

# WEEKLY **Television Digest**

with

## **Consumer Electronics . . . (starts page 7)**

MAY 6, 1963

NEW SERIES VOL. 3, No. 18

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

### **NAB LIBRARY** SUMMARY-INDEX OF WEEK'S NEWS MAY 6 1963

#### Broadcast

**CONFLICT RISES IN UHF STUDY** as 'haves' & 'have nots' argue how far committees should go in compiling programming & business data—on affiliations, film availability, etc. FCC staff recommends rare exemptions from all-channel-set rules for receivers on master antenna systems (p. 1).

**GE'S TALARIA PROJECTOR** appraised as capable of utilizing full potential of NTSC color on full-size theater screen with movie brightness; company sees near-term demand for 400-500 units (p. 2).

**TRAVAILS OF ETV IN NEW YORK:** FCC looking into any 'understanding' on program policy between WNDT & donors; controversy arose over NBC's \$100,000 gift (p. 3).

**INDUSTRY GEARS FOR NEXT RATINGS ROUND,** Harris Subcommittee giving time for self-improvement planning, NAB Pres. Collins reports on goals. ARB & Nielsen continue working on modifications (p. 4).

**NETWORKS REPLY ON CIGARETTE** commercials, Stanton, Kintner & Goldenson telling Sen. Moss medical information is still lacking, that no special attempt to reach youth is made (p. 5).

#### Consumer Electronics

**COLOR'S FUTURE—PROJECTION?** Provocative question about eventual design of home sets is implicit in GE's Talaria demonstration. Added feature might be inclusion of thermoplastic video recorder (p. 7).

**ALL-CHANNEL LAW** will result in depressed TV sales next year, most industry leaders agree, but extent of impact is debated; strong dissents registered by some who feel law will increase sales (p. 7).

**3M TAPE CARTRIDGE** models to be added next year after nationwide distribution is reached; device seen moving eventually to mass market as competitor to phono (p. 8).

**NEW-LINE CALENDAR** shows debut dates for most manufacturers' new models; few dealer-showing junkets planned this year (p. 9).

**JAPAN PINS HOPE ON TV** for future increases in consumer electronics exports, according to predictions by govt. & manufacturers' association; elimination of sales tax on transistor TV seen as boost (p. 10).

**RADIO IMPORTS UP** another 24% from Japan in first 2 months of year, while average price drops again. Toy radios & tube radios register sharp decline, recorders & phonos rise (p. 10).

**CONFLICT RISES IN UHF STUDY:** Self-interest of parties became more abundantly apparent last week in Washington meeting of executive committee of Committee for Full Development of All-Channel Broadcasting. Chaired by FCC Comr. Lee, committee got into substantial controversy of duties of "Committee No. 2"—on uhf station operation.

Controversy seems about as basic as this: The "have nots" want to dig as deeply as possible into business & programming practices; the "haves" fear that govt. pressure might be brought to bear on status quo, through committee. Meeting ended with majority voting to explore the controversial areas—but with Comr. Lee making it clear that govt. won't pressure anyone, that Commission isn't dictating committee's work.

Uhf station operation committee, under Seymour Siegel, WNYC-TV N.Y., has established these subcommittees: (1) Programming resources, Lawrence Turet, WUHF-TV Milwaukee, chmn. (2) Network affiliations, John English, WSEE Erie, Pa., chmn. (3) Influence of ratings on uhf, rep Adam Young, chmn. (4) Advertising practices, Lawrence Webb, SRA, chmn. (5) CATV & pay TV, William Putnam, WWLP Springfield, chmn.

You can well imagine concern of networks, et al., about a committee probing such things under aegis of FCC. Many reservations were voiced by Peter Kenney, NBC; Harvey Struthers, CBS; Frank Marx, ABC; Vincent Wasilewski, NAB; Lester Lindow, AMST—and several attorneys for vhf operators. Though Lee sought to assure them that subcommittees weren't going to browbeat networks and others about uhf-affiliation practices, price of film, etc., many of foregoing either voted against subcommittees or abstained.

Commission's representatives are very concerned about being labeled "promoters." Reflecting Comr. Ford's reservations, Lee stated that Commission doesn't intend to put out rosy predictions to entice newcomers into uhf station operation. However, as Lee's engineering asst. Robert Weston puts it: "We're promoters in only one sense—promoting the distribution of all-channel sets."

There hasn't been serious split yet in technical committees. However, one may be brewing. Receiver manufacturers are worried about FCC's recent move to allow uhf audio power reduction (Vol. 3:14 p5). Zenith, in fact, last week petitioned Commission to reconsider the action; it insisted that lower audio power will seriously reduce fringe-area reception, that FCC is technically misinformed.

FCC is expected soon to act on requests that manufacturers be permitted to continue making vhf-only sets for schools, hospitals and other organizations using master distribution systems (which need no uhf tuners on sets, because conversion can be done with one master converter).

We understand Commission staff is recommending denial of most requests, on grounds that exemptions might limit uhf-set growth substantially. However, staff suggests to Commission that it grant case-by-case waivers only for receivers shipped to educational institutions for use solely in in-school teaching—and that such sets be labeled "For In-School Use Only."

Staff believes that development of all-channel master distribution systems should be encouraged. All such systems are vhf-only now, because of heavy cable transmission losses occurring at uhf frequencies—but Commission staff believes state-of-the-art can & should be advanced to provide vhf-uhf systems. Staff also believes policing of exempted vhf-only-set distribution would be tough—that such sets might slip into general sale eventually.

Set manufacturers are very uncertain, meanwhile, about potential impact of all-channel law on set sales. For their speculation, see p. 7.

**REPORT ON TALARIA COLOR PROJECTOR:** We were privileged to view one of first demonstrations of GE's Talaria light-valve theater-TV projector last week, and we can report that system appears capable of utilizing full potential of NTSC color signal on full-size theater screen with brightness equivalent to 35-mm film.

This is the projector scheduled to be backbone of National General Corp.'s planned full-time theater-TV network, which is due to begin operation next year (Vol. 3:9 p3). We viewed demonstration at GE's Technical Products Operation in Syracuse, on screen 19-ft. wide, with projector operating at one-third maximum brightness. System is designed for screens as large as giant 39-ft. wide.

Picture we saw had excellent color, comparable to best we've seen on home screen, with full movie brightness extending even to corners. Viewed close-up, limitations of NTSC 525-line system for theater use were obvious; but at distance where we sat (about 2½ screen widths from screen), picture appeared clear & sharp. Talaria system, according to Technical Products Operation Marketing Mgr. Harry E. Smith, is capable (with altered electronics) of handling non-standard and non-encoded color signals up to 20-mc bandwidth. GE has experimentally projected 1029-line picture. (National General's operation will use standard NTSC signal, which AT&T network facilities are designed to accommodate.)

Talaria is based on same principle as Eidophor—use of layer of fluid in place of cathode-ray tube. Electron gun causes ripples in fluid, controlling its light-transmission characteristics. Thus external light source (instead of cathode-ray tube) can be used. GE uses 5-kw xenon lamp for illumination, shines light directly through control layer of fluid, where Eidophor system uses light refracted from layer.

Real breakthrough of Talaria is its color system, which uses only 2 electron guns—one for green and one for red & blue. Green image uses one portion of control fluid and one lens system, red & blue together using single location on fluid and single lens system. Red light emerges from control layer in horizontal plane, blue light vertical; masking system separates the 2 light beams. Combination of 2 colors into one single gun & projection group vastly simplifies registration and makes possible economies in design.

Talaria projector itself is somewhat smaller than 35-mm theater film projector, weighs about 1,000 lb. is designed to fit in projection booth. Prices haven't been divulged yet—but National General's order runs into "millions of dollars" and is believed to involve about 100 projectors. NGC is U.S. distributor of Talaria for entertainment field. GE sees other uses for system—including military, commercial & educational. Smith forecasts "short-range market" for 400-500 units in U.S.

We saw some of units being assembled in Electronics Park, but full production isn't scheduled to begin until late this year. National General will give press preview of system on West Coast in few weeks.

Talaria's brightness exceeds SMPTE standards for 35-mm theater projection on screens up to 36-ft. wide. An additional feature is light-modulation system which reduces effect of scanning lines. In demonstration we saw, pictures from GE's new live color camera were excellent and well registered on giant screen, exceeding in quality the films which were shown on system.

GE officials say they hope eventually to design smaller versions of Talaria for use in halls which don't need theater-size pictures. This gives rise to interesting speculation about possible development of projection color for home. (See story on p. 7).

**TRAVAILS OF ETV IN NEW YORK:** Peculiar to-do has been going on about N.Y.'s ETV station WNDT (Ch. 13). Since many people believe station can & should be nation's ETV bellwether, there's a lot of disquiet among educators and other ETV supporters.

Here's the situation: Station was running short of operating cash for year ending next June 30 (total budget running \$3.1 million). CBS pitched in with \$100,000 recently, then NBC did same. April 17 Variety magazine carried story reporting that WNDT Pres. Samuel Gould, in accepting funds, "guaranteed" that at least 80% of programming would be "strictly classroom-type material." Implication was that CBS & NBC were paying to eliminate programs which might compete with theirs. About same time, Gen. Mgr. Richard Heffner was dismissed. Gould said move was dictated by economics—need to save Heffner's \$32,500 salary. Heffner's friends began rallying around, blasting Gould—but WNDT board backed Gould. Heffner, meanwhile, has signed with Metropolitan Bcstg. to moderate series, "The American Experience."

Then FCC became concerned. WNDT is a sort of pride & joy of Chmn. Minow, because he was a catalyst in getting station bought for ETV use from National Telefilm Associates (it was WNTA-TV, Newark-N.Y.). Naturally, Commission can't condone any program dictation as implied by news stories. Then N.Y. Times played it up, printing exchange of letters between NBC Chmn. Robert Sarnoff & Gould. Wrote Sarnoff: "I was impressed by your outline of plans for the future of WNDT and your conviction that the station must evolve a pattern of operations where the bulk of its service would be directed to the type of educational programs which would serve a specific teaching function, and the rest of the programming would be directed to specialized interests not met by commercial broadcasting." Gould response: "It is a great pleasure to talk with you and [David C. Adams, NBC senior exec. vp] about station policy. I look forward to continuing our discussions at some later time."

Sarnoff & Gould promptly & vehemently denied that any deal had been made. FCC concluded that controversy was too strong to ignore, asked WNDT to tell all about it. Commission's letter is broadly worded to suggest to WNDT that it supply information on any "understandings" with any donors—not only with NBC. This could open a large field, because there are a lot of donors to a lot of ETV stations. But it probably won't; everyone would be much surprised if any clandestine "deal" is uncovered.

Minow is concerned about WNDT's health in a broad sense—in addition to question of Sarnoff-Gould situation. He says he recognizes the dispute among educators—some wanting classroom use, others seeking to provide informational & cultural programs. And, he worries: "If ETV can't go in New York, where can it go?"

William Harley, pres. of National Assn. of Educational Bcstrs., tells us: "We've always felt that an established New York station could give ETV a place in the sun. It provides a showcase and has created much interest through stories in national publications." However, he said N.Y. operation has little in common with other ETV outlets in terms of budget & labor. WNDT has experimented with use of "professional approach" to programming & production.

David Stewart, dir. of NET Washington office and secy. of Joint Council on Educational Bcstg., doesn't believe WNDT operation is so vital, nationally. He says its success is important, but: "ETV is largely a local matter; its national growth isn't dependent on New York."

There are 79 operating ETVs—about two-thirds owned by institutions, one-third by community groups as in N.Y. Looking beyond WNDT's problems, NAEB's Harley stresses 2 areas most important to national ETV growth: (1) All-channel-set distribution—because two-thirds of ETV reservations are uhf. (2) Funds from Congress; Senate last week approved \$1.5 million for ETV facilities for fiscal 1963, following House's similar action. For fiscal 1964, President seeks \$7 million; House has trimmed this to \$5 million.

**INDUSTRY GEARS FOR NEXT RATINGS ROUND:** Industry is being given a few more weeks' wit- collecting time before hearings in ratings investigation resumes. Chmn. Harris (D-Ark.) and his Subcommittee met last week, agreed on taking more time, will meet again in 2 weeks to plan next phase. To be heard: FCC Chmn. Minow, FTC Chmn. Dixon, NAB Pres. Collins, advertisers.

Concern about ratings isn't a partisan thing in Harris Subcommittee. GOP Rep. Springer, from Nielsen's home state of Illinois, isn't seeking to take heat off Nielsen. In speech to Ill. Bcstrs. Assn. last week, he said Pres. A. C. Nielsen Jr. "may be invited to appear and present, in person, whatever testimony he feels was neglected or barred during the 10 days that Nielsen company witnesses were on the stand." Springer also reflected Harris's views—give industry chance of self-policing, legislate if that doesn't work. Harris, incidentally, is expected to make major pronouncement in speech at May 16 SRA luncheon in N.Y. It's understood he's much impressed with way NAB Pres. Collins is handling industry cleanup efforts.

Collins spoke to Canadian Assn. of Bcstrs. in Toronto last week, spelled out NAB's goals: Establishment of a "Broadcast Audit Service" to audit and certify rating services—to see that they do "what they purport to do," complying with minimum standards. He said BAS would be "independent of the rating services and of govt., responsible to the broadcaster." It will function under board including all industry elements. In addition, Collins said, NAB wants "a continuing research program to develop ways of improving rating methodologies & procedures." Said he: "It took a congressional investigation to call us to clear duty." NAB is consulting with leading figures in academic & applied research, will contact rating services shortly.

Confusion of effort, if not actual competition, seemed to be developing between TvB, NAB & others. TvB is working on a "Broadcast Auditing Bureau," same thing as NAB's BAS. However, NAB & TvB representatives have been talking informally about resolving differences. NAB argues that ratings research is management & policy matter, not sales consideration. And then there's RAB, which wants separate radio research project through Advertising Research Foundation—and ARF would like the whole TV-radio auditing job, too.

TvB has been asking Nielsen & ARB to hold off their announced changes, pending further TvB study—but both services told TvB they couldn't wait. Nielsen wired that it will proceed with rate increases based on improvements in local sample designs. ARB wrote that it must go ahead with doubling samples for all reports, said that if it waited too long it wouldn't be able to make change by Sept. 1 for new season. N.Y. Arbitron sample is being increased to 400 homes from current 340; it was 225 year ago.

ARB informed all clients that doubled sample will reduce fluctuations and element of chance. Cost will increase 50-60%. ARB has also established methodology committee to examine diary fulfillment error, etc. It had first meeting April 25, is headed by Dr. Maurice Kendall, pres. of Royal Statistical Society of England, includes 3-4 statisticians from CEIR, ARB parent. ARB also reported that doubled sample was started 1-2 years ago in several markets at request of clients, that some seek even a tripled sample. Among cities where sample (and cost) was increased: Salt Lake, Houston, Greenville-Ashville, Orlando, Daytona Beach, Miami, Stockton.

Nielsen plans to increase number of field supervisors, in addition to changing national sample. Plans for news conference were called off, spokesman stating there is "no hard news" to report.

Nielsen Jr. vigorous defense of his service, and his attack on Subcommittee's actions, continues to irk several members. They claim they leaned backwards to be fair. They said they could have placed addresses of 70 Audimeter homes in record, could have demanded detailed financial records, could have called more field men as witnesses.

In his Illinois speech, Springer also laid it on FTC: "Putting it mildly, perhaps the FTC has not done all that it might have done to assure the accuracy of . . . ratings." In addition, he said: "ARB, Hooper & Sindlinger, while their results may or may not have been good, were given a clean bill of health as far as their honesty was concerned."

FCC's program-form committee is still working on drafts for submission to full Commission. But personnel has changed—new Comr. Cox replacing Chmn. Minow and joining Comrs. Ford & Bartley.

ABC has ordered 11 additional RCA transistorized TV tape recorders (TR-22), bringing its total purchases to 25 units, valued at more than \$2 million, RCA announced last week.

**NETWORKS REPLY ON CIGARETTES:** Networks disagree with Sen. Moss (D-Utah) about "glamour" in cigarette advertising. Because of link between cancer & smoking, he wrote them recently, "I am concerned about the appeal to youth through advertisements which make it appear that the most virile and accomplished of men, the most attractive and feminine of women, and our leaders in almost every field are all cigarette smokers."

CBS Pres. Stanton replied: "First, the medical conclusions to which you refer and with which I am familiar are, of course, not universally accepted in this country. We feel it would be premature on our part to take action in an area in which we are not experts until we have a more generally accepted factual basis."

"Second . . . the advertising of cigarettes, in common with the advertising of most other products, involves the depiction of the use of the product in attractive and pleasant surroundings and a portrayal of pleasurable reactions of users. To do otherwise would negate the purpose of advertising."

NBC Pres. Kintner: "In our general policies we have been guided by the position expressed by [HEW Secy.] Celebrezze: That the government should not undertake to tell citizens to stop smoking; that as reliable information is developed on the consequences of smoking the government has the responsibility to provide the information to the public, and that the choice of whether to smoke or not is an individual one . . . Within this framework, one of the specific aims of our surveillance over cigarette commercials is avoidance of any special appeal to young people."

ABC Pres. Goldenson: "There are differing schools of thought as to whether or not tobacco commercials on television represent or are intended to represent a special appeal to our youth. . . . We have not and will not permit tobacco commercials to appear in programs directed specifically to children . . ."

"The difference of opinion arises mainly in those cases where the programs and commercial content are designed primarily to reach adults, but also are viewed by a number of younger people in the early evening . . . It is difficult to see how this situation can be totally eliminated short of an outright ban against tobacco advertising."

**WGN-TV Chicago** is latest big broadcaster jumping into CATV field—contracting to buy 2,100-subscriber Houghton, Mich. system from TelePrompTer for undisclosed price. Exec. vp Ward Quaal said station hopes to buy or build more systems. It's understood acquisitions won't be limited to Midwest and that extensive investment may be made. TelePrompTer said that sale doesn't mean it's reducing CATV activity; it will expand in CATV elsewhere, has some 40,000 subscribers on other systems. (For list of broadcasters in CATV, see Vol. 3:17 p3).

**Replacement for FCC Chmn. Minow** when he goes (when he goes, nobody knows) shouldn't be a broadcaster, according to EIA's Land Mobile Communications Section. Its Chmn. William Weisz, Motorola, wrote President Kennedy, telling him new man should have experience in "the entire radio spectrum" rather than broadcast-only or no radio experience.

**NBC News' documentary films** will be distributed by McGraw-Hill, for educational purposes. Under agreement, McGraw-Hill has first choice of shows for coming year.

**NAB As Program Adviser:** NAB program dept. moved major step toward reality, when special committee recommended its creation. Committee headed by co-chmn. Joseph Baudino, Westinghouse, and Allan Page, KGWA Enid, Okla., will take final action June 4, recommending to NAB Board how program services should be provided.

NAB Pres. Collins had urged the study, was given go-ahead on it by Board last Jan. NAB once had a program dept., in late 1940's, but most of its work consisted of revising radio code. It's assumed new dept. will be expected to do considerably more.

