asks for examples of FCC interference with freedom of speech (p. 1).

FINALLY—EDUCATORS GET WNTA-TV. Acting gen. mgr. Richard Heffner can't quote exact target for resumption, would hope to start within 3 months (p. 2).

AM LICENSE REVOKED FOR 'BLOCKING.' FCC maintaining tough policy on "misrepresentations" in Tawas City, Mich. case (p. 2).

N.Y. HOME UHF TESTS SLOW MOVING, housewives reluctant to cooperate. Comr. Lee thinks gift may help, also considering asking city govt. for help in persuading (p. 3).

Consumer Electronics

1961 TV SALES UP 3% to about 5.8 million, radio sales up 8% to nearly 11.4 million, on basis of 11-month projection (p. 6).

THE \$140 PORTABLE seems to be new launching point for TV lines, Admiral joining Motorola with low-priced "full-feature" set (p. 7).

NEW TV PRODUCTS from Japan are mostly specialty items: 8,000 transistor TVs imported in 1961; 10-in. set planned; 14-in. color to debut. Delmonico now boasts TV line (p. 7).

'ID' FOES COUNTERATTACKING on many fronts; American Stores confirms it was offered Philco promotion but decided against it because of unknown factors (p. 8).

RCA CONSUMER PRODUCT profits highest since 1955, color a \$200 million business, says Sarnoff. Zenith aims at 100,000 color sets in 1962, passed million-set mark in b&w again in 1961 (p. 9).

EDUCATORS BLOCK OUT TV SPECTRUM NEEDS: ETV will need more than 1,000 TV assignments within next 10-15 years—compared with the 275 channels reserved today—according to report prepared by an ETV task force.

It's understood that report has been circulated within Dept. of Health, Education & Welfare. Vernon Bronson, consultant to National Assn. of Educational Broadcasters, headed study made by 7-man advisory board of educators aided by 13 ETV field consultants.

Total of 97 vhf channels is needed, educators said, compared with the 48 now reserved. Of the 48, they said, only 31 are where they're needed. Thus, 66 more vhf's are sought, and report states that some should be obtained via short-spaced drop-ins.

Educators expressed fear that spectrum, including uhf, will have been preempted by commercial users before ETV can move—thus reservation of channels is vital. They stated that most states & communities plan to use ETV within next 10 years.

MINOW ATTACKS 'FALSE ALARMS' RE CENSORSHIP: FCC Chmn. Minow will continue to "speak out . . . nudge . . . exhort . . . urge" industry to improve programming, he told San Francisco's Commonwealth Club Dec. 22. Such prodding, he asserted, isn't "censorship." "The broadcasters will no more censor the FCC," he said, "than the FCC will censor broadcasting."

Minow thus showed continued disagreement with recent speeches of CBS Pres. Frank Stanton and NBC Chmn. Robert Sarnoff, who pointed to dangers implicit in any declaration of program preferences by an FCC chairman (Vol. 1:13 p1). Minow asked for examples of "censorship":

"To those broadcasters genuinely concerned about govt. interference with freedom of expression, I respectfully issue a challenge. Be specific. Be precise. Give an example in which the govt. has interfered or is interfering with the fullest freedom of expression.

"It is curiously ironic that these attacks on the FCC come in this season when broadcasting is doing a better job than ever before in discussing public issues, public affairs, controversial problems . . .

"Where is the intrusion on free expression? If there are no examples to document charges of censorship, I suggest that broadcasters stop defending against an enemy who is not there. Instead of spending strength on windmills, it would be better to spend creative talents and voices building programs of vision the people can enjoy and admire.

"What some broadcasters want is for the FCC to stand mute and be alert enough only to rubber stamp license renewals every 3 years. They would like us to see no evil, hear no evil, and speak no evil. But those of us at the FCC have a right to freedom of expression too."

To illustrate his no-censorship contention, Minow told what happened after he suggested networks get together on special children's programs. "Some broadcasting executives," he said, "asked for my views about certain types of cooperative plans. I said that I had no blueprint, that I don't produce TV shows, and that my purpose was to call public attention to an important problem in the hope that the industry would solve it in any manner it saw fit—or in no manner.

"The networks met, did not agree on a joint effort, and dropped the subject. I am sorry they dropped it, for I still think children's programs could be improved. But it is not the govt.'s business to improve them—it is the broadcasters'! What we at the FCC can do is suggest need for improvement, and I intend to continue to make suggestions—and I hope you will too . . .

"There is improvement—much improvement—going on in TV. This is because the broadcasters are taking their own do-it-yourself program to heart."

"Nothing in this country," Minow stated, "is more important than freedom of expression. Freedom of speech, the freedom to think what you please and to say what you think, is the rock-bottom underpinning of every other freedom Americans enjoy. It is the bedrock beneath the American cathedral, and if it is ever cracked, the cathedral will totter. But freedom of speech should not be confused with freedom to make promises in order to secure a TV license and then freedom to break those promises in order to exploit that license . . . Freedom of speech does not mean freedom to fool the people."

Turning to "the promised land"—2nd decade of nationwide TV—as compared with "the wasteland," Minow looked for:

(1) "Live, instantaneous TV around-the-world" via satellites.

(2) Nationwide ETV network.

(3) Doubling of stations within 10 years, including use of uhf. "In this nation, growing at the rate of 3 million people a year, we will inevitably have either more channels or more regulation. My own vote is for more channels."

(4) "An explosion of scientific technology in all forms of communications, not only TV . . . to deepen our understanding and lengthen our vision."

FINALLY—EDUCATORS GET WNTA-TV: Checks changed hands Dec. 22 and Educational TV for the Metropolitan Area acquired WNTA-TV (Ch. 13) Newark-N.Y. for \$6.2 million—after some of the most hectic negotiations & litigation in broadcast history.

NTA's last telecast came Dec. 21. Richard Heffner, acting gen. mgr. for the new ETV station, said he couldn't pinpoint resumption date. "We originally spoke of 3 months," he said, "and I'd like to think in those terms. However, we want to make certain we start with quality production. It would be a great mistake to do less." He now starts hiring staff, had none to announce last week.

Heffner was CBS-TV dir. of special projects before joining ETV forces, and prior to that was dir. of public affairs for WNBC-TV N.Y. He said new call letters haven't been selected yet, won't be WMET, despite reports to contrary.

AM LICENSE REVOKED FOR 'BLOCKING': FCC doesn't fool around much when it finds licensees guilty of out-&-out misrepresentations. Last week, it ordered revocation of Roger S. Underhill's license for radio WIOS Tawas City, Mich. Vote was 6-1, Hyde dissenting.

What happened was this: Underhill had been pres. & 35% owner of Capitol Bcstg. Co., 730-kc applicant for E. Lansing. W. A. Pomeroy, a principal of WILS Lansing, had application for 730-kc in Tawas City.

The 2 applications were therefore competitive. Underhill then obtained grant of WIOS on 1480-kc in Tawas City. Based on Underhill's testimony in the 730-kc hearing, FCC concluded that he didn't file for WIOS in good faith. Rather, Commission said, he wanted station in Tawas City so that Pomeroy would lose an advantage he had in competition with Capitol Bcstg.—namely, Tawas City had no local station while Lansing area had several.

Commission held that Underhill failed to disclose that Capitol was backing his WIOS and that his real purpose was to undercut Pomeroy's chances in Tawas City. FCC stated that this was "part of a scheme to abuse our processes."

Underhill waived revocation hearing, said he had relied on advice of counsel, asked for permission to sell WIOS. FCC refused, ordered it revoked. It will allow 90 days for new applicants to file for 1480. Underhill can sell plant to new grantee. Commission wants to make certain that service is continued.

Pomeroy's application for Tawas City was denied some time ago, because of engineering problems. Capitol's bid for E. Lansing was turned down because of the misrepresentations.

N.Y. HOME UHF TESTS SLOW MOVING: Home-installation phase of FCC's N.Y. uhf project is moving slowly, according to Comr. Lee, who spent some time with crews this week. Many housewives, he said, don't want technicians cluttering up the place. Only 200 out of goal of 5,000 measurements have been completed, and information is too sketchy to draw any conclusions yet, he said. One problem is that Census Bureau picks homes to use for proper sample, won't deviate slightest bit—insists not only on picking addresses but also on designating specific apartments.

Lee said he'll have lawyers check into legality of giving home-owner cash (perhaps \$5) or gift as inducement. He's thinking of asking city govt. to talk to householders, believes it would be effective. He's also considering putting receivers in public places such as Grand Central Terminal—where passers-by might give their impressions on questionnaire. These wouldn't be used as part of engineering evaluation. "I think it would be good to have these reactions," said Lee.

CURRENT CAPSULES

Interim "trusteeship" operation in Syracuse, Rochester and Grand Rapids, for newly added vhf channels, isn't in cards yet—though discussions among the many competing applicants continue. FCC has encouraged applicants to get together on plans to start stations quickly, pending conclusion of competitive hearing processes which usually last several years. ABC is also urging applicants to settle differences, eagerly seeking full-time affiliates in the markets. Applicants' attorneys disagree on prospects for meeting of minds—some hopeful, some pessimistic.

— ■ —

FCC's network program hearing will start Jan. 22 instead of Jan. 23, the previous target. Commission is prepared to sit straight through Jan. 22-26 and Jan. 29-31.

— ■ —

Authority to start operating has been granted by FCC to following: KDAS (Ch. 21) Hanford, Cal.; KCHU (Ch. 18) San Bernardino, Cal.; KICU-TV (Ch. 43) Visalia, Cal.; KVLV-TV (Ch. 12) Alpine, Tex.

Anti-trust fight of radio WEOL Elyria, O. against *Lorain Journal*, a 12-year-old battle, produced victory in 6th Circuit Court of Appeals last week. Court held that District Court judge was "clearly erroneous" in ruling that station failed to show damages; it sent case back to District Court. Station seeks treble damages under Sec. 4 of Clayton Act. *Journal* had told its advertisers it would refuse to carry their ads if they bought WEOL time. Appeals Court relied strongly on figures submitted by WEOL showing that its *Lorain* income jumped from \$20,076 in 1950 to \$54,425 in 1951, when court enjoined *Journal* practice.

Northwestern U. seminar on "Freedom and Responsibility in Broadcasting" (Vol. 17:32 p1) is now available in book form under that title from Northwestern U. Press, Evanston, Ill. (252 pp, \$5).

Move of WMUR-TV (Ch. 9) Manchester transmitter closer to Boston should be denied, FCC examiner Charles J. Frederick recommended in initial decision. Station proposed to shift from 7 miles west of Manchester to 17 miles south-southwest of city. Frederick said that 304,560 people will lose WMUR-TV Grade B coverage, compared with 88,516 gain—concluded that shift therefore couldn't be justified.

Barstow, Cal. CATV system, 3,000 subscribers, has been sold by Dean DeVoe for \$580,000 to Frontier Vision Inc., headed by H. J. Griffith, Dallas-based theater owner. Broker was Daniels & Associates, whose subsidiary Systems Management Co. will operate system.

Latest stereo starters, according to notifications filed with FCC: KANU Lawrence, Kan. (first stereo educational station); WHOO-FM Orlando; WGPR-FM Detroit.

Personals

John C. Reddy Jr. elected CBS asst. controller . . . Arthur Wolter Jr., ex-FTC trial lawyer, joins Ted Bates legal staff . . . Douglas Elleson, KRON-TV San Francisco program mgr., joins KCPX-TV & KCPX Salt Lake City as general mgr. Robert Glassburn promoted to KRON-TV program mgr.

Dr. Keith M. Engar, U. of Utah dir. of radio-TV services (KUED-TV & KUED-FM), joins FCC's new Educational Bcstg. Branch; he's past secy. of NAEB, is now chmn. of National Educational TV & Radio Center affiliates' committee.

John C. Moler, radio WIBG Philadelphia vp & general mgr., goes to WMGM N.Y. as gen. mgr. Both are Storer outlets.