**Annual CBS-owned TV stations' international program exchange** will be joined this year by broadcasters from 8 countries: Radiodiffusion Francaise, govt.; Norddeutscher Rundfunk (West Germany), govt.; Swiss TV Service, govt.; Radiotelevisione Italiana, govt.-franchised commercial; Canadian Bestg. Corp., govt.; Telesistema Mexicano, private; Tokyo Bestg. System, private; Telefis Eireann (Ireland), govt. American program to be exchanged will be "The International Hour: American Jazz," produced by WBBM-TV Chicago, sponsored by Miller Brewing (Vol. 3:14 p8). It will be seen on 5 CBS outlets week of May 20; foreign shows will be seen in following weeks.

**Only 3 TV stations** still charge sponsors extra for tape playback of spot commercials, according to survey by Videotape Productions of N.Y. as reported in its external house organ, *Tape Measures*. According to report, they are WJBF Augusta, Ga. (\$2 per min. spot), WLW-TV Cincinnati (\$30 per min. spot), WTVO Rockford, Ill. (\$5 per min. spot). Stations reported as having recently eliminated spot playback charges are KLBK-TV Lubbock, Tex.; WDBJ-TV Roanoke, Va.; WBTW Florence, S.C.; WNCT Greenville, N.C.; WPIX N.Y.; WTAR-TV Norfolk.

**New TV applications** filed during last 2 weeks: Ch. 79 Toledo, by Producers Inc. (owner of WTVW Evansville and other properties); Ch. 3 Vernal, Utah by owners of KREX-TV Grand Junction, Colo.; Ch. 40 Fontana, Cal. by Angel Lerma Maler, producer of Spanish-language TV programs, who says he will stop distribution to Los Angeles area TV stations and program exclusively over Ch. 40 if granted; Ch. 36 Atlanta by Supreme Bestg. Co. (also Ch. 33 applicant for Miami and part owner of WORA-TV Mayaguez, P.R.); Ch. 3, educational, Portales, N.M. by Eastern New Mexico U. (For details, see *TV Addenda 33-L & K*, supplied to full service subscribers.)

**Legislation setting uniform time standards** received support from NAB, Exec. vp Vincent T. Wasilewski informing Chmn. Magnuson (D-Wash.) of Senate Commerce Committee that such standards would "lessen clock confusion." Magnuson bill—and similar one by Sen. Cotton (R-N.H.)—would establish 8 standard time zones: Atlantic, Eastern, Central, Mountain, Pacific, Yukon, Hawaii-Alaska, Bering. Bill would replace daylight savings laws, would establish "advance-time sub-zones" with "uniform switchover dates."

**Admitted quiz-riggers** Jack Barry & Dan Enright should get renewal of their radio WGMA Hollywood, Fla., according to FCC Examiner Elizabeth Smith. She concluded in initial decision that they've been bad boys—but that their operation of WGMA in "a highly commendable manner" warrants renewal.

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Montreux, Switzerland . . . **Tod Moore**, ex-Ted Bates asst. vp & account exec., named spot TV sales development dir., Katz Agency.

**Charles Woodard Jr.**, vp & asst. to pres., Westinghouse Bcstg., appointed Peace Corps associate dir. for public affairs . . . **John C. Doerfer**, ex-FCC chmn., appointed gen. counsel-exec. secy., Maryland-D.C. Bcstrs. Assn.

**Jack Kuncy**, ex-CBS-TV, appointed Westinghouse Bcstg. exec. producer . . . **Joseph Fusco Jr.**, ex-Official Films, named to new post of sales promotion dir., 20th Century-Fox TV.

**Guy Cunningham**, TvB creative dir., elected vp . . . **Riek Chapman**, ex-Ted Bates print procurement supv., named sales dept. admin. asst., Videotape Productions.

**Richard Hill**, ex-film producer & salesman, appointed Video House western div. mgr., L.A.; **Gerald S. Corwin**, ex-NTA regional sales mgr., named central div. mgr., Minneapolis.

**Howard Duncan** elected vp-sales dir., WEHT Evansville & KGUN-TV Tucson; **William Hight** elected vp in charge, WEHT . . . **George W. Bowe** promoted to asst. program mgr., WTIC-TV Hartford.

WBKB Chicago promotes **Carl Tubbs** to exec. producer, **Bob Rhodes** to sports dir., **Lynne Walker** to women's dir . . . **Robert E. Arne**, KTVU San Francisco-Oakland chief engineer, elected vp.

## Personals

**Lawrence White**, ex-Goodson-Todman program administration dir., rejoins CBS-TV as program development dir. . . . **Len Chaimowitz**, ex-*Newsday* (L.I.) feature writer, named WCBS-TV N.Y. press representative for public affairs programming.

**William Firman**, ex-CBS Radio asst. gen. sales mgr., named ABC-TV dir. of sales for news & public affairs; **James T. Shaw Jr.**, ex-Miller-Shaw Productions, appointed asst. daytime sales mgr.; **Irv Wilson** named dir. of sports & special programs sales.

**Sid Garfield** promoted to CBS-TV network exploitation dir. . . . **Harry J. Feeney** promoted to associate dir., trade & business news, CBS-TV press information; **James J. Kane** to associate dir., affiliate press relations.

**William A. Corley**, editor, NBC Radio's *World News Roundup*, named NBC News mgr., Chicago, for network & WNBQ-WMAQ; **Malcolm R. Johnson**, NBC News program service mgr., named night mgr., succeeding **Samuel Sharkey**, appointed exec. news mgr., KING-TV Seattle.

**William E. Goetze**, ex-vp & gen. mgr., KOGO-TV-AM-FM San Diego, appointed pres., A. H. Meyer Co., San Francisco RCA distributor . . . **William Cooke**, ex-CBC TV sales mgr., named to represent CBS-TV network sales in Canada, hq in Toronto.

**Lawrence J. Pollock**, ex-WABC-TV N.Y. research & advertising services dir., appointed gen. sales mgr., WTEN Albany . . . **Marvin W. Grieve**, ex-Video Craft sales vp, appointed United Artists Associated national spot sales mgr.

**Serge Bergen**, Washington consulting engineer, planning to attend May 20-25 International TV Symposium,

## Obituary

**Leon Pearson**, 63, NBC News, died April 29 at Roosevelt Hospital, N.Y., after heart attack suffered April 18. He joined NBC in 1947 after working with brother, **Drew**, producing "Washington Merry-Go-Round" column & radio program, and later working for INS. Recently, he was NBC entertainment critic. He is survived by wife, brother, 3 sons, one of whom, **Andrew**, is NBC correspondent-cameraman in New Delhi.

New anti-payola rules finally have been adopted by FCC, will be released this week. It's understood that feature films will be exempted, but that Commission concludes they're covered by law, that FCC will keep eye on industry practices and remove exemption if & when abuses develop.

"Telebi," as it's called in Japan, gets clever treatment in article by **William J. O'Neill** in *May Show Magazine*. *Ben Casey* is top show, and the late-night erotica would curl your hair: "Even the commercials would have made a Minsky blush."

Televising of Senate debates on major issues will be urged by Sen. **Javits** (R-N.Y.) in resolution he will introduce this week, according to by-line story in May 11 issue of *TV Guide*. He says Rules Committee would set times & conditions for coverage.

**Macabre suggestion:** Resolution proposing telecast of 4 Cal. gas-chamber executions was proposed by Assemblyman **Lester A. McMillan**, opponent of death sentence.

FCC Chmn. **Minow** will be featured in June 3 *Brinkley Journal*. Program was filmed in Minow's office May 3.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**IS PROJECTION IN COLOR'S FUTURE?** We call your attention to report on p. 2 which we believe is first published review of GE's Talaria color theater TV system—because it is just possible that Talaria may hold clue to eventual new design of home color sets.

Talaria in present form is fantastically expensive—and GE officials deny practicability of developing home version of system in near future. Nevertheless, you'll note that Talaria overcomes biggest stumbling block in projection TV and goes long way toward licking a major problem inherent in projecting color.

All home TV projection systems have suffered from fatal drawback of poor brightness. Talaria licks this completely by use of external (rather than cathode-ray) light source. Second problem, color registration, is vastly simplified through use of 2 electron guns instead of 3—requiring convergence of only 2 images.

Despite its complexities, Talaria-Eidophor principle is the only known method of developing practical brightly illuminated projection TV for the home. And this type of projection system—when & if evolved into home equipment—may offer another startling advantage:

Combining it with related process of thermoplastic recording—which works on same principle and was demonstrated by GE early in 1960 (Vol. 16:3 p2)—might make possible a simplified home video recorder at lower cost and earlier date than can be achieved via magnetic recording principles.

**ALL-CHANNEL LAW—WHAT EFFECT ON SALES?** One year from now, production of TV sets for sale on U.S. consumer market will be confined to all-channel receivers. Inclusion of uhf tuners will result in price increase to public which has been estimated at \$20-\$30 over vhf-only models. What will this do to next year's TV market?

We questioned large number of TV set industry's leading figures on this issue. Predominant opinion was that price increase inherent in all-channel law would hurt TV unit sales temporarily. But this view was not unanimous—2 high industry figures predicted added features of uhf, together with promotion of all-channel sets, would boost, rather than hurt TV sales.

There seems to be no uniformity of opinion as to how long vhf-only sets will be on market after U-Day next April 30 (sets made through cut-off date can legally be shipped and sold), whether these vhf-only sets will be drug on market suitable only for dumping, or whether they'll be highly prized & sought after in non-uhf markets because of their somewhat lower list prices.

Those who thought law would hurt set sales agreed that biggest impact would be at low end, where price is important. Zenith Sales Corp. Pres. Leonard C. Truesdell pointed out that inclusion of all-channel tuner would raise price of low-end set by 15-20%. "People may not be so quick to buy a 2nd set," he said. "But if a person really wants a set, he'll pay the price."

Truesdell pointed out that 50% of 19-in. sales are in \$169-or-lower price bracket and that 19-in. market represents 65% of total black-&-white sales—therefore "this could affect an important part of the market." The remedy? Stop selling on price alone, said Truesdell, returning to his theme song: "This again proves price selling doesn't pay. For the love of Pete, why beat prices down so low?"

Another official of a TV manufacturing firm, who requested anonymity, told us: "Of course it will depress sales—a \$30 increase has got to hurt. A strong publicity program could help minimize loss of sales. Fortunately, we'll still be allowed to sell our vhf-only sets on the market at the same time. How much will sales drop? As a rule of thumb, I'd say it would be the same percentage as the price increase. Thus a 20% increase in prices of low-end portables will mean a 20% drop in that part of our business. How long this continues will depend on how well we promote to the consumer that he's getting something for this extra

money. I personally feel this condition will last about 6 months. As production and knowhow improve, all-channel tuner prices should start coming down, partly offsetting the increase."

Motorola Pres. Robert W. Galvin took note of problem in recent annual report, in which he stated that all-channel bill will cause "moderately deflating situation" in TV business at first, probably ending in fall 1964 as consumer becomes accustomed to all-channel TV.

"We feel it will hurt sales at first, but we don't know how much," said a Magnavox spokesman. "Forcing the consumer to pay extra is bound to have an adverse effect."

As GE analyzes it: "Of the 3 buying groups—original set, 2nd-set and replacement—only the 2nd-set buying group will be sharply affected, and this should only be temporary. At the outset, price differential will be about \$20 [between all-channel & vhf-only set], but competition will knock it down to about \$10. At retail, this is not a tremendous enough figure to be a major stumbling-block."

Three other manufacturers thought law would have no appreciable effect on TV buying one way or another. Said one: "Next year there'll still be so many vhf sets available that there'll be no effect at all. Toward the end of the year it might hurt, might slow down black-&-white sales. But remember, everybody will load up on vhf-only sets during the first quarter, so they'll be available most of the year."

"The market is influenced by economics, not legislation," said a Philco spokesman. "All manufacturers will be in the same boat. We're already noticing an increasing demand for all-channel sets; by the end of this year about 20% of our mix will be all-channel." Said another big set maker: "We're not concerned, since we think it will have no noticeable effect on buying. As one of our big dealers says, 'let's stop talking about that \$20 and sell sets.' The only thing that concerns us is the possibility of vhf dumps."

Accenting the positive, Emerson Pres. Benjamin Abrams thinks all-channel law "will have a salutary effect on TV. It's a new thing and will stimulate buying of 'up-to-date sets.' Our own business is now 20% all-channel, increasing continually; 80% of the sets we ship to Los Angeles have uhf, and even N.Y. is beginning to wake up. By fall, I think 30-35% of all set sales will be all-channel."

"I think it will boost sales rather than hurt them," reasons Sears Roebuck's TV chief H. E. McCoy. "It should rejuvenate the whole industry. Looking for a feature? This is a real one—not a gimmick. This is something more to talk about—more stations. People are beginning to learn about uhf—in Chicago they're asking for all-channel sets and the uhf stations haven't gone on the air yet. To the customer, it's often simpler than to the dealer. Let's not complicate it. What all-channel does can be said in a few words—it makes more TV stations possible."

"We must be fair with our customers," continued McCoy. "Anyone who sells vhf-only receivers after next April 30 to gain price advantage is kidding himself. I don't know of a better way to encourage growth of this industry than to help increase programming sources and competition between broadcasters. The all-channel law makes it possible for us to help develop this business and eventually increase the market for sets. Sears has been working for more than a year on all-channel campaign, pushing it very vigorously for the last 6 months, and our all-channel sales constitute a greater percentage of total merchandise each month."

**NEW 3M TAPE CARTRIDGE MODELS IN '64:** Minnesota Mining is "starting at the top" with its 3M-Revere tape cartridge system at \$450 (Vol. 2:46 p9), but has no intention of confining system to the audiophile's rarified price range. 3M has the time, and it's gaining the experience—but there's no doubt it hopes eventually to aim cartridge system squarely at mass market. Nor is there any doubt that world's biggest tape maker will marshal its considerable forces in drive to obsolete both records & phonographs.

That's the mighty oak which 3M hopes to cultivate carefully from its \$450 acorn. At present, the single portable tape cartridge changer system (which provides 15 hours of music from stacked 3¾-in. square cartridges) is working its way into national distribution. From its present areas of St. Louis, Minneapolis-St. Paul, San Francisco & Los Angeles, it will fan out this month to Chicago, Kansas City, Omaha, Des Moines, Seattle & Portland, reaching all major markets this fall.

As to its sales success, Revere product mgr. Darrell H. Boyd will say only that it is "more than meeting our expectations" and that additional franchised dealers have been added in the 4 original market areas. Customers have principally been component hi-fi enthusiasts (who use recorder as additional component).



people who want compact music system because of space limitations, and professional people seeking background music systems, Boyd told us recently.

No new models are planned this year, and national advertising—when it begins this fall—will be keyed to single unit, according to Boyd. After national distribution has been attained, he says, new models will be first order of business—for 1964. But even then, there's no sign of low-priced unit. Although Boyd wouldn't comment, it's good speculation that 3M will continue to try to skim cream from top of market—aiming at both component & package areas with tape-cartridge deck (sans amplifier & speakers) and furniture console.

Obviously deck could also be sold on OEM market, but if 3M has any OEM deals now it's certainly not talking about them. It does say it's interested, however.

Other new-model possibilities which may eventually come under consideration: Single-play cartridge player for automobiles; battery portable.

In its marketing experience to date, 3M seems to have sold larger-than-expected ratio of blank tape cartridges to pre-recorded selections. Presently only 60 pre-recorded selections are available (more will be announced soon), priced rather steeply at \$8.95 & \$9.95. Boyd's personal feeling is that customers have been buying blank tape to build up libraries of recordings made from the air or from discs, and that as available repertoire increases there'll be far smaller proportion of blank to pre-recorded tape sales.

One step in making cartridge system a competitor of record changers may well be elimination of recording feature—at least in competitive models. This obviously can't be done until cartridge tape repertoire is somewhat comparable to discs. But what is starting as record-&-play system may well end as a play-only system competing principally with phonos rather than with tape recorders.

It's not logical that 3M plans its cartridge machine as competitor to conventional tape recorders (which it is now). As matter of fact, the cartridge machines use far less tape than open-reel machines for comparable playing time (tape is only 1/7-in. wide, runs at 1 7/8-inch per sec.). Real goal—albeit, perhaps, far in 3M's future master plan—obviously is unseating of the plastic platter as source of America's recording music and replacing it with 3M-made magnetic tape.

**CALENDAR OF NEW-LINE SHOWINGS:** It could be uncertainty over Internal Revenue Service rulings, or just a straight get-down-to-business attitude, but we see few, if any, new-line showings scheduled at special dealer junkets this year.

Survey of industry indicates most unveilings will be held about same time as last year—that is, from mid-May to mid-June—and almost all will be labeled "for distributors only," distributors having their own open houses for dealers later. A good number of manufacturers are still vague about debut dates. Here's schedule of showings available so far:

Manufacturer	Products	Dates	Event & Location
Admiral	TV, radio, phono	Week of May 19	Distributors, Chicago
Du Mont, Emerson, Telectro	TV, radio, phono, recorders	Not set	Distributors, probably Miami Beach
General Electric	TV, console phono radio, portable phono	June 3-7 May 19-20	Distributors, Appliance Park, Louisville Las Vegas
Magnavox	TV, radio, phono	July 21-25	Music Show, Chicago
Motorola	—	Not set	To be announced
Olympic	TV, radio, phono	June 2-5	Distributors, Chase Hotel, St. Louis
Packard Bell	TV, radio, combos	June 3-6	Distributors, Miramar Hotel, Santa Monica
Philco	TV, radio, phono	May 18-20	Distributors, Fontainebleau, Miami Beach
RCA	TV, radio, phono	May 15-17	Distributors, Riviera, Las Vegas
Sylvania	TV, radio, phono	June 5-7	Distributors, Edgewater Beach, Chicago
Symphonic	TV, phono	May 19-22	Chicago
Westinghouse	TV, stereo radio, phono	May 20 Not set	Distributors, Cleveland To be announced
Zenith	TV, radio, phono	May 23-25	Distributors, Chicago

**TV-RADIO PRODUCTION:** EIA statistics for week ended April 26 (17th week of 1963)

	Apr. 20-26	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV .....	138,536	131,801	131,543	2,285,072	2,200,201
Total radio .....	355,989	312,176	352,278	5,543,150	6,098,498
Auto radio .....	145,257	135,276	123,233	2,528,084	2,137,627

**JAPAN PINS HOPE ON TV:** TV is shining new star in Japanese export firmament, judging from predictions emanating from Tokyo which envision TV shipments overseas increasing more than all other categories.

Decision of Japanese govt. to waive domestic commodity taxes on transistor TV from May 1, 1963 to March 31, 1966 is expected to increase purchases by Japanese, leading to production and lower export prices. Tax on sets with screen sizes less than 20-in. has been 10.32% of retail list price; tax wasn't imposed on exported sets.

EIA of Japan estimates production of transistor TV sets will total 600,000 units this year, of which 240,000 will be exported at average FOB export price of \$82 a set. In 1964, EIAJ forecasts increase of total output to 1.2 million, with 600,000 exported at \$71 each, and in 1965 total would rise to 2.4 million, of which 960,000 would be exported at average of \$60.

Meanwhile, Japan's Ministry of International Trade & Industry released new 5-year plan for electronics industry, forecasting increase of 171% by 1967 to \$3.2 billion output (increase from 1957 to 1962 was 300%). In its forecasts of 1963 exports, MITI sees TV leading consumer electronics growth, rising 44% over 1962 to \$31.8 million (or approximately 500,000 sets at current prices). Modest growth of 1.4% in radio exports (to \$163.2 million) is predicted, with radio-phono exports going up 10.1% to \$12.6 million, recorders 26.1% to \$47.7 million.



February factory sales of TV picture & receiving tubes declined sharply in both units & dollars from Feb. 1962, EIA reported. Unit sales of TV picture tubes dropped to 636,392 from 733,670 a year ago. Dollar value slumped to \$11,990,596 from \$13,944,313. Receiving tube sales declined in units to 26,382,000 from 27,977,000. Dollar value fell to \$22,354,000 from \$23,841,000. Here are EIA's figures:

	Picture Tubes		Receiver Tubes	
	Units	Dollars	Units	Dollars
January	890,246	16,846,046	27,025,000	22,524,000
February	636,392	11,990,596	26,382,000	22,354,000
Jan.-Feb. 1963	1,526,638	28,836,642	53,407,000	44,878,000
Jan.-Feb. 1962	1,535,731	29,569,617	57,588,000	48,647,000



"Integral Circuit Package" (ICP) is new name chosen for microelectronic products—at least for marketing purposes—by EIA's Marketing Services Dept. as result of nearly year of study by 50 manufacturers working under EIA's semiconductor marketing services committee. ICP will be over-all designation for circuits identified by such terms as microelectronics, microminiaturization, integrated, modular, functional, etc. Calling ICP "the most important techno-economic trend in the electronic industries," committee developed series of definitions to permit measurement of various products composing this market.

**Radio Imports Up, Too:** Exports of transistor radios from Japan to U.S. took another jump—nearly 24%—during first 2 months of 1963, as compared with same 1962 figure. This Japanese govt. tally follows recent report that U.S.-bound shipments of TV sets during 2-month period increased almost tenfold from comparable 1962 figures—52,578 units vs. 5,290 (Vol. 3:15 p8).

Exports of toy transistor radios (fewer than 3 transistors) and tube radios, however, were down about 43% each during first 3 months of year, while radio-phono & recorder shipments increased substantially. Here are unit & dollar-volume Japanese exports to U.S. for Jan.-Feb. 1963 (with unit shipments for same 1962 period in parentheses):

Transistor radios (3 or more transistors), 939,587 at \$7,180,538 (vs. 760,302 last year); tube radios, 123,312 at \$794,833 (215,490); toy radios, 298,762 at \$751,858 (529,115); tape recorders, 229,344 at \$2,528,161 (148,623); radio-phonos, 19,841 at \$917,919 (9,868).

Meanwhile, U.S. Customs figures on imports during the 2-month period, as compiled by *Electrical Merchandising Week*, showed 32,278 TV sets entering U.S. from Japan, valued at \$1,948,042, and 79,251 transistor radios from Hong Kong at \$312,479, plus 33,664 transistor radios from Okinawa at \$140,731. (This is first year Customs is compiling figures on TV set imports.)

Average prices of transistor radios continued their decline in this year's figures. For 2-month period, average billing price of transistor radios exported from Japan was \$7.64, compared with \$9.19 for full-year 1962 and \$10.60 for 1961 (Vol. 3:6 p7). Transistor radios imported from Hong Kong dipped to slightly below \$4 average, from \$5.19 last year and \$6.28 in 1961; Okinawa average sank to \$4.18 from \$5.15 in 1962 and \$6.01 in 1961.



Philco claimed a basic color patent last week when Patent Office dismissed 13-year-old interference proceedings by RCA and granted patent to Philco as assignee of inventors Wilson P. Boothroyd & Edgar M. Creamer Jr. Boothroyd, former Philco electronic engineering mgr., is now with Sylvania; Creamer is mgr. of Philco's advanced development engineering lab. Patent, which Philco claims is essential to NTSC method of transmitting & receiving color, relates to process of superimposing color information on b&w information within same 6-mc channel. Under terms of last January's RCA-Philco patent license settlement (Vol. 3:1 p7), RCA will have non-exclusive license for life of the patent. Philco officials said they hadn't yet determined whether they will seek back royalties from other manufacturers or how they would attempt to license others under the patent.

Channel Master has cut prices on 12 transistor radios from \$2 to \$20. Leader 6-transistor set now has \$14.95 list and \$12.95 minimum retail price.

## Trade Personals

**David Sarnoff**, RCA chmn. & **Frank Stanton**, CBS Inc. pres., named to committee of 100 planning dinner for Roger Blough, U.S. Steel chmn., who receives National Conference of Christians & Jews' brotherhood award May 14 at Americana Hotel, N.Y.

**Robert S. Alexander** terminates chairmanship of Wells-Gardner as board eliminates post at his suggestion "to better identify members of operating management;" he continues as a dir., representing ITT . . . **George F. Smith**, Magnavox Govt. & Industrial Div. vp-gen. mgr., elected a dir.

**George D. Hill** elected Westinghouse Credit Corp. controller, a new post . . . **Harold Goldberg** elected Raytheon engineering & research vp . . . **Robert A. Marshall** named ITT Federal Labs mktg. vp.

**Paul W. Van Orden** appointed sales planning mgr., GE Electronic Components Div.; **Charles A. Richardson** named field sales operations mgr.

**Paul E. Bryant**, Fisher Radio gen. sales mgr., promoted to sales vp. . . **R. E. Culligan** appointed sales promotion mgr. of Minnesota Mining's Revere-Wollensak Div., a new post; **S. C. Prater** named division's consumer products ad mgr.

**Simon Pomerantz** appointed Jerrold Corp. treas. & asst. secy. . . **Joseph W. Gross**, former GE receiving tube district sales mgr., joins Du Mont Labs' Electronic Tube Div. as power tubes sales mgr., a new post.

**Distributor Notes:** Admiral names 2 home entertainment & appliances distributors: **Vaugh Electrical Co. of Maine**, Portland, for Maine & 2 northeastern New Hampshire counties; **Marshall Wells Co.**, for Fresno, Cal. territory • **Motorola** appoints **Jones Distributing Co.**, Sioux City, Ia., to service region formerly served by **McKenzie Distributors** • **Ampex** names **George S. Shoaf** northeastern regional manager for all sales & service activities, succeeded by **Thomas W. Harleman** as midwestern regional mgr. • **Motorola's** Washington, D. C. distributor, **Washington Appliance Wholesalers**, adds Maryland's Western Shore area, including Baltimore; **Artcraft Electric Supply**, Salisbury, Md., adds 12 Eastern Shore counties. The territories formerly were served by **Motorola-Baltimore**.

Major new market for transistors has been opened by Western Europe's current plans for widespread UHF TV broadcasting, reported **Philco Lansdale Div.** vp-gen. mgr. **Michael W. Newell**. He said **Philco** expects to deliver some 500,000 transistors to European TV set makers this year. Most European countries have passed govt. regulations requiring all-channel TV sets, he noted.

**Zcniht's** famous **Trans-Oceanic** 8-band portable radio, first introduced in 1941 in tube version (and since transistorized), has been reduced from \$250 to \$199.95, including batteries, as result of "new technology in transistors and their circuits."

TV set sales in Washington, D. C., for first quarter 1963 increased to 24,566 from 1962's 19,780, according to **Electric Institute of Washington**. Color sales totaled 1,007 (no color figures reported for same 1962 period).

**Mergers & acquisitions:** **Advance Ross Electronics** stockholders have approved proposal by **H. M. Byllesby & Co.** to acquire company's remaining outstanding common stock on share-for-share basis (Vol. 3:13 p12). **Byllesby** currently owns 32% of TV components maker's 707,131 shares • **GPE** is negotiating to acquire electronic systems manufacturer **Radiation Inc.**, Melbourne, Fla. for some 296,000 **GPE** common shares. Exchange would be on basis of one **GPE** share for each 3½ **Radiation** common shares • **Hewlett-Packard** has teamed with Tokyo-based **Yokogawa Electric Works** to form **Yokogawa-Hewlett-Packard Ltd.** to produce electronic measuring equipment in Japan. **Hewlett-Packard** will own 45% of new company, subject to approval of Japanese govt.

**Packard Bell** board has approved sale of \$5 million in 5½% 15-year convertible debentures to Bermuda-based **Electronics International Capital Ltd.** Company also reported conclusion of its last major loss contract through negotiation with **Telecomputing Corp.** One small loss contract remains & is scheduled for completion in June. Pres. **Robert S. Bell** said that "reserves set aside at the end of fiscal 1962 are believed more than adequate to cover any losses on the remaining contract."

**Packard Bell Electronics' Home Products Div.** increased sales a record 38% in fiscal-1963's first half, ended March 31, from year ago. Distributor sales climbed 44%. Vp-gen. mgr. **Kenneth R. Johnson** said sales momentum is continuing, noted that April's volume in first 3 weeks was at all time high.

**Chris Craft** (formerly **NAFI Corp.**) reported first-quarter profit decline from year-ago's \$469,240. Pres. **John G. Bannister** forecast that 1963's operating profit would top 1962's \$1.4 million. However, because of uncertainty of realizing nonrecurring profit from sale of assets as in previous years, he said he couldn't predict whether net income would exceed 1962's \$2.1 million.

**P. R. Mallory**, which suffered sales & profit sag in first quarter (Vol. 3:16 p12), expects total 1963 sales to fall 1-2% from 1962's record \$99.1 million. Pres. **G. Barron Mallory** also told annual meeting that earnings "may not be as high" as 1962's peak \$5.1 million. He attributed profit squeeze largely to price pressures & rising material costs.

**Four Star TV** earnings in fiscal 1963, ending June 30, are expected to compare favorably with year-earlier's \$1.20 a share. Pres. **Thomas J. McDermott** said fiscal-1963 will include "substantial write-offs & a special credit." Revenues will include a \$500,000 tax-free insurance payment on life of late Chmn. **Dick Powell**.

**Macfadden-Bartell** is being sued by Justice Dept. for \$95,000 at **FTC's** request on grounds that company violated 1960 order prohibiting payment of discriminatory promotional allowances to certain distributors of its publications.

**Hallcrafters** has arranged for \$6 million in new financing to retire present short-term loans & to increase working capital.

**Reports & comments:** **Metromedia**, study, **Coggeshall & Hicks**, 111 Broadway, N.Y. 6 • **RCA & GT&E**, comments, **Carl M. Loeb, Rhoades & Co.**, 42 Wall St., N.Y. 5.

**Reeves Industries Inc.** is new name of **Reeves Soundcraft Corp.**, following stockholder approval.

## 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
Crowell-Collier	1963—qtr. to Mar. 31	\$ 21,810,066	—	162,639	\$0.05	3,256,552
	1962—qtr. to Mar. 31	16,989,671	—	226,869	.07	3,091,886
Eitel-McCullough	1963—qtr. to Mar. 31	6,580,000	—	151,000	.08	1,842,258
	1962 <sup>5</sup>	—	—	—	—	—
Four Star TV Story on p. 11	1962—26 wks. to Dec. 29	—	—	187,111	.31	600,000
	1961—26 wks. to Dec. 29	—	—	367,461	.60	600,000
General Bronze	1963—qtr. to Mar. 31	4,114,822	\$ (172,220)	(172,220)	—	391,820
	1962—qtr. to Mar. 31	3,518,297	9,457	9,457	.02	391,820
Giannini Scientific	1962—year to Dec. 31	12,108,538	—	272,180	.46	397,871
	1961—year to Dec. 31	4,620,338	—	157,312	.42	397,871
International Resistance	1963—15 wks. to Apr. 14	8,588,476 <sup>6</sup>	922,089	452,089	.31	1,462,209
	1962—15 wks. to Apr. 14	8,391,400	1,480,596	680,896	.46	1,433,388
Lear Siegler	1963—9 mo. to Mar. 31	147,591,261	6,401,383	3,937,778	1.00	3,911,168
	1962 <sup>1</sup>	—	—	—	—	—
	1963—qtr. to Mar. 31	49,548,289	1,431,725	1,024,722	.26	3,911,168
	1962 <sup>1</sup>	—	—	—	—	—
Ling-Temco-Vought	1963—qtr. to Mar. 31	79,242,000	2,697,000	1,672,000	.60	2,783,821
	1962—qtr. to Mar. 31	82,347,000	2,223,000	2,223,000	.80	2,781,832
Oak Mfg.	1963—qtr. to Mar. 31	9,345,333	502,685	240,685	.35	667,074
	1962—qtr. to Mar. 31	7,415,802	569,463	276,013	.42	655,794
Packard Bell	1963—6 mo. to Mar. 31	27,553,000	791,000	752,000	.88	854,043
	1962—6 mo. to Mar. 31	23,776,196	661,895	661,895	.78	854,043
	1963—qtr. to Mar. 31	13,278,000	247,000	229,000	.27	854,043
	1962—qtr. to Mar. 31	11,730,615	186,751	186,751	.22	854,043
Pentron Electronics	1963—9 mo. to Mar. 31	7,811,156	—	133,384 <sup>2</sup>	.05	2,532,644
	1962—9 mo. to Mar. 31	7,542,604	—	364,553	.15	2,441,037
	1963—qtr. to Mar. 31	2,891,709	—	93,112 <sup>3</sup>	.04	2,532,644
	1962—qtr. to Mar. 31	2,815,521	—	201,459	.08	2,441,037
Sonotone	1963—qtr. to Mar. 31	5,833,100	—	—	.09 <sup>4</sup>	1,224,271
	1962—qtr. to Mar. 31	5,088,321	—	509,746	.03 <sup>4</sup>	1,169,137
Trans-Lux	1963—qtr. to Mar. 31	—	—	142,718	.20	723,037
	1962—qtr. to Mar. 31	—	—	192,920	.26	723,037

Notes: <sup>1</sup> Unavailable because of June-1962 merger of Lear & Siegler.  
<sup>2</sup> Before \$300,000 provision for anticipated loss on obsolete inventories.

<sup>3</sup> Before \$100,000 provision. <sup>4</sup> After preferred dividends. <sup>5</sup> Not available, quarterly earnings heretofore not released. <sup>6</sup> Record.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Allied Radio .....	Q	\$0.08	May 26	May 14
Avnet Electronics .....	Q	.10	May 22	May 8
Gen. Tire & Rubber ....	Q	.10	May 31	May 17
P. R. Mallory .....	Q	.35	June 10	May 10
Magnavox .....	Q	.17½	June 15	May 24
Oak Mfg. ....	Q	.07½	June 14	May 31
TV-Electronics Fund..	—	.03	May 31	May 3
Thomp. Ramo Woold...	Q	.35	June 15	May 24

Granco Products Inc., manufacturer of FM radios & tuners and hi-fi equipment, is operating under Chapter XI bankruptcy petition, filed in Brooklyn. It will continue to operate under Pres. Henry Fogel as debtor in possession. Liabilities were listed at \$640,543, assets \$362,982. Fogel told us that company's inability to collect insurance claim on \$335,000 fire in Dec. 1959 was most important contributing factor. Early this year, Fogel bought from Emerson Radio 150,000 shares of Granco stock which Emerson had purchased in 1961 (Vol. 3:4 p13). Emerson is biggest creditor, claiming \$232,500.

Reeves Bestg. & Development's TV stations increased revenues by average 20% in 1962 over 1961, Pres. J. Drayton Hastie noted in annual report. Studio Div. revenues jumped nearly 38%. (For 1962-vs.-1961 corporate report, see Vol. 3:12 p12.) Balance sheet at year's end showed total current assets of \$1,573,084 (including \$272,618 cash & \$687,429 accounts and notes receivable) vs. current liabilities of \$1,440,009. Current assets at end of 1961 totaled \$1,571,125 (including \$333,996 cash & \$547,797 accounts and notes receivable) vs. current liabilities of \$1,279,176.

Sylvania's "over-all picture" has made GT&E "very enthusiastic," Chmn. Donald C. Power noted in reporting parent company's record first quarter (Vol. 3:16 p12). "Sylvania has turned around its operations very effectively & is doing an excellent job in bringing further increases in sales & earnings. Many important new efficiencies have been achieved," he said.

Howard W. Sams & Co. will be honored May 16 as "Great Hoosier Company of the Year" by Sons of Indiana in N.Y. at annual dinner at Sheraton-East Hotel. N.Y. Chmn. Howard W. Sams will make acceptance talk.

# WEEKLY **Television Digest**

with

## **Consumer Electronics . . . (starts page 7)**

MAY 13, 1963

NEW SERIES VOL. 3, No. 19

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

### **NAB GRAP SUMMARY-INDEX OF WEEK'S NEWS**

**Broadcast** MAY 1 1963

**FORECAST OF 'OVER-COMMERCIALIZATION'** proposal expected soon from FCC: Start with NAB TV & radio Codes; ask industry to justify waivers—with copious detail. Rep. Harris 'concerned' with 'interruptions' from commercials (p. 1).

**RATINGS FRONT—HEARINGS, PLANS, STUDIES:** Harris resumes hearings, calls Census Bureau & RAB's Bunker; Nielsen sets to battle FTC; Sindlinger moving into local radio (p. 2).

**REPS BACK RATINGS BUT WANT CHANGES:** Spot check of N.Y. sales reps shows strong support for competitive services; well informed, vitally concerned, reps want improvements, too (p. 3).

**CBS AFFILIATES MEETING** hears pep-rally reports on strength & durability of network's nighttime shows, witnesses preview of new star-studded shows, hears Aubrey & Stanton on high price of sportscasts and need for ETV (p. 4).

**FEES NOW FINAL**, effective next Jan. It's \$100 for major TV applications, \$50 for major radio filings, \$30 for all other broadcast applications. Non-broadcast figures down somewhat. Total annual take put at \$3,843,000 (p. 5).

**CBS SEEKS ETV COMPETITION:** Stanton telling affiliates ETV should have 'broadest' type of program, urging commercial telecasters to spark heavy campaign to raise ETV funds from public (p. 5).

**HENRY'S TOUGH LINE**—use sustaining-program percentage as a 'yardstick'; require stations to announce, regularly, their 'legal responsibilities' re programming (p. 6).

### **Consumer Electronics**

**NO COLOR SERVICE PROBLEMS** found by Mansfield nation-wide survey of owners & dealers; average yearly repair bill is \$30.50; 'captive service' seen decreasing (p. 7).

**FEW WARRANTY CHANGES** expected this year with new lines, but extended & free-labor warranties can be expected to remain as controversial as ever; only handful of major set makers still adhere to standard warranties (p. 7).

**PROFILE OF ELECTRONIC PARTS DISTRIBUTORS:** Industry's 1,770 distributors are believed to have topped \$1 billion sales last year for first time—up from 1961's \$940.3 million. Sales of TV accessories declined 2.5% from 1957 through 1961, but components boomed 75.9%; batteries, 37.9%; tubes 27%. We analyze 7 companies' sales & earnings (p. 8).