Katz Agency promotions in N.Y., Chicago, L.A.: Michael Membrado becomes sales mgr. for eastern TV stations in N.Y., Frank McCann moving up to replace him as asst. sales mgr. for eastern stations. Oliver Blackwell, asst. sales mgr., takes new director of audience development post. In Chicago, Robert Rohde is promoted to asst. TV sales mgr. for western stations, Joseph Hogan to asst. TV sales mgr. for eastern stations. Richard Hasbrook, San Francisco TV sales office, named L.A. office mgr.

Obituary

Frederick W. Wile Jr., 53, managing director of National Advertising Council's Hollywood office since 1960 and 1949-56 NBC programming vp in N.Y. & Los Angeles, died of a heart attack Dec. 17. He is survived by widow, 2 sons, a daughter.

John H. Mitchell, 53, recently retired ABC vp (1953-61) and 1931-53 Balaban & Katz executive, died Dec. 19 of pneumonia. At time of death he was an ABC consultant. Surviving is his widow.

Full-scale Boston police probe by governor and grand jury is in works as result of *CBS Reports* telecast, "Biography of a Bookie Joint" (Vol. 1:14 p5). Gov. John A. Volpe hired attorney James D. St. Clair, assistant Army counsel in 1954 Army-McCarthy hearings, to prepare ouster proceedings against Boston police commissioner Leo J. Sullivan. State Attorney General Edward J. McCormick said grand jury would take "appropriate action" on information given it by local district attorney, but that "police probe hysteria" would make fair trials of indicted gamblers impossible. FCC has responded to complaint from Mass. House Speaker John F. Thompson. It asked: (1) Did you request TV time from CBS to present your side—under provisions of Communications Act requiring opportunity for presentation of opposing views on controversial issues? (2) If you consider program distorted & unfair, please be specific. Thompson had told Commission that program included an attack on the Mass. House and unfair picture of gambling in Boston.

Waiver of sponsor-identification rules was granted by FCC last week in novel case of toy manufacturer who wanted to donate TV spots to American Cancer Society but didn't want to be credited with gift in the spots. Henry Orenstein, refugee who became wealthy toy maker in 14 years, wanted to give Cancer Society 608 ten-sec. spots he had bought on 15 stations for his Deluxe Reading Corp., Newark, but ran into snag when he learned that Commission rules require purchaser of time to be identified. When questioned, Commission was happy to waive rules.

CBS Pres. Frank Stanton took issue with *N.Y. Times* editorial "Mr. Minow is Right" (Vol. 1:14 p5), particularly its position that govt. must assume strong regulatory role because TV channels are limited in number. In letter to the editor in Dec. 14 *Times*, Stanton wrote: "It is true that present technical realities limit the number of vhf channels available for use in a given location. Nevertheless, there are 124 cities in the U.S. that have 2 or more TV stations competitively owned, as opposed to only 58 cities that have 2 or more daily newspapers competitively owned. . . . Does this mean that the govt. should do something about 'improving' the contents of newspapers where there is no competition? . . . I do not know, as your editorial implies, that anyone has claimed that the doctrine of govt. supervision of broadcasting was 'invented' by Karl Marx. It seems to me that the relationship of the govt. to any educational, cultural, informational or entertainment institution is a perfectly appropriate subject for discussion . . . What we have more to be watchful about in a free society is the establishment, for wholly plausible motives, of precedents that may, by extension, come back to haunt us."

Recent vhf translator conversions to FCC approved equipment: San Miguel Power Assn., Nucla, Colo. (5 channels); Big Flat TV Assn., Turner, Mont.; Mizpah TV Club, Olive, Mont.; Trout Creek Improvement Assn., Trout Creek, Mont.; Harold Volkman, Clay Center, Kan.; Pondoda TV Club, Medical Springs, Ore.; Monument TV Inc., Monument TV Inc., Monument, Ore.; Wasatch County Commissioners, Heber, Utah; Hanna-Elmo TV Assn., Hanna, Wyo.

FCC should be limited to technical management of frequencies, according to Sol Taishoff, editor & publisher of *Broadcasting Magazine*. In speech before Federal Communications Bar Assn. in Washington last week, he said that Commission has distorted Communications Act and invaded programming—something not intended by Congress. He urged FCBA to help get Act amended to prohibit any FCC consideration of programming. Station should be granted licenses in perpetuity, revocable only on criminal conviction, he said.

Cable TV Ltd., Montreal, terms itself "the world's largest integrated community antenna system" with the purchase of Master TV Ltd. and its 5,500 subscribers. Cable TV reports it now serves more than 25,000 homes. Firm feeds its subscribers the U.S. networks plus a closed-circuit channel of its own which offers away games of Canadiens hockey team and events such as recent boxing championship fight. When extra channel isn't used for TV, CKVL-FM is carried.

Pan-Video Productions, 200 W. 57th St., N.Y., has filed a registration statement with SEC (File 2-19465), planning to offer 100,000 shares at \$3 through underwriter R. J. Curylo Co. Proceeds will be used for bowling, physical exercise and health film TV series. Guy LeBow is pres., Elliott Mandl exec. vp.

Viewers' views on TV are sought in new WCBS-TV program, "We Ask You." Monthly half-hour man-in-the-street filmed series was scheduled to start Dec. 23, 3 p.m. People are asked what they like & dislike about TV, what they'd do if they ran a network, what they think of govt.'s regulatory role, etc.

Rep Venard, Rintoul & McConnell opens office in Dallas Federal Savings & Loan Bldg. with Al Hazelwood, former KSWO-TV Wichita Falls mgr., as office mgr.

WBRE-TV Wilkes-Barre appoints Katz as rep.