**RCA'S FINANCIAL PROSPECTS:** Color them bright, stockholders are told at annual meeting geared to color's success; Sarnoff reports record 4-month period, projects all-time high for '63 (p. 10).

**MORE FIRST QUARTERS:** Admiral boosts sales & earnings; Motorola experiences 45% profit drop despite 4% sales rise to record \$80.6 million. Latter attributes decline to investment in color tube & new semiconductor products (p. 12).

**FORECAST OF 'OVER-COMMERCIALIZATION' PLAN:** Proposal to put ceiling on commercials, first announced by FCC just before NAB convention (Vol. 3:13 p2), is about to come out in formal rule-making proceeding. Presumably, majority will again include Minow, Lee, Henry & Cox—though they could pick up another vote because action wouldn't be final.

Guts of proposal will be NAB TV & radio Codes—FCC's premise being that it wouldn't be any more demanding than industry is of itself. In addition, Commission will spell out the kinds of situations which might warrant waivers of ceilings—daytime-only stations (particularly in north, in winter), outlets in cities with seasonal economies, small-market TV stations, communities with "too much competition." However, Commission is expected to ask those filing comments to spell out exactly what kind of information should be supplied by stations seeking waivers. For example, if station is to be allowed to claim "economic hardship," FCC is likely to ask it to spell this out—precisely.

If anyone wants to criticize proposal (and Commission evidently believes this is conceivable), it will ask them to supply critical analysis and counterproposals. In addition, Commission is expected to emphasize strongly its desire to get comments from non-broadcast organizations and individual members of public.

Commission is likely to justify its proposal on grounds that "over-commercialization" is disruptive of service and that NAB doesn't have real power to punish violators—or to reach those who don't subscribe

to Codes. Commission is expected also to say that specific rules on commercial ceilings would allow it to mete out punishments short of "death penalty" (license revocation or renewal denial)—issuing cease-&-desist orders or levying fines.

FCC doesn't know much about the business of broadcasting—particularly radio, which it hasn't studied recently—and this rule-making may be a real primer for it. Said one commissioner, who favors proposal: "Broadcasters aren't likely to tell us much about the business—unless they're given an incentive."

Commission may not be without support, to some degree, in its efforts. Rep. Harris (D-Ark.), chmn. of House Commerce Committee, of recent ratings-investigation fame, last week told Washington Ad Club: "The frequency with which advertising messages interrupt radio programming is something with which I am concerned, and I believe that the average listener is not necessarily favorably inclined towards excesses in this respect." He also said, on a different front: "Much radio programming today is not balanced programming, and I think it can be stated without question that radio today . . . does not provide service at its full potential."

**RATINGS FRONT—HEARINGS, PLANS, STUDIES:** Census Bureau witnesses are latest angle in Rep. Harris's ratings show—one or 2 experts to appear as Subcommittee hearings resume for 2 days. They appear May 14, RAB Pres. Edmund Bunker May 15. (For our roundup of "what to do," from station reps, see p. 3).

Testimony from NAB Pres. Collins, FCC Chmn. Minow, FTC Chmn. Dixon, others, is tentatively scheduled for next week; Subcommittee wants to wait until Collins is ready with proposals.

Other key developments this week in far-reaching ratings hassle: NAB research committee meets May 14 in N.Y., will talk with RAB about cooperative efforts; Nielsen meets with reps & station clients in N.Y. May 14-15; Harris addresses SRA awards luncheon May 16 in N.Y., is expected to make major commentary on ratings.

Nielsen took unusual action of making public statement on unannounced proposal of FTC—that research firm divest itself of half its broadcast clients.

FTC anti-trust action, according to Nielsen, would "require a division of Nielsen's national radio & TV audience research services among two or more research companies," says "FTC's proposals appear to be without legal or factual justification."

Nielsen would have to drop at least one network, a few ad agencies & advertisers. Company spokesman estimates this would double cost to remaining clients, would create chaos because all TV networks wouldn't have same standards, could force Nielsen out of audience research entirely. Nielsen is in "battling mood," will seek court action if FTC proposals stand; this would likely last 1-2 years or more.

Nielsen meeting with reps & stations this week follows earlier meetings with national agency-advertiser-network clients (Vol. 3:17 p2). More rep & station meetings are set for Chicago May 23 and on West Coast later—San Francisco or Los Angeles. At Sales Executives Club meeting in N.Y. last week, Nielsen Jr. said company would be "happy to cooperate" in industry auditing plans.

RAB Pres. Edmund Bunker and NAB Pres. LeRoy Collins, with top aides, met in Washington last week to talk about cooperation. RAB has insisted it wants separate radio research project, through Advertising Research Foundation. It was agreed that RAB meet this week with NAB research committee in N.Y. Even if basis for cooperation is reached, RAB is still likely to go ahead with separate radio study.

Research firm Sindlinger & Co., whose Pres. Albert E. made hit with Harris Subcommittee with his assertion that no sample should be below 2,000, expects this week to announce entry into local radio reports. Sindlinger inched into audience research last summer when Nielsen "cancelled" ABC Radio. Company has since Sept. issued regular audience report for ABC Radio—its only broadcast client.

Sindlinger will announce timetable for starting local radio surveys in 187 markets, using minimum 2,000 sample each. These are same markets he uses for ABC.

Sindlinger is ready to measure top 15 markets. He also tells us he's negotiating to get another network as subscriber to his national radio service.

Sindlinger local report will also provide demographic data—age, occupation, income, etc. Technique consists of recall telephone interview—“What did you do yesterday?”—averaging 11 min. Data is processed through IBM 1440 computer.

Sindlinger sees possibility of measuring entire “media mix” because interviews cover all media. From same interview, Sindlinger also gains information on auto ownership, which he uses for car clients (GM, Ford, Chrysler).

At RCA stockholder meeting last week, NBC Chmn. Robert Sarnoff said: “When properly gathered and properly used, ratings are valuable tools . . . We remain confident of the value of national audience rating services. Along with the rest of the industry we are seeking improvements in methodology.”

**REPS BACK RATINGS BUT SEEK CHANGES:** We made quick spot check of station national TV reps (sample size 4, response 100%)—and it revealed strong support for competitive rating services—but also a demand for improvement in methodology and cleanup of shoddy practices. (For other ratings developments, see p. 2.)

No segment of TV-radio-advertising fraternity relies on ratings for its meat & drink as much as reps. Overlooked at Washington hearings, reps are well informed, vitally concerned.

“Definite improvement in methodology is required for greater reliability & acceptance,” states Martin Nierman, Edward Petry & Co. exec. vp & member of TvB board (also chmn. of its special practices committee studying ratings). But, he says: “We look for continuation of the present rating services.”

On things that need doing, Nierman says an audit bureau to verify performance of research services—as proposed by NAB & TvB—is “definitely in order.” He also believes that a research committee to explore improvements in methods & standards is required. “Increase in sample size is not enough,” he tells us. “We also need the support of agencies. One major agency has already told me it supports plans for ratings cleanup.”

There’ll be no problem between NAB & TvB over similar audit & standards proposals each put forth separately, according to Nierman. “There is agreement among the 2 organizations on steps to be taken.” He sees nothing wrong with NAB doing the job, as long as TvB can participate.

Adam Young, pres. of Adam Young TV who started career as NBC researcher, sees 2 sides to ratings coin. In Nielsen’s attempt to drastically improve radio research, he finds justification for stand his company took about 4 years ago. Then, it took Nielsen to task for “incredibly bad job of measuring radio,” in a special presentation calling attention to specific weaknesses, shown to top agency researchers in N.Y. & Chicago.

On other side of coin, Young believes ARB & Nielsen should be given support for their TV studies which are “basically good.” He says: “Too many people are becoming experts, based on assumptions & half-truths; they believe that all research is bad. Certainly, there is much to be criticized, but no research will ever be perfect. We have to deal with a sample of judgment because it is uneconomical to have the truly large samples that would materially cut room for error.”

As for improvements, Young would like to see Nielsen become “a little more communicative with clients. ‘Nielsen can’t be wrong’ attitude has to go.” He says ARB is “extremely cooperative,” but thinks that its plan to double samples will only increase stability an additional 5%.

Increases in research costs announced by ARB & Nielsen will place great burden on TV stations in small & medium markets, Young states: “My fear is that we will end up with only one service in some of those markets. We have recommended to our stations that they subscribe to both, but some have already indicated they will go to one service when new prices are in effect.”

On auditing plans proposed by NAB & TvB, Young believes “all constructive ideas are good if they can be implemented. We want to reserve the right, however, to do our own auditing. If we think there’s something wrong, we’d like to have the opportunity to satisfy ourselves that good research was conducted.”

Frank Pellegrin, H-R TV exec. vp: “Ratings will always be with us. Advertisers & agencies need them to justify spending; networks need them to determine programming; we need them to sell . . . We have always

believed in the need to place more emphasis on qualitative information, but you have to count heads first before you can count the kinds of heads."

Ratings can be improved, but so can any business, Pellegrin states: "There are a few crooks, but for the most part we believe in the integrity of the major rating services. I think the print media are making more out of this than is warranted."

Pellegrin doesn't believe in a single service. "There is a need for competition because any one service can be wrong. If a tri-partite research company were established—comprising agencies, advertisers, broadcasters—it should be in competition with present research firms."

Thus, there seems to be substantial support for views expressed by SRA Pres. Edward Codel, Katz Agency TV dir., who recently told us (Vol. 3:17 pl): "A single system would work a great hardship on the business. There would be no recourse. No one has a foolproof service."

**CBS'S N.Y. PEP RALLY:** Annual gathering of CBS affiliates in N.Y. last week had much of feeling of a well-heeled Yankee baseball fan club which has just seen its team win Series. Mood was optimistic (without being pugnacious) and relaxed (without forgetting ever-present competition from NBC and ABC) concerning forthcoming 1963-64 season. Affiliates also received Pres. Frank Stanton's full views on role of ETV (see p. 5).

CBS-TV pres. James T. Aubrey Jr. addressed morning gathering of broadcasters May 8, shoe-horned into Trans-Lux movie theater near Waldorf-Astoria, to stress durability & acceptance of network's nighttime programming. "There was a time when, if a program lasted 3 years, it was a big success," he said. "Now, there's no reason to believe that if we keep a show bright & fresh it won't last for many years."

Retrenchments may be made in one programming area, Aubrey suggested, however. Terming TV sports "the biggest poker game in the world," Aubrey cited recent CBS attempts to acquire rights to pro football championship game, which it had last year for \$615,000. This year, CBS entered bid of \$750,000—"about what we thought traffic should bear"—but lost out to NBC, which got it for \$926,000. Snapped Aubrey: "In my opinion, if this spiralling continues, we'll be priced right out of the TV sports market."

General strength of CBS shows is in healthy state, affiliates were told by Dick Golden, network's market planning dir. Golden's presentation included some charts which made basic point that CBS program structure has "never succumbed to passing fads." Action programming (westerns, private eyes, etc.), he said, has declined both in terms of amount of time given in 3-network combined schedules (from 45% of nighttime shows in 1959-60 to 35% in 1962-63) and in average ratings (from 20.0 to 18.4). "Not one of the ABC 'action' shows in the Top 40 two years ago is still there," said Golden.

Attempts to maintain "balance" in programming have paid off during past few seasons for CBS, Golden added, citing fact that CBS shows have edge in long-range durability and thus form keystone of fall program structures. In fact, CBS is bringing back 20 shows this fall which ranked in Top 30 this season, as compared with 5 for NBC and only 3 on ABC.

Denial of "star-oriented" schedule was made by new TV Program vp Mike Dann, who defined network's approach as "... dedicated to attracting & holding the best talent available," while not signing stars without "the production team to back up." Actually, Dann's we-don't-just-buy-stars protests sounded somewhat thin in face of new shows CBS will add this fall. With exception of relative newcomers like George C. Scott ("East Side, West Side") and Ray Walston ("My Favorite Martian"), CBS's fall program deals have centered on program showcases for such ready-made, big-name stars as Danny Kaye, Judy Garland, Phil Silvers and Robert Goulet. ("CBS buys programs the way Aristotle Onassis buys paintings," said one knowledgeable broadcaster after the session, "and does little to encourage new artists.")

Further proof of CBS bias in favor of established performers and program artisans could be glimpsed in postscript statement by Aubrey to Dann's preview of new fall offerings. Shows built around Silvers, Garland and Kaye were bought without seeing pilots ("That way we wouldn't wound the vanity of a major star") although CBS insisted on deals "whereby we have the right to approve the creative process, step by step."



**CBS SEEKS ETV COMPETITION:** CBS Pres. Frank Stanton disagrees with NBC Chmn. Robert Sarnoff on role of ETV. In address to CBS affiliates last week, Stanton said ETV should compete with commercial TV, "in its broadest, not its narrowest, concept . . . We should welcome educational TV into the free competition for the viewer's attention."

Stanton's views thus contrast with Sarnoff's, who recently wrote Dr. Samuel Gould, pres. of ETV WNDT N.Y. (Vol. 3:18 p3): "I was impressed by your outline of plans for the future of WNDT and your conviction that the station must evolve a pattern of operations where the bulk of its service would be directed to the type of educational programs which would serve a specific teaching function, and the rest of the programming would be directed to specialized interests not met by commercial broadcasting."

Sarnoff had been accused by some of making NBC's \$100,000 donation to WNDT based on "don't-compete-with-us" agreement. Sarnoff & Gould have denied this repeatedly, both doing so again last week. Sarnoff, at RCA stockholders meeting, said: "NBC believes ETV stations must ultimately receive support from communities and foundations. They can't indefinitely continue to look to commercial broadcasters . . . We made the contribution because we felt it important that a cultural & educational TV service be continued . . . It did not involve any condition on programming. None was sought, offered, discussed, or desired by NBC."

Gould, in news conference outlined "typical" programming for next year, showed that "teaching type" programs wouldn't crowd out "cultural" & "informational" programs.

WNDT hasn't yet answered FCC's request for information about any alleged "deal" with NBC or anyone else. Response is expected next week—and Commission doesn't anticipate shocking revelations.

Stanton said commercial telecasters would benefit from a strong ETV system which would "give us the kind of prodding anyone needs in order to improve constantly." He also called on industry to help get ETV bulk support from public through "a mighty annual campaign"—and "it ought to be community-wide and it ought to be saturating," including heavy series of commercial-station announcements. Concept is one that could well snow-ball.

Live TV from Japan will be possible via Telstar II, AT&T officials said last week during press demonstration of new satellite's performance. New ground station being constructed in Japan will have "mutual visibility" with AT&T station in Andover, Me. for periods of up to 15-20 minutes during certain periods when Telstar's orbit is in Southern Hemisphere. Due to Telstar II's higher orbit than its predecessor, at some times (July will be optimum because of location of orbit then) mutual visibility between U.S. & Europe will be one hour or more in single orbit. Both color & B&W pictures transmitted via Telstar II, as we observed them, were extremely good. Last 3 minutes of color tape segment from *Bell Telephone Hour* was received in France, where reception was reported "excellent."

New TV Affiliates Corp. member—WTVN-TV Columbus, O.

**FEES NOW FINAL:** Starting next Jan. 1, broadcasters and most other FCC licensees will start paying fees with their applications—Commission finalizing rules last week. Fees were set as we indicated earlier (Vol. 3:13 p2): In TV, it's \$100 for applications for new stations, major changes, renewals, assignments; in radio, it's \$50 for same. For all other broadcast applications, it's \$30. In non-broadcast field, fees are dropped somewhat from previous proposals.

Though at one stage there were predictions that Commission would get mere \$1 million a year, FCC now estimates some \$3,843,000 will be collected (going to Treasury, not earmarked for FCC)—about one-third its annual budget. FCC noted that other govt. agencies charging fees now include: Defense Dept., FAA, Immigration & Naturalization Service.

Exempted are noncommercial ETV stations, safety services (police, fire, etc.) and novice amateurs. Smallest fee is \$2 for regular amateurs.

Vote was 5-2—Bartley & Ford dissenting. Bartley argued that fee "may well create here a contention of ownership or proprietary right . . ." Ford said that though fee idea "has much to recommend it," he doesn't believe Congress was specific enough in its law and that Congress should be asked for more instructions. FCC sources say FCC has received commendation from half dozen Congressmen & Senators—and no criticism from Hill.

Full text will be published in *Federal Register* and weekly Govt. Printing Office pamphlet.

Agency for International Development has quietly dropped project to bring ETV to underdeveloped countries by installing more than 1,000 transistorized TV sets. Plan came under Congressional fire last year when it was discovered that AID official negotiated contract for production of sets without giving major TV manufacturers chance to bid (Vol. 2:34 p8). In recent testimony on foreign aid bill, AID Dir. David Bell said \$400,000 contract with Warwick was cancelled in Jan. Set installation was part of \$1.6 million program.

Tobacco company presidents replied last week to letter Sen. Moss (D-Utah) sent to TV networks about "glamour" in cigarette ads. They said that book isn't closed on cancer-smoking link, that they don't seek to exploit youth market, that ads are created merely to make products appear desirable. Network presidents replied week earlier (Vol. 3:18 p5). Tobacco respondents: Philip Morris, American Tobacco, R. J. Reynolds, Brown & Williamson, P. Lorillard, Liggett & Myers, Larus & Bro.

FCC's anti-payola rules were released last week, and, as we indicated (Vol. 3:18 p6), the only major change from original proposal of April 27, 1961 (Vol. 17:18 p5) is to exempt feature films "produced initially & primarily for theatre exhibition." Full texts of rules and 36 examples of do's & don't's will be published in *Federal Register* and in Govt. Printing Office weekly pamphlet.

CBS won 1963 World Television Festival Award at Montreaux, Switzerland, for "Julie and Carol at Carnegie Hall." It's first American production to win prize at 3-year-old festival.

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## Personals

William M. Materne promoted to CBS-TV vp-eastern sales . . . Tom Tilson promoted to Metro TV Sales eastern sales mgr., succeeded as midwest sales mgr. by Alfred Parenty, ex-Adam Young eastern TV mgr.

Weston J. Harris, ex-USIA TV program mgr., appointed WNBC-TV N.Y. program mgr. . . Robert D. Gordon, ex-KIRO-TV Seattle program dir., named USIA deputy chief of production for information TV.

Leroy E. Lattin, ex-General Telephone Co. of California chmn., named pres., Home Entertainment Co. of America, Santa Monica, pay-TV firm . . . Ted Robertson, TV programming mgr., Compton Adv., Los Angeles, elected vp.

Joseph F. Gagen, ex-Hackensack (N.J.) *Record*, opens ABC News Ireland office, hq in Dublin . . . William McIntyre, ex-ABC News, appointed radio-TV-film officer, Agency for International Development.

James Taglia, ex-Philco representative, Washington, named exec. asst., National Community TV Assn. . . Robert A. Bernstein, ex-Westinghouse Bcstg. public relations dir., named vp & special projects dir., Softness Group, PR.

Charles Britt, ex-National Telefilm Assoc. southern rep, appointed southern sales mgr., Embassy Pictures' TV dept. . . John J. (Chick) Kelly, Storer Bcstg. advertising & promotion dir., elected vp.

Charles J. Mathews, national sales mgr., WLBW-TV Miami, promoted to general sales mgr. . . David Drisin, ex-MGM, appointed special projects dir., Marketscope Research.

Dr. Margaret Mary Kearney, educational dir., WCAU-TV & WCAU Philadelphia, named national pres., American Women in Radio & TV.

Rollin K. Godding, ex-account exec., J. G. Kelly Adv., Buffalo, named WKBW-TV promotion mgr., succeeding O. Lyle Koch, appointed program dir. (incorrectly reported in Vol. 3:16 p5).

**HENRY'S TOUGH LINE:** FCC Comr. E. William Henry is not shy. And if he becomes next chairman, as speculation has it, industry may have someone harder to deal with than Chmn. Minow. After reading his recent Nashville speech, many industry people have been shaking their heads.

Henry was addressing Radio & TV Council of Middle Tennessee. Excerpts: "Network proposals for [public affairs specials] are exceedingly vague. I wonder if the reason for this vagueness will prove to be the networks' intention to inject public service specials as sporadic substitutes for programs whose ratings turn out to be lower than their competition. . .

"A network recently reported that when it cancelled a certain program in its winter schedule, it received between 40-50,000 letters of protest from loyal fans of that program. Now what do you suppose happened as a result of these letters? We may guess that there were some second thoughts, but otherwise, absolutely nothing. The network, having inhaled the mystic vapors from the rating service oracle, announced *ex cathedra* that its audience did not justify the program's continuance. So be it; the decision is theirs to make. Nor could the FCC approve or disapprove this or any other specific program, and rightly so. Censorship by any group is bad, and if exercised by government, it can be fatal.

"On the other hand, if 50,000 letters were received by the FCC next Monday morning demanding more general public service programming in prime viewing hours, or less conformity, or more creativity in programs, there would be a flurry of interest at our 12th and Pennsylvania Avenue offices the likes of which has not been seen since the rigged quiz scandals. If Sen. Pastore, who chairs the Senate Subcommittee on Communications, received 50,000 letters on these or any other broadcasting subjects, there would probably be an inquiry within days. And remember, 50,000 is only a small fraction of the people in the 59 million homes having television sets. The area served by Nashville's stations would meet its quota with only 225 letters."

So how does Henry propose to improve things? His suggestions:

"(1) Adopt a staff proposal to re-evaluate our policy with respect to sustaining or noncommercial programming. While public service programming may well be commercial or noncommercial, and entertaining as well as not, the percentage of sustaining time in the broadcast day is one of many appropriate yardsticks or guidelines for use in the examination of a station's over-all performance in the public interest.

"(2) Propose a rule to require all broadcasters to carry over their facilities regularly-scheduled announcements concerning the legal responsibilities of television stations to serve their listening public's needs and interests—at the same time soliciting public response, criticism, and suggestions for improved programming."

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**COLOR SETS POSE NO SERVICE PROBLEM:** Most owners are satisfied with ease of tuning and repair costs of their color sets. Dealers' attitudes, too, have changed, and most of them are optimistic about color. These were highlights of report by Sylvania Market Research Dir. Frank W. Mansfield on 3-month national survey of color owners & dealers, as presented to NATESA regional directors' meeting at week's end in Kansas City.

Average color repair bill is \$30.50 a year, Mansfield said, reporting on sets in use at least 2 years and not covered by service contracts. About 40% of owners said cost of their color set repairs was no more than they had experienced with black-&-white sets, and 22% couldn't even remember repair costs of preceding 12 months. (We recently queried manufacturers about average repair costs for black-&-white sets; replies varied from \$8.15 to \$25 a year.)

"About 70% of the dealers surveyed," said Mansfield, "indicated that their customers had little or no trouble with color repairs and set owners themselves generally were not critical of tuning problems previously associated with color sets." He found that 37% of owners said they used their sets more than 6 hours daily.

"Captive service on color sets," survey showed, "is considerably less today than it was in the early days of b&w TV. A large majority of the dealers contacted reported that color service contracts are optional with the consumer." Color service business, Mansfield told the service technicians, "represents bonus business to the service industry."

Interesting counterpoint to Sylvania survey was statement by RCA group exec. vp Charles M. Odorizzi at last week's stockholders meeting that this year RCA Service Co.'s revenue from installation & service of color TV "could surpass revenue on b&w sets" (see p. 10).

Mansfield's bullish report on color is particularly noteworthy considering the source; Sylvania in recent years has been anything but a flag-waver for color.

**FEW WARRANTY CHANGES EXPECTED THIS YEAR:** While battle continues over labor warranties and extended parts warranties, there seems to be little prospect of any major defections by either camp when new lines are announced.

Standard EIA warranties (one year on picture tube and 90 days on receiving tubes & parts for black-&-white, one year on all tubes & parts for color) is being followed by these major manufacturers: Emerson & Du Mont, Olympic, Packard Bell, RCA, Zenith. Admiral also follows standard warranty, except that it guarantees etched circuit boards for 5 years (parts only). GE, which has adhered to standard warranty, has not disclosed whether its program will be changed.

Extra warranties by other manufacturers are subject to considerable variations, and there are no indications any changes are contemplated. Magnavox has 3 warranties—"Gold Seal" on all 24- & 27-in. models providing 3 years on picture tube (prorated after one year), one year on other parts & tubes, including labor; "Silver Seal" (middle price range sets) providing one year on picture tube & parts, 90 days labor (carry-in service on portables); other Magnavox sets have one year on picture tube & parts, no labor. Magnavox last week announced new color set warranty which adds 90 days free service to regular one-year tube & parts warranty.

Motorola's warranty, expected to remain in effect with new line, provides full-year parts replacement, no labor. Philco has standard parts warranty for black-&-white sets but adds 90 days labor warranty; its color warranty is standard. Westinghouse continues 90-day parts & labor warranty on b&w sets (carry-in

for 19-in. sets), with one-year set replacement guarantee against printed circuit board breakage. Westinghouse also has guarantee plan optional with distributors, providing additional 9-month parts & labor warranty for all 19-in. Instant-On sets.

Warranty on Sylvania b&w TVs provides one-year replacement of all parts & tubes, guarantee of Halolight power transformer & lighting tube for life of receiver.

Sears Roebuck & Montgomery Ward have somewhat similar warranties including labor. Sears warrants all tubes & parts for one year, with 90-day labor warranty (carry-in for portables). Ward's warranty provides for one year on all tubes, 90 days labor (carry-in for portables).

Thus, warranty picture remains complex & muddy, with nothing near unanimity in industry. Many companies will continue to merchandise warranties as selling feature, while others hew strictly to "standard" warranties. Warranty issue therefore should stay hot & controversial for another year.

**PROFILE OF ELECTRONIC PARTS DISTRIBUTORS:** Quietly going about their business, nation's 1,770 electronic parts distributors topped \$1 billion in sales last year for first time, or surely will do it this year, according to latest projections. Final 1962 figures aren't in yet, but sizable jump from 1961's \$940.3 million sales is evident.

Profits in 1962 may be different story, however. Squeeze was on, and if our analysis of 7 major parts distributors is indicative, earnings plunged despite soaring sales. National Credit Office's Market Planning Service says 50% of electronic parts volume is done by 9% of total distributors—those whose annual sales volume exceeds \$1 million. We analyzed 7 of these million-dollar distributors: Allied Radio, Arrow Electronics, Harvey Radio, Lafayette Radio & Electronics, Newark Electronics, Radio Shack, Terminal-Hudson Electronics.

Total 1962 sales of these 7 distributors whooshed to \$107 million from 1961's \$86.9 million. Their earnings dropped to \$1.4 million from \$2.3 million. However, drop in earnings of the 7 is unduly emphasized by Radio Shack's 6-month loss of \$593,590.

Sales gains were posted by 6 of 7 distributors. Only Radio Shack declined. But only 2 of 7—Harvey Radio and Lafayette Radio & Electronics—increased profits, both by sizable margins. Here are 1962-vs.-1961 sales & earnings of 7 electronic parts distributors:

	Sales		Earnings	
	1962	1961	1962	1961
Allied Radio (6 mo. to Jan. 31, 1963) .....	\$ 32,477,965	\$25,957,785	\$ 638,764	\$ 723,989
Arrow Electronics .....	5,067,112	4,219,203	110,913	135,406
Harvey Radio (year to Jan. 31, 1963) .....	7,188,020	4,356,081	357,453	232,592
Lafayette Radio & Electronics (6 mo. to Dec. 31) .....	15,974,879	12,131,076	482,092	338,897
Newark Electronics (year to Aug. 31) .....	22,384,646	16,941,429	258,824	368,698
Radio Shack (6 mo. to Dec. 31) .....	8,024,854	10,432,949	(593,590)	102,206
Terminal-Hudson Electronics .....	13,917,652	12,884,957	162,770	430,120
TOTALS .....	\$107,035,128	\$86,923,480	\$1,417,226	\$2,331,908

Without fanfare, electronic parts distributors have been riding with changes in electronics industry during past half decade and increasing their volume significantly. From 1957 through 1961, NCO's Market Planning Service found, sales have mushroomed more than 39% to \$940.3 million from \$671.9 million. In that period, sales of TV accessories declined 2.5% to \$82.6 million from \$84.7 million—but components sales more than took up slack with 75.9% surge to \$359.7 million from \$204.6 million. Battery sales jumped 37.9% to \$38.1 million. Test equipment increased 29.8% to \$31.1 million. Tube sales jumped 27% to \$272 million. Significantly, sales of sets & other devices boomed 38.4% to \$135.9 million, represent industry's 3rd highest volume producer.

Components & tubes still are bread & butter of parts distributor business. In 1961, components led all product categories by accounting for 38.3% of total parts distributor sales—up from 35.3% in 1960. Tubes were second, with a 28.9% take—down from 1960's 30.5%. Thereafter, product mix is thin. Sets & other devices accounted for 14.4% of 1961 sales; TV accessories, 8.8%; batteries, 4.1%; test equipment, 3.3%; tools & manuals, 2.2%.

Primary customer of parts distributor is dealer-servicemen group, which in 1961 accounted for 56.2% of total sales—down from 1960's 58.7%. Industrial & govt. customers represented 34.3% of sales—up from year-earlier's 32.5%. Consumers chipped in balance of 9.5%, up from 8.8% in 1960.

"Home electronics dealer portion of the business has leveled off at approximately one half-billion dollars in annual sales," noted RCA Tube Div.'s D. M. (Max) Branigan in recent speech before N.Y.-N.J. Chapter of National Electronic Distributors Assn. He continued: "With the replacement portion of the electronic parts business declining, increased sales promotion efforts must be placed on product lines with elastic demands—where effort can expand coverage & total market as well. This applies to many of the so-called consumer products: Radios, tape recorders, as well as such items as antennas & test equipment."

Servicemen & dealers still account for nearly \$6 of every \$10 dollars of total distributor sales, NCO emphasized in its analysis, but largest percentage increase in 1961 business was netted by "direct sales to individual consumers—specifically mail order, sales to amateurs, and over-the-counter." Concluded NCO: "Sales of primarily parts distributors are now certain to enter into the prestige of the Billion Dollar Industry bracket in 1962."

More distributors than ever before are slicing industry pie. At end of 1962's first quarter, there were 1,770 distributors with total of 2,570 outlets & branches. However, number of newcomers is declining. Some 43 companies entered field in 1961, down from 58 in 1960 & 73 in 1959.

Here's size breakdown of the 1,770 distributors & their share of 1961 parts business: Largest group—33% of total—is represented by distributors with \$100,000-\$249,000 volume. They did 12% of parts sales. In order come the under \$100,000 group, 26% of total, 3% of business; \$250,000-\$499,000 group, 20%, 16% of sales; \$500,000-\$999,000 group, 12% of total, 19% of sales; over \$1 million group, 9%, 50% of total parts sales.

**TV-RADIO PRODUCTION:** EIA statistics for week ended May 3 (18th week of 1963)

	Apr. 27-May 3	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV .....	134,716	138,536	127,169	2,419,788	2,325,684
Total radio .....	327,779	355,989	341,596	5,870,929	6,447,852
Auto radio .....	134,704	145,257	118,026	2,662,788	2,255,666

Seminar on uhf in N.Y.'s Carnegie Hall May 14, sponsored by Committee for Full Development of All-Channel Broadcasting, will feature addresses by Comrs. Lee & Henry. Pilot project in all-channel promotion campaign, it will be open free to dealers, distributors & technicians. Lee's keynote speech will be introduced by N.Y. Deputy Mayor Paul Screvane. Municipal Bestg. System Dir. Seymour N. Siegel will describe programming plans for city-owned WNYC-TV. Five-man panel will answer questions posed by Siegel and members of audience. Panel members: Philco Electronic Engineering Mgr. Harris O. Wood; Robert G. Weston, engineering asst. to Comr. Lee; Knickerbocker Distributing Corp. (Motorola) Service Mgr. Jack Warganz; Ed Cicchetti, operator of C.S.I. Electronic Servicing Inc., Flushing, N.Y.; Jerrold Technical Operations Mgr. Jack D. Beaver. Comr. Henry will present plaque to dealer most successful in selling all-channel sets this year.

Of England's new TV sets, 80% are rented, and rental is reduced annually as inducement to keep same set. Recent survey found, for example, that 19-in. set that sells for \$176 rents for \$1.20 a week, with rental reduced 7¢ a week for each year used. Rental for first 3 months is paid in advance. Rental companies service their sets without charge. Unless set is kept for 4 years, survey found, renting is cheaper than buying.

**Recent set introductions:** (1) **Magnavox**—2 color stereo theaters with fully transistorized radio & stereo components, tambour doors, at \$1,250; 4 color consoles at \$650 (3 models) & \$795; five 19-in. spring portables from \$169.90 to \$229 (remote); 2 stereo portables at \$99.90 & \$139.90 (all-transistor), latter being Magnavox's entry in drop-down phono field; stereo consolette for use on shelf, table or own legs, all solid-state (\$139.50). (2) **Zenith**—formally announced availability of its Stereo Professional & Stereo Precision record changers as separate components through Zenith dealers. (3) **GE**—introduced its anticipated coffee-table stereo units at \$229-\$309 with swivel-out turntable to leave top of table free for use. (4) **Sylvania**—3 new color lowboys at \$599.95, \$639.95 & \$725.

**German-made multi-band transistor portable** may be added to RCA line, group exec. vp W. Walter Watts said at stockholder meeting last week (see p. 10), in response to question from floor as to why RCA has no AM-FM-SW transistor set. "We're now studying such a unit, made in Germany," he replied. "To date it will not pass our engineering standards. When it does, it will be in our line."

"**Five TV Picture Tube Designs**" is title of new pamphlet by Sylvania Electronic Tube Div., describing Corning & PPG-type bonded tubes, Kimcode, plastic laminate & conventional tubes. It's available free from Sylvania, 1100 Main St., Buffalo 9, N.Y.

**RCA'S COLOR—ROSY:** RCA put on its biggest financial spectacular in color—glowing color—for stockholders at annual meeting in N.Y.'s Peacock Theater (formerly Studio 8H) last week. Color was dominant feature of meeting, and hue was rosy. Entire meeting was covered by closed-circuit color, with monitors dispersed around main studio, in an overflow studio and at Exhibition Hall across street. Camera work was excellent, even focusing on questioners as they arose.

Tenor of reports from RCA's divisions added to general good feelings of stockholders by the time they opened their box lunches after harmonious meeting. Chmn. David Sarnoff reported first 4 months set new record, predicted new record sales & earnings this year, "given a favorable national economic climate." Pres. Elmer W. Engstrom, and all divisional chiefs, in their reports, reiterated the optimism. Among highlights of meeting:

**Home instruments**—Group exec. vp W. Walter Watts reported upward trend is continuing in 1963, with color set sales still running 40% ahead of last year and increase in this rate anticipated before year's end. Color tube shortage, he predicted, will continue through 1963. He said RCA's share of portable TV market is rising, and its radio sales are up in face of general industry decline.

**Components**—Continued accelerated business this year, to reach all-time dollar high in 1963. Tube Div. first quarter sales set record. Semiconductor situation should improve this year.

**NBC**—Chmn. Robert Sarnoff reported "sales & earnings momentum of 1962 is carrying forward into the present year, with NBC's first-quarter profits well above last year's record first quarter; this favorable trend is continuing into the 2nd quarter," with new all-time high predicted both for quarter and for full year. TV network & TV stations are setting the pace.

**RCA Service Co.**—"This year, for the first time, revenue from installations & service on color TV receivers could surpass revenue on black-&-white sets."

**Other reports:** Group exec. vp Charles M. Odorizzi predicted a nearly fivefold increase in number of TV stations in U.S. as result of growth of uhf. RCA Victor Records "continued its record-breaking trend for the first quarter of 1963. RCA still expects its data processing operations to cross over into black by end of 1964.

Good reports at meeting were taken to heart by investors. Next day (May 8) RCA stock rose 2½%. At week's end it was 66⅞%, year's high.

Gen. Sarnoff was in fine fettle at meeting, fielding questions with wit and good humor—even those which might appear embarrassing on a less auspicious occasion. Example: Grey-haired woman stockholder asked him where was the picture-on-wall TV he "promised for your 50th anniversary" in electronics industry. Replied Sarnoff: "My dear lady, I didn't promise—I asked for it. I hope you'll have it for your 50th anniversary."

Admiral will move northern California hq, sales office & distribution facilities of its San Francisco Div. to new 32,000-sq.-ft. building at 280 Valley Drive, Crocker Industrial Park, San Francisco, around Aug. 1.

**Importance of retail salesmen in TV & stereo** is emphasized in recent letters to retailers from 2 companies. Motorola Consumer Products Inc. marketing vp S. R. (Ted) Herkes last week decried those who see salesmen as "vanishing Americans," adding: "No manufacturer . . . no dealer can continue to live with a selling philosophy based on price alone." He stated that Motorola is now sending more than 5,000 merchandising awards monthly to retail salesmen in its "Step-Up to Leadership" program. Magnavox Pres. Frank Freimann, in recent letter to dealers, condemned those who "follow the path of least resistance" in selling, converting salesmen into "order-takers." "People want to be sold—honestly," he said.

**EIA has reorganized its International Dept.**, dropping product orientation in favor of 8 functional committees. Four committee chairmen already have been appointed: U.S. govt. affairs, William M. Adams, Sprague Electric; international statistics, L. C. Melas, RCA International; transportation & traffic, Paul E. Romberg, Philco International; Trade Expansion Act, R. Edward Warn, Litton Industries' Westrex Communications Div. Chairmen will be named shortly for 4 other committees: International investment & manufacturing, international marketing, export financing & insurance, U.S. export regulations.

**Magnavox will conduct 250 sales training clinics** for more than 5,000 dealer salesmen & service clinics for more than 3,000 dealer technicians this year, mktg. coordinator James J. Shallow told 4th annual marketing strategy conference of Sales Executives Club of N.Y. Pres. Frank Freimann noted that Macy's will sell some \$4 million in Magnavox products this year, explained that company's franchising of Singer Sewing Machine dealers is a plus market because latter attract customers who normally do not shop traditional Magnavox dealers. Magnavox's approximately 2,000 dealers operate a total of 3,000 outlets.