More TV-home figures: Census Bureau has released household appliance statistics for Birmingham, Gadsden, Huntsville, Mobile, Montgomery, Tuscaloosa, Ala.; Columbus, Ga.; Fargo-Moorhead, N.D.; and Sioux Falls, S.D. standard metropolitan areas. In addition, figures for following states were issued: Alabama, Arizona, Arkansas, Massachusetts, Minnesota, Mississippi, Nebraska, South Carolina, Wisconsin. TV counts:

Area	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
Birmingham	181,774	141,256	16,097	24,421
Columbus	55,674	41,514	4,634	9,526
Fargo-Moorhead ..	30,029	25,055	2,655	2,319
Gadsden	27,503	22,238	1,104	4,132
Huntsville	30,897	22,563	1,371	6,950
Mobile	83,174	63,555	7,795	11,824
Montgomery	46,050	33,338	3,325	9,378
Sioux Falls	25,119	21,663	1,996	1,490
Tuscaloosa	27,646	20,317	695	6,634
Alabama	884,116	632,887	43,710	207,481
Arizona	366,630	268,364	30,362	67,852
Arkansas	523,552	374,030	17,261	132,232
Massachusetts ...	1,534,985	1,219,013	200,219	115,727
Minnesota	991,981	788,295	74,757	128,929
Mississippi	568,070	359,947	17,551	190,572
Nebraska	433,488	358,161	20,947	54,266
South Carolina ...	603,551	438,231	29,513	135,783
Wisconsin	1,146,342	941,599	104,572	100,131

Revocation hearing against radio KWK St. Louis—on charges of treasure-hunt-program misrepresentations, etc.—will go ahead as planned, FCC ruled last week. Station hasn't yet presented its case, asked FCC to rule now whether Broadcast Bureau has proved its case and to conduct balance of hearing in Washington rather than in St. Louis, where first part was conducted. Said Commission: "While we recognize that the proposed procedure might serve to relieve the petitioner of the burden of presenting its case, we do not think that the public interest is served by a procedure which, though possibly advantageous to the petitioner, might require the Commission to consider the matter on 2 occasions instead of one." FCC also ordered balance of hearing to be held in St. Louis.

AFA's 4th mid-winter conference, scheduled for Feb. 7 in Washington at Statler Hilton, will include as speakers and panel members: Commerce Secy. Hodges, FCC Chmn. Minow, FTC Chmn. Dixon. Burton Hotvedt, Brady Co., Milwaukee, will preside over FTC panel discussion; W. W. Watts, RCA, over economics of advertising panel; Donald McGannon, Westinghouse Bestg. Co., over FCC panel. Theme of conference: "Advertising: Its Key Roles in the Free World."

"Anti-trafficking" rules (Vol. 1:13 p4) will be considered by FCC in special meeting Jan. 4. Commission is weighing plan to require hearings when licensee proposes to sell station owned less than 3 years except under exceptional circumstances.

"Mass Customers for Mass Merchandisers" titles TvB brochure promoting time sales among discount houses. It includes reports on 13 discount-house TV users. TvB terms discounters "the most aggressive local users of TV."

Screen Gems subsidiary WAPA-TV Bestg. Corp. has bought WAPA-TV San Juan from Ponce De Leon Bestg. for \$1.8 million and one-third interest in WOLE-TV Aguadilla, P.R. through brokers R. C. Crisler & Co.

FTC consent order prohibits Harwald Co., Evanston film inspection machine manufacturer, from disparaging competitors and making false claims of exclusive features in its ads.

WJPB-TV Weston, W. Va. transfer-of-control case—in which FCC conducted hearing into charges of misrepresentation, concealed ownership, etc., as charged by protestant WBOY-TV Clarksburg (Vol. 16:16 p6)—brought an FCC final decision turning down protest. Commission said WJPB-TV had adequate arguments "in mitigation" of rules violations. However, FCC said: "In taking this action we do not detract from the gravity of the matters raised. . . . On the contrary, the performance of the station under its new ownership will be closely scrutinized. (The matter of a possible short term renewal is not before this proceeding but will be considered in connection with the station's presently pending application for license.) Any substantial departure from the standards expected of broadcast licensees, taken together with the matters of record in this proceeding, would raise most serious questions as to the basic qualifications of the station's owners." Through sale of stock, control passed from J. P. Beacom to Thomas P. Johnson & George W. Eby.

Much-litigated site-move case of WSPA-TV (Ch. 7) Spartanburg, S.C., which has been sent back to FCC by courts 3 times (Vol. 14:21 p13), received another initial decision from chief examiner James Cunningham. He said station's principals weren't guilty of *ex parte* representations, as charged by protestant WAIM-TV (Ch. 40) Anderson, S.C. WSPA-TV Pres. Walter Brown, after one court reversal, talked to former FCC Chmn. George McConaughy in effort to get Commission cooperation in seeking appeal to U.S. Supreme Court. Cunningham held that didn't violate Commission processes because conversation took place when case was under Court of Appeals' jurisdiction. He also found that WSPA-TV principals weren't responsible for letter sent by Sen. Thurmond (D-S.C.) to McConaughy, urging favorable consideration.

More funds for USIA were called for in Dec. 18 *Washington Post* editorial, which quoted similar plea by Advertising Council Pres. T. S. Repplier who noted that USIA's \$140 million budget to broadcast to 90 countries over VOA is \$20 million less than the annual ad budget of a major U.S. automobile company. USIA "has no powerful lobby supporting its efforts," editorial said, with the result that "in the war of words VOA is frequently reduced to a whisper because USIA lacks resources to make itself effectively heard."

IBM will move its corporate hq from N.Y.C. to suburban Armonk, N.Y. during 1963's 2nd quarter. A new office building is under construction there on 443-acre site owned by IBM. After 50 years in N.Y.C., IBM this fall conducted test to determine if its operations could be conducted successfully from a suburban location.

New transmitting equipment including 35-kw amplifier & 5-kw driver is being installed for KONO-TV San Antonio by GE under \$500,000 contract. Installation also calls for 5-kw standby transmitter, 1,500-ft. tower, 3-section helical antenna.

"Customer emergency service" around-clock has been started by Collins Radio at Cedar Rapids center with direct phone (EMpire 5-3600) and standby staff of technicians ready for "immediate action" to solve commercial & military product problems.

CTV Television Network Ltd., Canada, opens U.S. offices at 535 Fifth Ave., N.Y., with Kenneth M. Flower, ex-CBS Films, sales mgr.

Color-slide presentation on programming, 25 min., now available from TIO, 666 Fifth Ave., N.Y. 19.