**FTC advisory opinion**, declaring unlawful small retailer co-op practice that includes prices in pooled ads, was attacked last week by Sens. McGee (D-Wyo.) & Humphrey (D-Minn.). Resolution by McGee asked that no action be taken on FTC doctrine until June 30, 1964, to allow time for investigation & possible legislation. Humphrey called for White House Committee on Small Business to study over-all effects of anti-trust laws on small business.

**Color TV & stereo advances** have sparked 22% increase in Du Mont sales during first quarter, as compared with same 1962 period, according to Emerson Radio vp George M. Hakim. He said about 50% of Du Mont sales were in "higher-ticket models," despite general industry trend to portables. Du Mont will double its color line in June.

**Western Electric and Sanders Associates** have signed worldwide nonexclusive license agreement under which, in part, latter will use & pay royalties on Western Electric patents for semiconductor & thin film devices. Western Electric will pay royalties to Sanders for use of its patents on flexible printed circuitry & microwave strip transmission line. Agreement extends to AT&T.

**GE & IUEW** will establish 3 joint subcommittees to "identify the specific areas of agreement or disagreement . . . regarding arbitration, contract language & employe benefits" in advance of contract negotiations which begin in Aug. Similar committees will be formed with other GE unions, company said.

**Trade Personals**

**Armin E. Allen** appointed Philco Consumer Products Div. general mktg. mgr., succeeded by **William Balderston** as product planning mgr. Other changes in Philco's splitting of sales & marketing activities: **Charles Hakimian**, formerly general sales & mktg. mgr., becomes distribution & service dir.; **James T. McMurphy**, formerly Philadelphia-based eastern regional mgr., named national sales mgr., a new post; **Kenneth A. Cooper**, formerly general sales mgr., appointed midwest regional sales mgr., with Chicago hq.

**Everitt A. Carter** elected Oak Mfg. Co. chmn., succeeding **Robert A. O'Reilly**, retired; Carter also continues as pres. & chief executive officer.

**Harry A. Steinberg** appointed Jerrold Electronics controller . . . **J. Frank Leach**, Amphenol-Borg Electronics vp & Amphenol Connector Div. pres., elected a dir. of parent company.

**David Gilmour**, Clairtone Sound co-founder & exec. vp, named pres. of Clairtone Electronic, N.Y.-based subsidiary. He'll retain present title with parent company, but will hq in N.Y.; **David Scott-Atkinson**, planning & development dir., also transferred to N.Y. office.

**Dr. Edmond H. Borneman**, ex-Westinghouse & Philco, appointed General Instrument Rectifier Div. engineering dir., a new post . . . **Dr. Janis Galejs**, Sylvania senior scientist, will lecture in Germany this summer at NATO-sponsored conference on low-frequency electromagnetic radiation.

**Edwin J. Deadrick** named Audio Devices mfg. vp . . . **Arnold R. Kaufman** named pres. of Litton Industries' Triad Transformer & Triad Distributor Divs.

**Distributor Notes:** Packard Bell Electronics appoints **L. R. Swiney Co.**, 2745 W. Palm Lane, Phoenix (headed by ex-Packard Bell district sales mgr. **L. R. Swiney**) distributor for northern Arizona & Maricopa County • **Marshall C. Wells** establishes Marshall Wells Co. to represent Admiral as distributor in Fresno, Cal. area, succeeded by **Frank D. Neer** as Admiral-San Francisco Div. gen. mgr.

**Reports & comments:** Aerovox, review, Leason & Co., 39 S. La Salle St., Chicago • Stewart-Warner, analysis, Halle & Stieglitz, 52 Wall St., N.Y. 5 • GPE, review, Hirsch & Co., 25 Broad St., N.Y. 4 • CBS, study, A. M. Kidder & Co., One Wall St., N.Y. 5 • RCA, analysis, 120 Broadway, N.Y. 5 • AT&T, report, Gerstley, Sunstein & Co., 121 S. Broad St., Phila. 7 • Time Inc., report, Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N.Y. 5 • Walt Disney Productions, comments, Bache & Co., 36 Wall St., N. Y. 5 • United Scientific Labs, report, Alessandri & Co., 11 Broadway, N. Y. 4.

**Dynamics Corp.** of America's 1963 performance "should be at least equal to & probably better than" 1962's \$3.6 million earned on \$75 million sales. Chmn.-Pres. **Raymond F. Kelley** also told annual meeting that a regular cash dividend would have to be deferred for company growth. If anticipated earnings are paid out, he said, "we can't make more money next year. We can't grow."

**Davega Stores'** bankruptcy referee will hold hearing May 15 on \$285,000 offer by **Henry Modell & Co.**, or higher offers, for Davega's assets & name. Hearing is scheduled for 11 a.m., U. S. Courthouse, Foley Square, N.Y.

**Mergers & acquisitions:** Webcor has sold its Chicago-based Lamination Div. to **Howard Industries** for some \$2 million in cash & a 15-year convertible note • **Victoreen Instrument** has purchased Hymeg Resistance, will transfer manufacturing of latter's resistors from Willow Grove, Pa. to its Cleveland plant • **Avnet Electronics** will acquire by June 30 **Fairmount Motor Products**, Philadelphia-based distributor of automotive replacement parts. Purchase price: \$3 million in cash and non-interest bearing notes maturing between March 1964 & June 1966, \$500,000 in Avnet common shares • **Maremont** now owns 90.3% or 665,729 of **Gabriel's** outstanding 737,113 common shares. Under recent exchange program, Maremont offered Gabriel stockholders for each of their common shares \$3 cash & \$20 in par amount of its 1963 cumulative convertible preferred stock.

**Hoffman Electronics'** Consumer Products Div. is producing only 5%, or \$2 million, of total annual volume, and this "is not satisfactory," Pres. **Stanley W. Horrocks** told stockholders. Hoffman is projecting \$8-10 million volume for consumer products in 1964, he said, and consumer operation may be scuttled unless it shows ability to hit that level. In addition to present line of radios & tape recorders, Hoffman is contemplating adding stereo consoles. (For Hoffman's first-quarter report, see financial table.)

**Purolator** has bought 17,000 of **Tung-Sol's** 900,000 outstanding common shares, but Purolator Pres. **James D. Abeles** said oil filter company has "no intention of acquiring Tung-Sol at the present time." However, Tung-Sol Pres. **Milton R. Schulte** said the 2 companies have been exploring merger & joint marketing possibilities intermittently for past 2 years. New talks began April 30, he noted, adding: "Whether a union can be effected will depend on mutually satisfactory terms."

**Sylvania's** first quarter earnings rose 21% to record \$22,060,000 from \$18,162,000 a year earlier. Pres. **Gene K. Beare** said that although electronics market seems "unsettled," business is "good and will be very good for many, many years to come." He said color TV "will be a big boost" to Sylvania, noted that production of color tubes is expected to begin "perhaps later this year."

**Magnavox** is aiming for 20% profit increase this year over 1962's \$12.7 million. "The increase can be accomplished with effective performance from within the company," Pres. **Frank Freimann** told annual meeting. "We have the opportunity to continue this growth into the foreseeable future."

**Telectro Industries** experienced first-quarter loss of \$19,780 vs. year-earlier profit of \$188,734. Pres. **S. Robert Gordon** told annual meeting, however, that profitable operations are anticipated for rest of year.

**Common Stock Dividends**

Corporation	Period	Amt.	Payable	Stk.of Record
CBS Inc. ....	Q	\$0.35	June 7	May 24
Consol. Electron. Ind.	Q	.25	July 3	June 10
Cowles Mag. & Bcstg.	Q	.10	June 15	May 31
Goodwill Stations .....	Q	.12½	June 5	May 26
Meredith Publishing....	Q	.35	June 14	May 24
Screen Gems .....	Q	.15	June 28	May 23
Storer Bcstg. ....	Q	.45	June 7	May 24
Storer Bcstg.-B. ....	Q	.12½	June 7	May 2
Taft Bcstg. ....	Q	.15	June 14	May 15

## 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 Story below	1963—qtr. to Mar. 31	\$ 49,907,686	\$ 1,560,813	\$ 784,545	\$0.32	2,423,161
	1962—qtr. to Mar. 31 <sup>1</sup>	48,309,910	1,357,446	509,957	.21	2,423,161
Clevite	1963—qtr. to Mar. 31	25,275,052	—	1,450,690	.75	1,900,000
	1962—qtr. to Mar. 31	25,972,229	—	1,852,350	.96	1,893,000
CBS Inc.	1963—qtr. to Mar. 31	141,213,861 <sup>2</sup>	—	10,175,001 <sup>2</sup>	1.11	8,889,932
	1962—qtr. to Mar. 31	131,967,395	—	8,073,780	.88	8,896,813
Decca Records	1963—qtr. to Mar. 31	—	—	983,611	.64	1,527,401
	1962—qtr. to Mar. 31	—	—	2,135,858	1.66	1,285,701
Disney Productions	1963—6 mo. to Mar. 30	32,241,856	5,343,556	2,576,556 <sup>3</sup>	1.49	1,725,049
	1962—6 mo. to Mar. 30	32,643,281	5,211,065	2,425,065	1.45	1,674,804
Friendly Frost	1963—year to Jan. 31	28,531,478	—	(610,406)	—	937,620
	1962—year to Jan. 31	29,273,895	—	300,943	.32	937,620
Gross Telecasting	1963—qtr. to Mar. 31	634,950	—	163,841	.11	440,000
	1962—qtr. to Mar. 31	549,182	—	138,898	.35	400,000
Hoffman Electronics Story p. 11	1963—qtr. to Mar. 31	8,852,355	—	3,739	—	1,538,888
	1962—qtr. to Mar. 31	12,234,879	—	183,085	.11	1,537,312
International Rectifier	1963—9 mo. to Mar. 31	13,497,881	1,243,055	677,687	.28	2,414,542
	1962—9 mo. to Mar. 31	12,850,172	1,838,495	937,630	.39	2,414,542
	1963—qtr. to Mar. 31	4,723,483	376,452	167,318	.07	2,414,542
	1962—qtr. to Mar. 31	5,101,371	722,142	382,287	.16	2,414,542
ITT	1963—qtr. to Mar. 31	270,867,548 <sup>2</sup>	26,130,062	9,407,958 <sup>2</sup>	.56 <sup>3</sup>	16,646,640
	1962—qtr. to Mar. 31	241,964,362	23,840,131	8,181,921	.49 <sup>3</sup>	16,404,626
Meredith Publishing	1963—9 mo. to Mar. 31	54,449,000	—	1,919,571	1.44	1,331,212
	1962—9 mo. to Mar. 31	52,845,000	—	2,413,174	1.81	1,323,866
Minnesota Mining & Mfg.	1963—qtr. to Mar. 31	172,135,132	—	19,616,006	.33	52,064,535
	1962—qtr. to Mar. 31	161,685,673	—	18,974,652	.37	51,754,142
Motorola Story below	1963—qtr. to Mar. 31	80,590,096 <sup>2</sup>	3,199,148	1,356,667	.34	4,030,282
	1962—qtr. to Mar. 31	77,017,162	5,148,654	2,455,944	.61	4,028,652
National Co.	1963—qtr. to Mar. 31	1,736,156	(23,202)	(45,102)	—	804,246
	1962—qtr. to Mar. 31	2,389,666	79,711	51,831	—	802,779
National Union Electric	1963—qtr. to Mar. 31	9,059,626	—	242,777	.04	5,747,479
	1962—qtr. to Mar. 31	9,318,768	—	348,507	.06	5,747,479
Reeves Bcstg. & Development	1963—qtr. to Mar. 31	1,297,559	179,792	82,739	.06	1,408,893
	1962—qtr. to Mar. 31	1,126,481	24,452	14,952	.01	1,408,893
Standard Kollsman	1963—qtr. to Mar. 31	18,020,000	—	265,456	.12	2,245,301
	1962—qtr. to Mar. 31	23,436,000	—	805,381	.36	2,245,301
TelePrompTer	1962—year to Dec. 31	5,431,930	—	55,957	.07	748,090
	1961—year to Dec. 31	4,921,319	—	(884,604)	—	738,410
Warner Bros.	1963—6 mo. to Mar. 2	47,941,000	—	3,927,000	.81	4,837,052
	1962—6 mo. to Mar. 2	40,901,000	—	4,074,000	.84	4,830,052

Notes: <sup>1</sup> Restated to exclude subsidiary Admiral Italiana, closed at end of 1962 (Vol. 3:13 p11). <sup>2</sup> Record. <sup>3</sup> After preferred dividends.

**MORE FIRST QUARTERS:** Admiral & Motorola opened 1963 with quarterly performances at variance with their 1962 showing. Admiral, which suffered 1962 profit decline (Vol. 3:12 p11), increased first-quarter earnings to \$784,545 from \$509,957 a year earlier on sales rise to \$49.9 million from \$48.3 million (see financial table). Motorola, riding 28% profit jump in 1962 (Vol. 3:11 p11), experienced 45% profit slide in first quarter to \$1.4 million from \$2.5 million despite 4% sales gain to record \$80.6 million from \$77 million.

Admiral's civilian business more than offset lower military volume, Pres. Vincent Barreca reported. Color

TV unit sales mushroomed more than 100% from a year ago, and stereo radio-phonograph combinations posted "substantial increases" in sales. Radio sales slipped some 2%.

Motorola attributed its profit decline to color tube development costs & expense of marketing new semiconductor products. Pres. Robert W. Galvin said 23-in. rectangular color tube project already has cost Motorola & National Video more than \$4 million. "Our endeavor to produce this tube," he said, "is reaching the point of decision." Despite certain continuing "extraordinary costs" on the color tube & semiconductor devices, he added, "we expect earnings in the 2nd quarter to approach more closely the year-earlier level." Sales & earnings in 3rd quarter "should exceed" 1962's like period & total 1963 sales "should set a record." Galvin said 2nd-half profits should be "creditable."



# Television Digest

with

**Consumer Electronics . . . (starts page 8)**

MAY 20, 1963

NEW SERIES VOL. 3, No. 20

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

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**NEXT—THE 'HENRY ADMINISTRATION'**, expected to regulate more via rules than through appeals to public a la Minow. Henry gives views on top topics. What's expected of Loevinger. Minow summarizes 2-years' events (p. 1).

**VHP DROP-INS—THE 51-49 QUESTION** facing Minow, who is probably the swing man. Fortunes ride on vote (p. 3).

**STAGE SET FOR NAB'S RATINGS REMEDY:** Harris Subcommittee to hear Pres. Collins; NAB-RAB meet again, not yet agreed; NAB shows proposal to raters, asks support; Harris addresses SRA (p. 3).

**SHAPE OF FCC'S TV PROGRAM FORM** beginning to emerge as Bartley, Ford & Cox submit concepts for full FCC discussion, possible this week. Three approaches, with many similarities, studied (p. 5).

**TOO-MANY-COMMERCIALS PLAN** issued by FCC, 4-3 vote, July 1 deadline for comments. Hyde sees 'enormous policing' job, departure from statute. Bartley calls it 'irritating act of futility,' says quality should count, not quantity. NAB's Collins asks top agencies to 'cooperate' with Code subscribers (p. 6).

**PROPOSED AM-FM STANDARDS:** FCC sets rule-making to tighten engineering, encourage FM growth; rules would establish maximum number of stations per market by population, would forbid more than 50% FM duplication of AM (p. 7).

**NEXT—THE 'HENRY ADMINISTRATION':** "Tough" is the word everyone uses to describe the kind of FCC we'll have—with William Henry moving up to replace Newton Minow, Lee Loevinger coming in to fill the vacancy, joining Kenneth Cox as the 3rd Kennedy appointee.

Certainly there will be attempts at toughness, undoubtedly more than under Minow. But remember that the 3 New Frontiersmen don't make a majority—and their efforts to give industry stronger medicine could well become more & more unpalatable to their 4 colleagues—Hyde, Bartley, Lee & Ford. Last 3, however, aren't averse to prodding industry from time to time.

Henry is hard to puzzle out. Couple times, he has used strong language—but seemed to water it down when asked to elaborate. For example, in news conference during Omaha hearings, he said: "I don't think necessarily that the standard that the community might have [regarding programming] is necessarily the one we would have." This prompted Rep. Harris (D-Ark.) to ask Minow if that's FCC policy. Minow then wrote that Henry said he intended only to reflect Commission's 1960 policy statement, didn't mean that FCC should direct programming. Another case: In recent Nashville speech, he said that station's percentage of sustaining time "is one of many appropriate yardsticks or guidelines" with which to judge performance. Then, in news conference last week, he said: "Public service programs can be commercial," but the 1960 policy statement "isn't clear" and "we should reevaluate the policy; I don't know what it should be."

Though Henry is personable, most observers expect him to work through FCC rules rather than "going to the public"—as Minow did with tremendous flair. Henry is 34, youngest chairman in FCC history,

### Consumer Electronics

**THE NEW LINES**—Philco & RCA feature surprising price reductions and upgrading of product without increases; both show 16-in. sets at \$129.95, place more emphasis on middle & low-end consoles & combinations. RCA \$450 color drop-in may be coming (pp. 8 & 13).

**TINYVISION, U.S. STYLE**, introduced by GE at \$99.95; new 11-in. set weighs 12¾ lb., uses no chassis, will be at stores early in June. All-channel version uses transistorized tuner (p. 8).

**SET MAKERS NET GOOD FIRST QUARTER:** 11 of 13 TV-radio manufacturers analyzed boosted sales, 9 increased earnings, 7 had record sales, 4 record earnings. However, combined earnings of 8 volume producers dipped more than \$300,000 despite \$17.2 million sales gain to \$287.8 million (p. 9).

**FM-STEREO STATION** slowdown results in only about 20 new stereo-casters so far this year; total now stands at 230 in U.S. & Canada. FM Stereo Market Guide shows 86 stations preparing for stereo (p. 10).

**FIRST-QUARTER SALES:** EIA's official Jan.-March figures show distributor sales of b&w TV ahead of 1962's opening quarter by some 73,000 units, radio down 290,000, phonos ahead 134,000 (p. 14).

**SIRAGUSA LOOKS AHEAD**, predicts 2.5 million color set sales, 23.5 million radios, 4.2 million stereo phonos in 1968 at NICB conference; sees good business rest of this year (p. 14).

a lawyer, bright, aggressive, diligent. He, too, will mellow somewhat in the job, as did Minow—when as chairman he feels full pressure from all sides. Position is at least 10 times as active as that of other commissioners.

Minow's resignation, announced by President Kennedy, is effective June 1—but he'll stay on longer if Loevinger isn't confirmed by then. As long expected, Minow will return to Chicago as exec. vp-gen. counsel of Encyclopaedia Britannica. Kennedy gave him big sendoff, said FCC's actions during his tenure "are indeed impressive." Kennedy released Minow's letter of resignation, in which Minow listed progress of last 2 years: (1) U.S. leads in space communications. (2) ETV "has made extraordinary progress." (3) All-channel-set bill will make more program choice available. (4) Phone rates have been cut. (5) FCC is reorganized, now "effective, viable." (6) License fees were adopted. (7) "There is a greater awareness on the part of the public and the broadcasting industry of the massive responsibilities of broadcasters to serve the public interest. Under the able & dedicated leadership of Gov. LeRoy Collins, the NAB has taken constructive steps. And the FCC's emphasis that broadcasters have a unique public trust has, I believe, contributed to improved service to the public."