Consumer Electronics

MANUFACTURING, DISTRIBUTION, FINANCE

1961 SALES—TV UP 3%, RADIO UP 8%: Reports of good pre-Christmas business in both TV & radio, added to preliminary 11-month sales figures, give this picture for 1961: TV distributor sales to dealers, probably slightly under 5.8 million, or about 3% better than last year's 5.65 million. Distributor sales of domestic radios (excluding auto sets) will be highest since 1948, between 11.2 & 11.4 million, around 8% above last year's 10.5 million.

TV set production is likely to exceed 6.1 million, radio production 12 million. At end of November, distributor inventories of both TV & radio were somewhat above last year's levels, but well within safety zone.

Distributor sales of TV sets in November were 8% higher than Nov. 1960, following an October which saw an increase of 5%. December sales to date, while not spectacular, are understood to be maintaining pace. Radio sales were down 5% in October, 8% in November from last year's very good levels, but trade has noted good December pickup.

Here are preliminary November & 11-month production, sales & inventory figures, with 1960 comparisons (figures rounded):

TELEVISION

	Nov. 1961	Nov. 1960	11 Months 1961	11 Months 1960
Production	704,000	525,000	5,718,000	5,393,000
Factory sales	648,000	528,000	5,457,000	5,210,000
Distributor sales	679,000	627,000	5,313,000	5,218,000
Factory inventory	434,000	456,000	—	—
Distributor inventory	785,000	740,000	—	—

RADIO (excluding auto)

Production	1,406,000	1,246,000	10,883,000	9,976,000
Factory sales	1,450,000	1,372,000	10,575,000	9,536,000
Distributor sales	1,415,000	1,545,000	9,959,000	9,185,000
Factory inventory	950,000	868,000	—	—
Distributor inventory	1,715,000	1,597,000	—	—

TV-radio output in October was ahead of a year ago, TV markedly so, EIA reported last week. October was 2nd-highest production month for each category, topped only by September output. Here are EIA's official figures:

Month	TELEVISION				RADIO					
	Total Production		Uhf Production		Total Production		Auto Radio Production		FM Production	
	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960
January	367,935	526,494	25,270	50,119	1,090,073	1,355,788	387,136	632,461	50,421	33,816
February	444,418	503,453	24,514	43,537	1,115,029	1,442,368	307,973	596,872	41,357	56,515
March	497,458	549,500	21,450	45,411	1,384,052	1,667,550	384,227	633,761	75,044	83,127
April	405,808	422,551	19,095	39,240	1,124,924	1,230,323	375,570	399,963	51,260	68,196
May	470,399	442,176	22,782	32,295	1,196,949	1,277,040	408,875	463,165	49,705	65,438
June	615,118	518,870	34,641	34,245	1,626,263	1,551,451	518,010	596,870	88,808	105,317
July	383,378	268,854	23,233	14,621	1,030,399	890,359	320,128	328,009	48,114	49,707
August	514,674	462,286	33,946	26,829	1,385,101	1,048,406	451,374	340,860	69,090	71,125
September	694,580	678,937	41,253	46,161	2,048,698	1,945,092	591,493	788,961	110,174	111,745
October	620,815	499,999	43,198	38,999	1,796,391	1,727,560	576,529	639,357	95,318	88,596
TOTAL	5,014,583	4,873,120	289,462	371,457	13,797,879	14,135,937	4,321,315	5,420,279	679,291	766,006

NOW IT'S THE \$140 PORTABLE: Just about a year ago, at Chicago winter Home Furnishings Market, talk of the industry was GE's 10-in. transformer-powered portable at \$159.95 (Vol. 17:1-2). This year there's a new "floor" for the so-called "full-feature" 19-in. set—\$140.

While industry was still digesting news of Motorola's 19-in. at \$139.88 (Vol. 1:14 p9), Admiral reacted quickly—pricing its new 19-in. portable (with carrying handle & monopole antenna) at \$139.95. Admiral's set has standard chassis and its pricing obviously was direct reply to Motorola move. It seems almost certain that some other manufacturers will come along—however reluctantly—with competitive models. Pricing move was regarded by some as particularly serious in view of portables' increasing share of market.

Admiral, which had appeared to be sitting on fence with regard to supermarket tape plans (Vol. 1:14 p9), introduced its new price leader with blast at Philco's "ID." Admiral Sales Corp. sales vp Ross D. Siragusa Jr. called new set "answer to the tape plan." He added that ID stood for "instant destruction," and said: "We believe the consumer will think twice before he signs a \$225 contract (for a TV portable), when he can get one for \$140 without becoming a long-term captive of a meat market."

Admiral's drop-in line, introduced to distributors at week's end, underscores success of that company's 27-in. TVs and trend toward inboard pricing of FM stereo in high-end phono consoles. New 27-in. merchandise consists of 3 consoles, 2 combinations. In 23-in. category, line begins with table at \$199.95, includes lowboy console with suggested list in \$199-209 range, 4 new combos, 3 of which use single unified chassis for TV-FM-AM-phono and include FM stereo with automatic stereo beacon light.

More than half of Admiral's 12 new stereo consoles include FM stereo inboard. Stereo line begins with 3 promotional consoles which can be marketed as low as \$139, at \$179 with AM-FM, and \$199 with new beacon FM stereo.

NEW TV PRODUCTS FROM JAPAN: "You gotta have a gimmick" seems to be the cry of most importers, as far as Japanese TV is concerned. With one notable exception, most TV import plans revolve around specialty goods which don't compete directly with U.S.-made models.

Sony's transistor TV is good example. Sony says it will have sent 8,000 of them to U.S. by year's end, is turning out more than 4,000 a month, about 50% going to this country. Other importers are expected to introduce their own battery-operated sets in 1962. Delmonico is now test-marketing transistor TV at price close to Sony's \$250-\$280 range (including battery), is planning more extensive campaign in 1962.

Following Delmonico's introduction of 8-in. line-cord TV (list \$119.95), others may be expected to get into small-screen act. Transistor World is understood to be preparing 10-in. Toshiba entry at around \$100 for mid-1962. Another specialty item to be demonstrated soon in U.S. is Toshiba 14-in. color set, due to be unveiled at special N.Y. showing Jan. 4. Although Toshiba's importer, Transistor World, denies it has any plans to import the set, there seems to be no reason to show the set unless there will be attempt to sound out opinion on small-screen color in U.S.

Delmonico claims it is exception to "gimmick" school of TV importing. "We now have a full TV line," says Pres. Albert Friedman. Line includes 8-in., several 19-in. portables, 23-in. stereo combo, color combo. In most models—including 8- & 19-in.—"we can't bring in enough to meet the demand; our problem is trying to keep some inventory." Next TV model from Delmonico will be 23-in. console.

Color combos are beginning to come in from Japan Victor, he told us, and Delmonico's first color-set ads will break during first 10 days in January. The \$595 TV-stereo unit has RCA 21-in. color tube, inserted in this country.

In non-TV field, Delmonico is most excited about AM-FM-stereo phono console with built-in 4-track tape recorder, to list at \$299.95. First deliveries from Japan are beginning, full-scale shipments due in 6 weeks.

Note: Sony exec. vp Akio Morita told N.Y. Society of Security Analysts that his company is now at work on developing relatively low-cost video-tape recorder for home use. And you can expect flow of FM-stereo radios from Japan soon, since Japanese govt. has authorized stereo broadcasts using U.S. system. With domestic FM-stereo market to serve, you can be sure Japanese will develop—and export—ingenious designs.

'ID' FOES COUNTERATTACKING ON MANY FRONTS: Opposition to Philco's "Instant Dividend" program and similar tape-register plans (Vol. 1:8 p9 et seq.) continued to mount last week amid rumors of disenchantment already setting in for some participating supermarkets. Among countermoves:

(1) National Appliance Radio-TV Dealers Assn. told us it was shifting its attack to what it now considers to be "ID's" weakest point—its inflationary effect on consumers' pocketbooks. Explained NARDA exec. vp Jules Steinberg: "Because tape plans tend to make the customer a captive of a given market she is no longer able to shop and take advantage of bargains offered by competing markets. While this loss in shopping dollars may amount to only \$2-4 a week, over a 30-month 'ID' contract period it could mount up to \$300-500—more than the list price of the TV or appliance the shopper thought she was getting free." Steinberg told us NARDA is jelling plans to attack tape plans on this front.

(2) Non-participating TV manufacturers are striking back. Admiral last week introduced a bargain-buy 19-in. portable at \$139.95, following hard on heels of Motorola's introduction of a \$139.88 19-in. set (Vol. 1:14 p9). These under-\$140 portables are expected to be particularly attractive when compared with ID-priced TVs. For more on \$140 portables, see p. 7.

(3) Competing supermarket chains are readying counter promotions to combat "ID" competition. Executive of giant Philadelphia-based American Stores Co. told us: "While it's true that these tape plans lock the customer in, they also lock in the store. These plans can cost the supermarket up to more than 4%. When you tack on the 2% cost for stamps—and the market can't drop them—you're giving away a sizable percentage for a business that nets only 1-1.5%. When competing markets open up with price-bargain counterpromotions, the tape-plan markets will have little or no flexibility to meet the price competition. That's when things will really begin to get interesting." He also confirmed to us that American Stores had been offered Philco ID promotion early in game but decided there were too many unknown factors in program. Competitor Philadelphia-based Food Fair is now testing plan in 10 stores in 3 cities (Vol. 1:14 p7).

(4) Petition to FTC to investigate tape plans has been filed by Electronic Service Dealers Assn. of W. Pa; exec. secy. Joseph E. Doyle told us last week that FTC investigators already are on scene in ID-hot Pittsburgh. Petition charges, in part: "We believe that violations have been committed or are on a very flimsy fringe area of legality or violation that warrants careful & concise investigation under the Sherman anti-trust laws, the Clayton Act and either or both laws & acts . . . It is a fact that the same appliance can be financed through any bank at far less than the Philco Finance Corp.'s plan which runs around 18% . . . We feel that this whole program is detrimental to free enterprise, in that it sets up exclusive buying arrangements with tying contracts . . . It borders on monopoly and price fixing . . . It is discriminatory in many aspects."

(5) "If they're going to give appliances, we're going to give food." So said McKees Rocks, Pa. TV-appliance retailer Michael Uram, manager of Thriftee Hardware & Home Supply Co., last week as he set up a reverse "instant-dividend" plan. Purchaser of a TV or appliance at Thriftee is offered check for approximately 10% of purchase price, made out to grocer of purchaser's choice. Uram was striking back at supermarkets for "carrying items that should be rightly handled by independent tradesmen."

American Stores, we learned, decided against involvement in tape plans for host of reasons. Among them: Cost, concern about long-range obligations and goodwill of participating as well as non-participating customers, concern about future flexibility to meet pure bargain counterpromotions of competing stores.

Cost to participating supermarket, we now know, is \$7.50 per month per participating customer—less customer's cash payment. For example, if customer buys \$120 in food for month, she gets 5.5% or \$6.60 credit on \$10 installment due on TV or appliance of her choice. She pays \$3.40 difference in cash. Supermarket, in turn, pays Philco Finance Corp. difference between customer's \$3.40 cash payment and its \$7.50 obligation—or \$4.10. If customer buys \$180 in given month, 5.5% credit liquidates \$10 instalment. Supermarket pays \$7.50 to finance company, or 4.18% of \$180 food purchase.

Because tape-plan supermarket is adding sizable overhead expense, we were told last week by knowledgeable supermarket executive, it is not enough that regular customers purchase more. In that event, market is giving regular customers costly bonus to buy more low-margin products. It's estimated that 12-14% increase in volume is required to wash out 2% cost of stamps, double that to liquidate tape-giveaway plan. He also pointed out tape-plans' hidden costs to retailers: labor & expense of serving as collection agency for finance company; use of costly floor space in market for TV-appliance displays. "Unless supermarket is able to attract totally new customers to provide that needed increase in volume," he said, "it's just giving gains back to its regular customers."

TOPICS & TRENDS

For first year since its merger with GT&E, Sylvania "has not carried its share of the load," GT&E Chmn. Donald C. Power noted last week. Addressing meeting of security analysts in N.Y., Powers said that merger with Sylvania was based on latter's 1958 earnings of \$8.4 million. Sylvania's earnings were \$14 million in 1959 and \$13 million in 1960, but are expected to drop to about \$6.5 million this year. "However," he pointed out, "over the 3-year period Sylvania has contributed earnings in excess of its dividend requirements."