Designation of Lee Loevinger to fill Minow vacancy is a surprise, as have been all Kennedy's appointments except Cox's. Loevinger (pronounced LEV-in-ger) is top anti-trust man, Asst. Attorney General under Robert Kennedy. He's to be succeeded at Justice Dept. by William H. Orrick from State Dept. All the shifts bespeak power of Bobby Kennedy—all clearly tied to him. (Incidentally, Henry's daughter attends White House school with Caroline. You can't get much "in-er" that that.)

Those who know Loevinger expect him to give AT&T rough time on communications satellites, because he's done that at Justice Dept. Beyond those, it's popularly assumed he'll generally bug industry about "monopoly." Everyone wonders why he was shifted to FCC; move is considered a step down. Obviously, he didn't satisfy Bobby—though both publicly deny there's a rift. Loevinger is 50, native of Minn., was in private Minneapolis practice 1947-60, served on state Supreme Court a year before taking anti-trust job. He's Democrat, of course, has 3 children—and confesses he's been so busy in Washington he hasn't watched TV.

Henry held news conference last week (attended by his beautiful wife), gave these responses:

(1) Major FCC job—satellite communications.

(2) Major job in broadcasting—making all-channel law work. He said he wants to see "uhf get a fast start—but there's a danger of overselling it." He'd hate to see a lot of operators "lose their shirts."

(3) Overcommercialization—"I have no preconceptions on what that is, but we need a written policy. We have a policy, but even the commissioners don't know what it is."

(4) How to improve programming—"Be alert about segments of the public not served adequately. Make the public aware of its role and our role. Most of the public doesn't know that broadcasters operate under legal obligations. We should keep broadcasters alert to the public's needs. I question whether all major segments are served in prime time. I believe there has been no improvement in program diversity in prime time . . . It's not appropriate to get into what I like or don't like . . . I agree that it's bad to infringe on the freedom of broadcasters. But broadcasters are not free to conform to majority tastes alone—because that doesn't include the public interest . . . I'm not satisfied there are enough public service programs . . . There are green shoots in the wasteland . . . More news . . . More radio news . . . More coverage in controversial areas."

(5) Advertiser domination—"Perhaps there's too much of this. I'd like to see programs more independent. But I'm not for the the magazine concept."

(6) Newspaper ownership—"I agree with our statement to the Celler Committee. You can't generalize"—meaning, sometimes it's all right, sometimes not.

(7) Multiple ownership—"We have many, many more important matters. I think it's worth noting, though, that 15 owners could own the top 75 stations in the nation. But I have no plans for getting into that now."

(8) Ratings—"Industry should come up with its own suggestions. I don't believe the answer now is regulation by FCC. We're concerned about broadcasters following inaccurate ratings like lambs to the slaughter."

Comr. Ford is next man on the spot. Term expires June 30, 1964. Since FCC has 4 Democrats now, Kennedy must appoint a Republican (or independent). We have a year to speculate on whether President will reappoint Ford or look for someone with "Republican" handle—but with New Frontier philosophy. Though Ford is govt. career man, likes job, he won't kowtow to keep position. Brilliant attorney, hard worker, he's singularly employable on outside.

Minow got tremendous farewell from press, which he has always charmed—editorials almost universally praising him. Henry got a baleful greeting from N.Y. Herald-Tribune's Donald I. Rogers, May 15 issue. Writing about Henry's comments on sustaining vs. commercial time, he said: "This means that the lousier business is, the better the FCC should consider the station to be . . . With ideas of this caliber, Mr. Henry seems certain to get the job. The govt. places a high value on failure."

**VHF DROP-INS—THE 51-49 QUESTION:** In these waning days of Minow administration at FCC, one of most intense questions remaining is—vhf drop-ins. The thing is hot & unsettled. Last official time around (Vol. 3:13 p2), Commission voted 4-3, tentatively, to reject addition of the 3rd vhf station, at short spaces, to: Johnstown, Baton Rouge, Dayton, Jacksonville, Birmingham, Knoxville, Charlotte.

But it hasn't stopped there. Minow is the swing man, and the pressures are on him, both ways. He believes this is closest issue he's faced in his FCC career—a 51-49 matter, either way. But vote may be deferred from projected May 22 meeting to May 29, because Comr. Ford will be out of town May 22. There's considerable determination at Commission to get decision before Minow leaves—by June 1, if new Comr. Loevinger is confirmed by then. No one at FCC relishes job of deferring issue until Loevinger gets familiar with the tremendously complex matter.

Latest move in picture is that of new Comr. Cox. Though strong uhf advocate, he believes that 3rd competitive service from uhf in the 7 cities is many years off without vhf. Therefore, he has quietly resurrected Minow's original compromise proposal: Make the vhf drop-ins—but tell those who get the CPs for them that they must, in 6-10 years or so, shift to uhf. One problem with that is dispute over whether this FCC can bind future Commissions to honor that commitment. Competent men argue both sides.

There are other angles. FCC staff members offer alternatives & questions for whatever is presented: (1) If "no drop-ins," they suggest that no vhf's be added anywhere, even if fully spaced, if they might hurt development of uhf in markets involved. (2) If "yes, drop-ins," should drop-in operators be required to simulcast on uhf? (3) If "yes, drop-ins," should drop-in operators be required to simulcast part-time on uhf—and should they be required to shift to uhf eventually?

And, suppose Minow doesn't turn out to be swing man? Suppose someone else decides to shift? Not impossible—but not likely. If vote doesn't come before Loevinger is sworn in, he has our deepest sympathy.

**STAGE SET FOR NAB'S RATINGS REMEDY:** Ratings problem—and what to do about it—reaches another climax this week as Harris Subcommittee holds long-awaited hearings May 23 with NAB Pres. Collins. New twist: N.Y. stations reps may be called (for reps' ratings reaction see Vol. 3:19 p3).

With Collins will be Donald McGannon, Group W pres. & NAB research committee chmn., Melvin Goldberg, NAB research vp. If reps appear, they'll testify in June. Staff attorney Robert Richardson has talked to Henry Christal, Christal Co., & James Parsons, of Harrington, Righter & Parsons, others.

Ratings controversy was filled with behind-the-scenes maneuvering last week, e.g., RAB asked NAB to raise \$75,000 if latter wants to partner All-Radio Methodology Study; NAB also held long-expected meeting with raters at individual confabs in N.Y., showed them proposal, asked for support—got it.

Rep. Harris (D-Ark.) kept fire going. He told Station Representatives Assn. awards luncheon in N.Y.: "The big, still unanswered question is how broadcast licensees, who as a group possess enormous resources and influence, have allowed themselves to become so shackled by ratings?"

"The regulatory hold on broadcasters of the FCC pales by comparison with the chains that bind the broadcaster to the ratings . . . I suspect the answer lies in the fact that the chains . . . are chains of gold.

"Some broadcasters and some broadcasting publications have advanced the argument that ratings constitute a practical application of democracy with regard to radio and television programming. This is

a complete misconception of the obligation imposed upon radio and television licensees by law to perform in the public interest.

"The public is made up of a diversity of interests, and broadcasters are expected to serve this diversity. Ratings have not been employed as I see it in the furtherance of this objective. Rather, the opposite has been true. I think broadcast licensees and persons serving them should come to realize that a radical change in approach is needed."

Harris is concerned that hearings disclosures will be brushed under rug; he wants industry to rebuild ratings house, doesn't want to take govt. action, but several federal courses are open to him.

As Subcommittee hearings resumed last week, he posed: If Congress were to ask Census Bureau to conduct broadcast ratings—assuming broadcasters would pay for it—could Census tackle job? "We could do it," answered Dr. Conrad Taeuber, Census asst. dir. He said Bureau has had no experience in area, would first have to study.

He was queried about methodology (Census uses personal & telephone interviews, mail questionnaires). With obvious reference to previous ratings revelations, Taeuber was asked about its random sample, field controls, editing, weighting, non-cooperators.

Taeuber said he didn't think much of permanent-sample-method, for psychological reasons; respondents can become conditioned to information being sought. He said monthly unemployment study of 40,000 households costs about \$2 an interview, said that 95% of information is usable, that non-cooperators represent only about 1%, that samples yielding less than 50% usable data wouldn't meet effective standards.

RAB was big hit with Subcommittee, told it exactly what it wanted to hear—that modern radio with personal listening, portable sets, is being damaged by present audience research, especially by Nielsen & its meter. RAB proposes to raise \$200,000 for its All-Radio Methodology Study. Pres. Edmund Bunker said about half is already raised, believes he could get remainder.

RAB is studying proposals of Audits & Surveys and of Politz subsidiary Universal Marketing, on ways to measure radio's total sets-in-use. Bunker & Administrative vp Miles David said plan could conceivably use personal & telephone interviews & diaries to derive different listening aspects & to serve as cross-check.

ARMS field work in 4 cities is targeted for Sept. 1, with published report Jan. 1, 1964. After that, it would be up to present raters or new company to adopt proposed methodology, sell it to industry. ARMS would be cleared through Advertising Research Foundation to insure acceptance by agencies. RAB said it will use services of Dr. Herbert Arkin, Subcommittee statistical consultant.

RAB financing became center of fuss between it & NAB. At N.Y. meeting—2nd in 2 weeks at which NAB research committee sought cooperation—radio assn. laid out plan, asked NAB to put up \$75,000 if it wants to co-direct ARMS. RAB said it would put up a little more than that, said it expects to get remainder from stations, networks, plus token support from agencies to insure their involvement.

NAB is mulling plan, will discuss it at June board meeting. NAB also held meetings with major raters, presented general proposal for auditing agency, code of ethics & standards, methodology committee—to function under all-industry board. NAB's plans are still pretty general, super-task to clean up ratings is proving to be heavy load. Financing plans for its proposals call for NAB, station, rating service participation.

Radio research is the most worrisome area. It was learned that NAB research committee met 3-4 weeks ago to explore problem with Metromedia's Mary McKenna, Westinghouse's James Yergin, Katz's Dan Denenholz, RKO General National Sales' Frank Boehm, Blair's Robert Galen. It was suggested that radio needs a general study to investigate proper techniques, similar in part to RAB's plan. Also on radio front, it is understood that ARB has been asked by broadcaster to come up with radio ideas; it has already done extensive FM survey in southern market.

Nielsen met with about 200 reps & station clients May 14-15 in N.Y. Pres. A. C. Nielsen Jr. didn't take usual swipe at Washington hearings. He made plea for station support, said he was concerned over TV cancellations and agency & station drop-outs in radio. Some reps got impression Nielsen is of mind to drop radio. Company holds similar meetings May 23 in Chicago, week later on West Coast.

And Bob Hope closed last show of season with: "And you on the other side of the wasteland, thanks for telling those lies to Nielsen."

**SHAPE OF FCC'S TV PROGRAM FORM:** Proposed new TV program form, designed to implement FCC's famous July 1960 statement on its programming policy, finally has been submitted to Commission by its special committee: Comrs. Bartley, Ford & Cox. It's on agenda this week.

Proposals haven't been made public, but we've learned their essence. Actually, it isn't a single proposal; its 3: (1) Staff's, which Cox had headed. (2) Bartley's. (3) Ford's. They agree on quite a few matters, disagree on some. Here's what we understand to be nub of proposals:

(1) Bartley: Public is to be canvassed, and station is to tell what it finds of public's needs & interests. Same for city leaders—who are to be identified. Station is to evaluate these needs. Then, programs to meet needs in following year are to be listed. Total number of public service announcements in various categories are to be given. If programs vary from earlier plans, FCC is to be told why.

If foregoing isn't adequate, according to station, it can supply whatever added data it wants. The needs-survey must be done within 6 months before filing, and covers area receiving acceptable signal.

(2) Staff: Station is to poll public & leaders for needs, in same way Bartley proposes—but it doesn't need to show how it evaluated these, concept being that program schedule will reflect station's evaluation. A Proposed Typical Week is to be submitted, showing breakdown by 7 program types, source, length & frequency. The 7 types are taken from the 14 in FCC's 1960 Policy Statement; the 7 remaining types are to be listed separately—giving details of each program for coming year, Nov. 15 to Nov. 15. The 7 latter types include: minority programming, local self-expression, local music, children's, etc. Staff suggests surveys cover Grade B area.

(3) Ford: Station submits narrative statement covering methods station employed, in preceding 6 months, to learn needs and complaints. Then, station gives statement telling what kinds of programs are scheduled to meet those needs—with brief description of all such regularly scheduled programs, including day & time of telecast. Station is also to describe programs presented as result of its survey—and to indicate what kinds of programs were offered to local groups which failed to cooperate, leaving the shows unproduced. Major changes from proposals are to be explained each Nov. 15—with particular attention to programs proposed but not telecast. Records must be kept for 3 years, unless FCC orders them kept longer. Ford would have surveys cover areas getting "acceptable signal," not Grade B.

Once a program form is adopted, FCC believes, stations will know what information must be given Commission—reducing number of charges that staff is trying to dictate programming by "letter writing" campaign attempting to steer stations in particular directions.

All-channel "clinic" in N.Y.'s Carnegie Hall, under sponsorship of govt.-industry Committee for Full Development of All-Channel Broadcasting, drew attendance of about 250 retail, distributor, technician & set manufacturer personnel. Comr. Lee, featured speaker, told group FCC hopes to propose new uhf allocation plan within month, chided N.Y. State Board of Regents for sitting on its 10 uhf ETV allocations. Panel of experts (Vol. 3:19 p9) answered questions from floor, which varied from method of using remote control with all-channel receivers (answer: use "U" position on dial for first channel, strips for any others) to why there is "no network programming on uhf" (answer: there is in some locations) to complaints about "govt. interference" through all-channel-set law. At earlier press conference, Lee predicted "within our lifetime we will have 200 million people and 100 million TV sets" and suggested that there's "pretty good chance in the near future for a 4th TV network," based on anticipated expansion of uhf. Lee said new proposed allocations plan, due in a month, will provide for following number of channels per city (including vhf & uhf, excluding ETV): one in cities of 10-50,000; 3 for 50-150,000; 5 for 150-500,000; 7 for 500,000-2 million; 9 for 2-5 million; 11 for 5 million-plus.

"Group W" is new identification for Westinghouse Bcstg. Co. (no corporate change). Concerned about group-station identification, WBC had Psychological Corp. survey ad community, and it found only 1/3 could define what it is & does. Group W—with unique eye-catching, bold lettering designed by Lippincott & Margulies—will appear in heavy ad & promotion campaign breaking today (20) in *N.Y. Times*, *Herald-Tribune*, national & trade magazines. Lettering of same type as Group W will also be used by group's 5 TVs, 6 AMs. Westinghouse sees industry-wide need in establishing group operation as separate communications & advertising force. Pres. Donald McGannon said that 18-month campaign is planned, that extra costs are involved—but that total expenditures won't greatly exceed normal advertising-promotion budget. Plans include presentation to advertiser-agencies groups in major cities.

Central American TV Network, 6-nation group associated with ABC International, reaches 110,000 sets today compared with 48,000 when it was formed in May 1960 by 5 stations, ABC reports. Half-hour prime time now costs \$366 on 6 stations against \$281 then. Celebrating 3rd anniversary, CATVN countries are Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, Panama.

**TOO-MANY-COMMERCIALS PLAN:** FCC's proposal to limit commercials was issued last week, as we indicated (Vol. 3:19 p1). Vote was 4-3, as expected—majority: Minow, Lee, Henry, Cox. Ford, Hyde & Bartley dissented, last 2 with statements.

NAB TV & Radio Codes are basis of proposal, and Commission adds a few trimmings. (It's Doc. 15083, comments due July 1, and we'll be glad to get you copy of full text.) As we reported, FCC believes NAB Codes are fine but that too few stations subscribe to them, that many subscribers violate them—and they have no teeth.

Commission also invited stations to tell why they should be exempted from limitations—small market, daytime, seasonal economy, etc. Dissenter Hyde said proposal could “place an enormous policing duty upon the Commission which could give more adverse results than benefits” and “I believe the proposal is inconsistent with the statutory concept of broadcasting as a competitive private enterprise service.”

Dissenter Bartley called it “an irritating act of futility.” He said FCC already knows why many stations should be exempt. Furthermore, he said, some stations with plenty of good commercials are much better to listen to than others with fewer commercials of the “screaming, irritating & obnoxious” kind that produce “headaches that the advertised product is supposed to cure.” In addition, he said, move would be improper delegation of responsibility, would have tendency to freeze NAB Code and would encourage stations into “hiding behind the skirts of recognized maximum quantity and disregarding acceptable quality.”

NAB Pres. Collins, meanwhile, continued to blast plan in speeches around the country, insisting that industry can take care of itself. As example, he wrote heads of 50 largest ad agencies, urging them to “cooperate” with Code subscribers. He carefully didn't define “cooperation”—but obvious assumption is that agencies are urged to buy time on stations which subscribe, bypass those which don't. NAB also announced it had contracted with Air Check Services Corp. to do its TV & radio monitoring. Firm is headed by Richard Drost, covers 400 cities, and 50% of its employes are people with physical handicaps.

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**Highest price on record** for one-minute program participations—\$75,000 a shot—is being sought by NBC-TV for commercials in big pro grid event of season, National Football League championship game, to which NBC holds rights. King-sized price tag stems from king-sized price (\$926,000) NBC shelled out recently for TV rights (not counting production or time charges) to game. NBC predicts record audience for game, expects to have no trouble unloading its expensive package, privately hopes that recent prediction by CBS-TV pres. James T. Aubrey Jr. that TV sports events are likely to price themselves out of market (Vol. 3:19 p4) won't throw NBC for 10-yard loss.

**Boston Ch. 38 CP** has been granted to Boston Catholic TV Center Inc., which proposes to operate commercially and to feed instructive programs to schools. For school programs, FCC said, station must limit sponsorship announcements to name of company.

**Theater-TV color network** is planned in Japan by Toho Co., that country's largest movie producer, distributor & exhibitor, which has placed order for 10 GE Talaria color-TV projectors (Vol. 3:18 p2) at more than \$500,000. Under name of Toho TV Theaters, company will begin regular theater TV next spring, plans 10 hours daily of sports (including 1964 Olympics), education, culture, drama & news. Five theaters in Tokyo; 3 in Osaka, and one each in Kyoto & Kobe will participate. Toho is seeking govt. allocation of 7.5-mc bandwidth microwave system to accommodate color pictures of greater resolution than those televised by broadcast stations. National General Corp. has already announced plans for closed-circuit theater-TV network in U.S. (Vol. 3:9 p3).

**National Community TV Assn.'s** 12th annual convention will have Sen. Magnuson (D-Wash.), Commerce Committee chmn., as keynote luncheon speaker June 11. Meeting at Seattle's Olympic Hotel June 10-14 will also hear: Dr. Royal L. Garff, U. of Utah marketing & speech professor; Loren B. Stone, ETV KCTS-TV Seattle mgr.; Cowles Andrus, special asst. to deputy administrator for financial assistance, Small Business Administration. NCTA's 1963 awards will be judged by Washingtonians: Henry J. Kaufman, Henry J. Kaufman Assoc., adv.; Bryson Rash, WRC-TV-AM; Robert K. Richards, Richards Assoc., PR.