Magnavox expects 4th-quarter sales to jump to about \$50 million from \$45 million a year ago, total 1961 sales to top \$140 million vs. 1960's \$124.9 million. Earnings in final quarter should total more than \$4.8 million (vs. nearly \$3 million a year earlier); 1961 profit should rise to \$9.2 million from \$6.5 in 1960. Pres. Frank Freimann said Magnavox sales of TVs, phonos and related consumer products are running 30% ahead of a year ago, noted a 60% increase in stereo phonos. Freimann also reported that 4th-quarter sales of higher-priced stereo radio-phonos are up 150% from year ago—"a trend which we believe will continue through 1962."

Stromberg-Carlson auto radio operation has been sold by General Dynamics to Tenna Mfg., Cleveland, paring S-C Div.'s consumer business down to hi-fi products. Earlier this month, S-C's Pagemaster personal radio business was sold (Vol. 1:13 pll), to Siegler's Bogen-Presto Div.

REVIEWS & FORECASTS: RCA consumer products in 1961 "had their most profitable year since 1955." So said Chairman Brig. Gen. David Sarnoff in his year-end statement detailing his company's "conspicuous success" this year and its confidence for 1962 and the future.

RCA's profits for 1961 will be about the same as 1960, he said, primarily because of the costs of launching its data processing business—but these costs reached a peak in 1961, and 1962 losses in data processing are expected to be about half of what they were in 1961.

He predicted that color TV will attain "an over-all industry rate of approximately \$200 million" (sales, servicing, parts, colorcasting) in 1962. RCA's reorganized Home Instruments Div. increased its share of the black-&-white TV market and made "significant gains" in radios, phonos & tape recorders.

As to other RCA operations: NBC "achieved the highest profit in its 35-year history, establishing a record for advertiser use of NBC-TV, while NBC radio network increased its earnings, and owned stations showed a record profit. Total of 140 advertisers used color on NBC-TV in 1961, when its colorcasting hours totaled 1,670. RCA's Semiconductor & Materials Div. moved into the black, and Tube Div. earnings exceeded those of 1960.

Looking to 1962, Gen. Sarnoff saw no "boom," but forecast new records by American industry in sales of goods & services, in consumer income & consumer expenditures, with electronics holding its position as fastest growing major industry.

Zenith Sales Corp. Pres. Leonard C. Truesdell, whose reputation for accurate forecasting is one of best in industry, believes that total black-&-white TV sales will increase about 5% in 1962—which would bring it to around the 6-million-set mark. In an interview in *Home Furnishings Daily*, he is quoted as making these points:

Zenith is aiming at color-TV sales of 100,000 sets in 1962, and already is oversold on its production capacity for January & February. For the 3rd consecutive year, his company's b-&-w sales have exceeded a million units. Despite the recent trend toward lower-priced portable sets (p. 7), he sees the possibility of price increases by mid-1962 because of higher costs all along the line. He predicts good increases in stereo, and higher dollar volume per unit, because of the attraction of FM stereo.

Factory sales of TV picture tubes rose sharply to 912,281 units valued at \$18,000,957 in October from 771,324 at \$15,478,435 in Oct. 1960, EIA reported last week. Receiving tubes, however, slipped to 32,480,000 units at \$26,155,000 from 33,506,000 at \$27,628,000 in Oct. 1960. For year to date, TV picture tubes ran slightly ahead in units, slightly behind in dollar value, compared with 1960's 10-month totals. Receiving tubes trailed Jan.-1960 both in units & dollars. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	707,833	\$14,430,602	26,343,000	\$22,227,000
February	728,989	14,395,981	25,803,000	21,865,000
March	936,098	18,725,011	36,635,000	30,719,000
April	722,110	14,293,375	28,687,000	24,392,000
May	673,315	13,238,774	29,823,000	25,308,000
June	806,852	15,887,776	31,463,000	25,989,000
July	457,181	9,364,364	27,566,000	20,979,000
August	870,578	17,239,228	36,907,000	31,347,000
September	946,405	18,981,210	37,611,000	30,472,000
October	912,281	18,000,957	32,480,000	26,155,000
Jan.-Oct. 1961	7,761,642	\$154,557,278	313,318,000	\$259,453,000
Jan.-Oct. 1960	7,749,565	155,164,340	335,965,000	282,544,000

Factory sales of both mono & stereo phonos set 1961 monthly highs in October, EIA reported last week, but stereo dropped more than 40,000 units off Oct.-1960's pace. Mono sales climbed 8,000 units ahead. For year to date, both categories continued to trail 1960 sales. Mono sales in October totaled 151,580 units, up from 143,160 a year ago. Stereo sales dropped to 350,254 from 391,821 in Oct. 1960. Here are EIA's figures:

Month	1961			1960		
	Mono	Stereo	Total	Mono	Stereo	Total
January	80,366	211,383	291,749	118,400	341,329	459,729
February	50,710	204,638	255,348	92,648	324,666	417,315
March	62,396	227,469	289,865	63,264	242,523	305,787
April	53,074	152,974	206,048	30,962	142,409	173,371
May	53,887	142,450	196,337	36,793	146,176	182,962
June	61,533	197,170	258,703	69,293	198,407	267,700
July	70,681	171,331	242,012	70,992	222,559	293,551
August	106,157	242,164	348,321	109,321	307,517	410,838
September ..	124,142	328,045	452,187	146,997	384,289	531,286
October	151,580	350,254	501,834	143,160	391,821	534,981
TOTAL	814,526	2,227,878	3,042,404	881,831	2,701,696	3,583,527

Directory of 2,800 small research & development firms has been issued by Small Business Administration, available for inspection at all SBA offices.

CFRB-FM Toronto reports stereocasting 12 hours daily since Sept. 4. Our recent stereo roundup (Vol. 1:12 p9) listed it as due to start soon.

Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Radio	1961—qtr. to Oct. 31	\$11,098,291	—	\$ 255,140	\$0.24	1,065,098
	1960—qtr. to Oct. 31	8,814,157	—	203,090	.19	1,019,739
Collins Radio	1961—qtr. to Oct. 31	44,961,118	\$ 416,627	201,627	.09	2,212,881
	1960—qtr. to Oct. 31	53,341,464	3,374,100	1,484,958	.68	2,163,628
Emerson Radio & Phonograph	1961—year to Oct. 31	70,903,466	—	1,851,684	.84	2,211,492
	1960—year to Oct. 31	63,776,658	—	1,686,568	.76	2,119,685
Hallicrafters	1961—qtr. to Nov. 30	19,283,000 ²	945,000	459,000 ²	.21	2,228,100
	1960—qtr. to Nov. 30	11,683,000	730,000	356,000	.16	2,211,600
Lab for Electronics	1961—6 mo. to Oct. 27	29,678,000	—	516,000	.51	1,136,636
	1960 ¹	—	—	—	—	—
Muntz TV	1961—qtr. to Nov. 30	3,412,716	—	336,340	.23	1,175,876
	1960—qtr. to Nov. 30	2,966,582	—	298,261	.21	1,165,376
Pacific Industries	1961—qtr. to Nov. 30 ³	5,400,000	—	—	.14	—
	1960—qtr. to Nov. 30	4,300,000	—	450,000	.30	—
Packard Bell Electronics	1961—year to Sept. 30	31,887,807	—	(9,511,162)	—	816,493
	1960—year to Sept. 30	44,029,822	—	207,704	.26	811,880
Sony Corp.	1961—year to Oct. 31 ³	51,000,000	—	2,100,000	—	—
	1960—year to Oct. 31	36,800,000	—	1,900,000	—	—

Notes: ¹Comparison unavailable of mergers. ²Record. ³Preliminary.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Avco	Q	\$0.15	Feb. 20	Jan. 26
Columbia Pictures	Stk.	2½%	Jan. 30	Dec. 29
Electronic Associates..	Stk.	5%	Jan. 15	Dec. 26
Electro-Voice	Q	.10	Jan. 15	Dec. 29
MPO Videotronics "A" .	Q	.10	Jan. 15	Dec. 29
MPO Videotronics "B" .	Q	.001	Jan. 15	Dec. 29
Terminal-Hudson Elec..	Q	.06	Jan. 19	Jan. 8
Thompson Ramo Woold.	Q	.35	Mar. 15	Feb. 28

Emerson's Emertron subsidiary posted a net profit of \$333,499 (17¢ a share on 2 million shares outstanding) on \$14,005,369 sales in its 1961 fiscal year ended Oct. 31. This compares with fiscal-1960 pro-forma loss of \$42,352 on \$10,366,487 sales registered by Emertron's predecessor, Emerson's Govt. Electronics Div. (for Emerson's fiscal-1961 report, see financial table).

Trade Personals

Larry F. Hardy, onetime longtime vp-gen. mgr. Philco Consumer Products Div. and PR vp since May 1960, will retire Jan. 1 after 30 years' service, Philco Pres. Charles E. Beck announced last week. Hardy was named PR dir. of the new Philco Corp. when it became a Ford Motor Co. subsidiary Dec. 11 (Vol. 1:14 p10). He will be succeeded by Marc J. Parsons, formerly division relations mgr., Ford PR staff. Beck, in a Dec. 19 internal memo, said that Hardy had announced his plans to retire some months ago but agreed to continue pending completion of the Ford-Philco negotiations. Beck added that Hardy will continue to be available to Philco on a consulting basis.

James H. Kogen, GPE Controls chief engineer, elected 1962 National Electronics Conference pres. . . . Joseph W. Lewis, mgr. of Beckman Instruments' Scientific Instruments Div., elected a vp . . . Maurice M. Rosen elected Progress Webster Electronics pres., succeeding Stuart Caine.

Ross D. Siragusa, Admiral chmn.-pres., elected chmn., General Aniline & Film Corp., succeeding John I. Snyder Jr., resigned; Siragusa had been GA&F's vice chmn.

George K. Bryant, longtime RCA consumer products executive who resigned last spring (Vol. 17:16 p18) after 18 years' service to join Esterbrook Pen Co., elected exec. vp, new post with Camden, N.J. pen firm . . . Andrew Lortant has resigned as Bell Sound ad, sales promotion & PR mgr., effective Jan. 15.

Dr. Robert T. Watson, formerly dir. of ITT's Components & Instrumentation Lab, named vp & dir. of newly formed ITT Industrial Labs Div., based in Ft. Wayne . . . Reginald H. Jones & Herman L. Weiss elected GE vps.

Donald A. Ross named Pilot Radio gen. sales mgr., succeeding L. M. Sandwick, recently appointed staff dir., EIA Consumer Products Div. (Vol. 1:14 p7).

James W. Murray, GPE chmn., also named pres. of new subsidiary, Character Recognition Corp., formed to develop optical & magnetic reading devices.

Obituary

Jack S. Beldon, 51, Magnavox vp & consumer products mktg. dir., died Dec. 15 in Fort Wayne's Lutheran Hospital one week after suffering heart attack. Prior to joining Magnavox in Dec. 1960 (Vol. 16:52 p23), he had been RCA Sales Corp. pres. Previously, he held executive posts with GE and Montgomery Ward.

Frank Peltier, 71, retired Philco vp, died Dec. 15 at his Rydal, Pa. home. The onetime associate of Thomas A. Edison joined Philco in 1938 as engineering mgr., was elected vp in 1950, retired in 1958. He held some 1,000 patents, was a pioneer in the refrigeration field.

Charles W. Shaw, 69, retired Sylvania mktg. executive, died Dec. 17 in Miami Shores, Fla., after a brief illness. He had been with Sylvania for 25 years prior to his retirement in 1957. He was asst. to the mktg. vp when he retired. Previously, for many years, he was gen. sales mgr. for electronic tubes. He is survived by his wife.

Robert A. Neal, 72, retired Westinghouse vp, died Dec. 17 in Palo Alto-Stanford Hospital. He had been with Westinghouse for 44 years, was Pacific Coast vp when he retired in 1954. He is survived by his wife, and 3 sons.