ETV WNDT N.Y. denied in reply to FCC that any donations from commercial broadcasters carried conditions that it alter its programming in favor of instructional TV (Vol. 3:18 p3). Chmn. Howard Shepherd said there's been no change in proportion between cultural & instructional programming, and there'll be none. He said programming discussions between Pres. Samuel Gould & NBC Chmn. Robert Sarnoff & Exec. vp David Adams were regarded by Gould as “collateral material,” not related to NBC's recent \$100,000 donation.

**Plans for NAB program dept.** were outlined by Pres. Collins to South Dakota Bcstrs. Assn. May 17. He said NAB shouldn't get into programming production business, but should offer “extension service” to exchange techniques & ideas, make information available on program material, offer in-service training to programmers. Collins noted that NAB has commissioned U. of Denver research project on entertainment & its values.

**Vast & expensive coverage** of Maj. Cooper's orbital flight was most impressive to date—though public attention wasn't as rapt as with earlier flights. For first time, Mercury capsule carried slow-scan TV camera for shots in & out of vehicle; pictures were generally poor. TV coverage was taped, relayed to Europe, including Iron Curtain countries, via satellites Telstar & Relay—all in all, a resounding programming & technical feat.

**Round-robin “Education Exchange,”** inaugurated May 20 by 5 NBC owned TV stations, will run 20 weeks starting with 4-week offering of each stations' local series: WNBC-TV N.Y., *Science Age*; WRCV-TV Philadelphia, *U.S. Might & Studies in Creativity*; WRC-TV Washington, *Focus on World Affairs*; WNBQ Chicago, *Modern Math*; KNBC-TV Los Angeles, *Feitelson on Art*.

**San Diego Assn. of Bcstrs.** is financing 1,600-interview study to determine number of receivers in market, to gather data on FM listening. Accounting Corp. of America will tabulate results turned in by supervisor & 8 interviewers.

# Television Digest

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## Personals

Felix Jackson, NBC-TV network programs vp, West Coast, promoted to newly created vp, NBC Productions, succeeded by Grant Tinker, programs operations vp, West Coast.

Rep. Harris (D-Ark.), chmn. of Commerce Committee, to be honored at luncheon of Broadcast Pioneers D.C. chapter, International Inn, Washington, June 6.

John M. Couric promoted from mgr. to dir., NAB public relations; Milton E. Magruder, public relations asst. mgr. to publications mgr.; Arthur D. Stamler, audio-visual asst. to mgr. Robert E. Hallahan, ex-Army Times Publishing, named NAB public relations asst.

Ben Norman, ex-western regional bcstg. dir., Cunningham & Walsh, Los Angeles, appointed vp & operations dir., Gerald Schnitzer Productions . . . Al Maffie, ex-Hallmark Trading Co. pres., returns to radio WNAC Boston as Yankee Network sales mgr.

Matthew Gordon, one-time head of UN press services, appointed information dir., Communications Satellite Corp.

W. Hal Thompson, ex-Peters, Griffin, Woodward Dallas mgr., named commercial mgr., KSYD-TV Wichita Falls.

## Obituary

Hugh T. Graham, 44, CBS-TV network gen. mgr.-operations, died May 11 of pneumonia. He joined CBS in Oct. 1957 as unit management & control services mgr. after 8 years with NBC. Native of N.Y., he lived in Yorktown Heights, is survived by wife, 3 daughters, parents.

**PROPOSED AM-FM STANDARDS:** Controversial new AM-FM standards were proposed by FCC last week (Vol. 3:14 p6); comments due July 17, Comr. Hyde only dissenter.

Heart of proposal is to sharply tighten engineering standards & encourage FM growth. Commission would establish a "go-no go" criteria for new daytime AM applications, protecting present contours. Station would have to provide 1st or 2nd service to at least 25% of area or wouldn't exceed total number of stations in market based on new maximum requirements by city population. Allowable AMs also would be determined by number of FM assignments in communities over 100,000.

Commission wouldn't accept new nighttime applications (other than class II-A) unless new station wouldn't raise RSS limitation of any existing station, and it would have to conform with daytime 25% criterion.

To encourage FM: In cities over 100,000—where there are no unassigned FM channels under table of assignments to be issued—each FM would be required to devote no more than 50% of average week to AM duplicated programs within one year after adoption. Comments are requested on whether rules should apply to metropolitan statistical areas or to cities with over 100,000 population. This rule would not apply to cities under 100,000, nor to cities over 100,000 where there are still available FM channels.

Commission believes separate AM-FM ownership in same community is "necessary long range goal," says duopoly rules are closely related to AM-FM duplication. It believes, however, that present state of FM development does not permit separation now.

FCC adds: As AM frequencies become scarce, it's expected there'll be increase in number of competing applications at renewal time of AM-FM operators in largest markets. In such situations, FCC says, some dual AM-FM operators "may well be vulnerable," particularly if existing licensee has been presenting bare minimum of non-duplicated programming.

Commission expects to issue 2nd rule-making proposals to cover financial qualifications, city signal requirements, dual-city identification, studio location, additional engineering data with renewal applications. When adopted, new rules would lift present AM freeze.

Dissenting Comr. Hyde said that fixing arbitrary numerical limit on stations per market is inconsistent with Communications Act, that it's "unfortunate" NAB's plea against changes affecting competitive free enterprise was ignored, that new rules would abandon discretion to authorize new & changed operations to conform to population & market changes & technological developments, that he didn't think development of FM should become involved in AM allocations.

Comr. Ford, concurring, expressed reservations about "go-no go" system, table of maximum assignments per market, inclusion of FM in AM allocations.

Pulse reports 9 new agency clients & one agency renewal. New: Doherty, Clifford, Steers & Shenfield; North Advertising; Lennen & Newell; Smith-Greenland; John W. Shaw; Brangham/Brewer/Holzer; Smock, Debnam & Waddell; Scotty Glasgow Adv.; Screenboard. Kenyon & Eckhardt expanded to full service.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**THE NEW LINES—PHILCO & RCA:** If there are price hikes in the works, they're being deferred till later. First 2 complete 1964 TV-radio-phono lines—from RCA & Philco—seem to go in other direction, to more for the same money, the same for less money. RCA's color line, in fact, now has gap which indicates possibility of future drop-in table model at around \$450.

"Despite the pressure on costs such as material & labor," RCA Sales Corp. Pres. Raymond W. Saxon told distributors at Las Vegas unveiling last week, "we have decided to take advantage of the favorable climate for home entertainment merchandise and introduce product lines that have much more value in lower price categories." RCA distributors noted particularly the large expansion in furniture models in the popular \$500-650 sector of RCA's color line.

RCA joined march to 16-in. set, pricing it as leader model at \$129.95 & \$139.95, and Philco—apparently on same premise that smallest screen should carry lowest price—brought out new leader 16-in. at \$129.95, just \$10 below previous 16-in. leader.

Both lines have increased number of color sets, with more features beginning at lower prices. Black-&-white combo lines are lengthened, with stress on middle & low end. Philco has virtually eliminated metal cabinets, switching to hardboard at same or lower prices as result of recent modernization of its furniture factory. Both RCA & Philco introduced their first FM-stereo table models, former at \$199.95, latter at \$139.95. Phonos feature more drop-down changers, non-scratch cartridges. For highlights, see p. 13.

Dawn-of-a-new-era feeling was widespread at RCA distributor meeting, as Saxon made these points: (1) "Color TV will undoubtedly be the largest individual contributor to the home entertainment industry's sales volume this year." (2) RCA is predicting banner b&w year, too—sales of 6.5 million of them, plus 750,000 color sets for total of 7.25 million TV's. (3) Integrated circuits may show up within next 5 years in RCA consumer products. (4) Convertibility to uhf "could easily be the most important selling feature of the industry's new sales season." (5) "Days of foreign advantage in manufacturing costs are about over."

**U.S. TINYVISION—GE's 11-IN. AT \$99.95:** GE's widely anticipated 11-in. set at \$99.95, which goes on sale nationwide June 1, is unorthodox both in construction & appearance. Although there are step-up models at \$109.95, GE hopes to push for mass sales on low-end model, thereby opening up what it believes to be vast 2nd-set market for U.S.-made personal portables.

Here are specs: Square-cornered 11-in. Lamelite (laminated plastic safety shield) picture tube gives 60-sq. in. picture. Weight is 12¾ lb. Speaker is front-mounted, 6 x 2 in. Plastic cabinet, 10¾-in. high, 9⅞-in. deep, is 14-in. wide at front, tapers to 10-in. at back, has monopole antenna. In addition to picture tube, set contains 9 receiving tubes, including 6 (14 functions) compactrons. It operates on house current only.

Really unique feature of set is that it has no chassis at all, in conventional sense of term, eliminating virtually all metal parts. Circuits & components are mounted directly on front escutcheon and picture-tube mask. GE calls this "unitized construction," says virtually all hand soldering operations are eliminated.

GE engineers discarded traditional TV set construction concepts with specific goal in mind—set which could be sold for less than \$100. However, they also came up with valuable byproduct—easy accessibility to all parts. Polypropylene cabinet is made in 2 pieces—front escutcheon and unitized box composing back & sides. Box is removed by taking out 4 long bolts, exposing all parts. GE says picture tube replacement takes 6 minutes, including opening & closing set. In tests of replacing 7 most commonly serviced components, says GE, job could be done about 45% faster on little set than next most serviceable TV set.



All-channel version will contain GE's new miniature transistorized uhf tuner (Vol. 3:13 p7), which will go in all new all-channel sets in GE line and represents GE's entry into tuner manufacturing business. In little set, it's expected to add \$20 to price, although no retail price has been announced for all-channel version. Since this will bring nominal retail price up to \$119.95, you can bet that in coming months GE will be working furiously on further manufacturing efficiencies to make possible all-channel version at magic figure of \$99.95 come U-Day next April 30.

The \$109.95 step-up has aluminum handle (instead of plastic), dipole antenna, earphone jack, comes in 2 colors—champagne or bright cherry red (the color itself being an innovation in TV set design).

Entire industry will be watching progress of GE's little personal portable. Only other U.S. firm known to be planning to produce its own tinyvision is Admiral (best guess as to introduction month: September), but others are seriously considering import of small Japanese sets. For example, Toshiba says it has contracted to sell Sears Roebuck 10-in. house-current sets; initial quantities have been estimated at 10,000.

Philco product planning mgr. William Balderston told us last week: "There'll be a market for 11-in. sets. We're looking at them but have no plans for them at this time. We think that TV ultimately will fragmentize, as radio did. Ultimately, few manufacturers will be able to make all sizes."

Firmly committed to "fragmentation" of TV audience into personal viewing units, GE can be expected to introduce further unique variations of its 11-in. set soon.



GE announced "lifetime guarantee" on etched circuit boards of the 11-in. Defects occurring in boards will be repaired "at no cost to the customer" during full life of set.

GE TV ad mgr. Vincent Novak said that study 4 years ago of 10,000 service calls revealed only 2 circuit boards had to be replaced. "Any confusion remaining in the customer's mind about the superiority of modern assembly methods," he said, "should be forever laid to rest by this new warranty." Thus GE joins RCA & Philco in declaring unremitting war against claims made for hand wiring. Incidentally, so-called "standard" warranty (Vol. 3:19 p7) is mythical, dating back more than decade when EIA had warranty standards, since discontinued.

**SET MAKERS NET GOOD FIRST QUARTER:** TV-radio manufacturers were off & running strong in 1963's opening quarter, despite signs of foot-dragging here & there. Sales generally fared better than profits, however. Eight volume set makers boosted collective sales \$17.2 million over 1962's first-quarter level, but their earnings sloughed off by more than \$300,000. Conversely, 5 companies in which TVs & radios are but several of many consumer & military products increased their earnings by \$10.7 million on a \$112 million sales gain.

Our analysis of these 13 set makers produced these capsule findings: (1) Aggregate corporate sales & profits were decidedly ahead of a year ago. (2) Surprising number—7 of 13—posted sales records. (3) Four had record earnings. (4) Overwhelming number—11 of 13—boosted sales. (5) Nine of 13 increased earnings. (6) Only 2 failed to finish quarter in the black.

Eight manufacturers which concentrate on home electronic products ran their collective sales to \$287.8 million from \$270.6 million a year ago. Their earnings, however, slipped to \$10.4 million from \$10.7 million. The 1963 figure is after deducting losses of \$53,000 by Wells-Gardner & \$6,208 by Andrea Radio. The 8 companies: Andrea Radio, Admiral, Magnavox, Motorola, Muntz TV, Packard Bell, Wells-Gardner, Zenith. Six increased sales, 4 improved earnings.

Record sales & earnings were scored by Magnavox & Zenith. Motorola had record sales. In addition to its loss, Wells-Gardner experienced 14% sales drop. Pres. Grant Gardner attributed loss largely to start-up expenses for color TV production & drain of subsidiary cabinet factory, forecast "profitable" 1963. Motorola, which saw earnings drop 45%, noted major investments in color TV & new semiconductor products. Muntz TV, 3rd company with a profit slide, despite sales rise, had to make provision for first time in many years for federal taxes. Comparison with year-earlier's taxless earnings is therefore not entirely valid.

Solid sales & profit gains were scored by the 5 multi-product companies in which TVs & radios produce only a portion of over-all volume. Combined first-quarter sales of Arvin Industries, GE, GT&E, RCA

& Westinghouse burgeoned to \$2.435 billion from \$2.323 billion. Their amalgamated earnings increased to \$111.5 million from \$100.9 million. All improved sales & earnings over 1962's first quarter, and GT&E and RCA had record volume & profit. GE & Westinghouse also had record sales.

Profit gains of 9 companies which improved earnings picture were more solid than dramatic. RCA was up 19% to \$17.3 million from \$14.5 million. Zenith climbed 7% to \$5.1 million from \$4.7 million. Magnavox improved to \$2.9 million from \$2.4 million. Westinghouse gained 7% to \$12.6 million from \$11.8 million, and GE boosted earnings more than \$3 million to \$59 million from \$56 million. Admiral, which saw profits sink in 1962, got them moving ahead again with a gain to \$784,545 from \$509,957.

Major sales gains were made by Zenith, up 13% to \$92.3 million from \$81.5 million; Westinghouse, up 6% to \$489.7 million from \$460.5 million. Other strong gains: Motorola—to \$80.6 million from \$77 million. Packard Bell—\$13.3 million from \$11.7 million. Arvin—\$22.1 million from \$18.8 million. GE boosted sales nearly \$54 million to \$1.154 billion from \$1.1001 billion.

Here's 1963-vs.-1962 first-quarter performance of 8 volume producers:

	Sales		Earnings	
	1963	1962	1963	1962
Andrea Radio .....	\$ 944,493	\$ 1,455,312	\$ (6,208)	\$ 87,185
Admiral .....	49,907,686	48,309,910	784,545	509,957
Magnavox .....	43,821,000	43,039,000	2,903,000	2,435,000
Motorola .....	80,590,096	77,017,162	1,356,667	2,455,944
Muntz TV (qtr. to Feb. 28).....	3,205,000	3,140,000	140,365	264,549
Packard Bell .....	13,278,000	11,730,615	229,000	186,751
Wells-Gardner .....	3,764,000	4,380,000	(53,000)	62,000
Zenith .....	92,266,684	81,520,763	5,062,980	4,728,794
<b>TOTALS</b> .....	<b>\$287,776,959</b>	<b>\$270,592,762</b>	<b>\$10,417,349</b>	<b>\$10,730,180</b>

Here are comparative first quarters of 5 multi-product companies:

Arvin Industries .....	\$ 22,144,000	\$ 18,815,000	\$ 535,000	\$ 472,000
GE .....	1,154,473,000	1,100,566,000	58,979,000	55,963,000
GT&E (Sylvania) .....	332,479,000	317,906,000	22,060,000	18,162,000
RCA .....	436,000,000	425,000,000	17,300,000	14,500,000
Westinghouse .....	489,742,000	460,466,000	12,588,000	11,778,000
<b>TOTALS</b> .....	<b>\$2,434,838,000</b>	<b>\$2,322,753,000</b>	<b>\$111,462,000</b>	<b>\$100,875,000</b>

**SLOWDOWN IN FM-STEREO STATION STARTS:** New FM-stereo starters have slowed down to trickle since first of year, with only a score beginning stereocasting. Count of known stereocasters now stands at 230 in U.S. & Canada.

Survey of broadcast equipment manufacturers shows slowdown is general—but there's feeling among manufacturers and at FCC that there'll be pickup toward fall. Commission is expected to end FM new-station freeze before it goes on vacation at end of July, opening way for more new stations—and majority of new FM stations go on air equipped for stereo.

Our survey of equipment makers did turn up 88 FM stations which are preparing for stereocasting—they've ordered or have received equipment. Among stereocasters are now appearing some of the big names in broadcasting, as well as young new entrepreneurs anxious to make a name with stereo. All 3 major networks now have definite plans to start stereocasting on owned-&-operated stations. NBC's WMAQ-FM Chicago is already broadcasting in stereo. CBS is preparing its KCBS-FM San Francisco, KNX-FM Los Angeles & KMOX-FM St. Louis. ABC's FM flagship, WABC-FM N.Y. plans to begin stereocasts shortly.

Here are our latest lists of FM stations now broadcasting in stereo, followed by upcoming FM stereo markets (expected to be on air in stereo by end of year):

STATIONS BROADCASTING IN FM STEREO

ALABAMA

Birmingham ..... WCRT-FM, WSFM  
Huntsville ..... WNDA

ALASKA

Anchorage ..... KBYR-FM

ARIZONA

Phoenix ..... KEPI, KNIX  
Sun City ..... KTPM

CALIFORNIA

Beverly Hills ..... KCBH  
Coachella ..... KCHQ  
Fresno ..... KCIB, KXQR  
Garden Grove ..... KGGK  
Long Beach ..... KNOB  
Los Angeles ..... KFMU, KMLA, KPOL-FM, KRHM  
Monterey ..... KHFR  
Palm Springs ..... KDES-FM  
Riverside ..... KDUO  
Sacramento ..... KHIQ, KSFM  
San Diego ..... KFMX, KGB-FM, KLRO, KPRI  
San Francisco ..... KBAY-FM, KBCO, KMPX, KPEN, KSFR  
San Jose ..... KSJO-FM  
San Luis Obispo ..... KVEC-FM  
Santa Barbara ..... KMUZ  
Santa Maria ..... KEYM  
Turlock ..... KHOM  
Ventura ..... KUDU-FM  
Visalia ..... KONG-FM  
Walnut Creek ..... KWME

COLORADO

Colorado Springs ..... KLST  
Denver ..... KLIR-FM

CONNECTICUT

Brookfield ..... WGHF  
Hartford ..... WTIC-FM  
Meriden ..... WBMI

DELAWARE

Wilmington ..... WJBR

DISTRICT OF COLUMBIA

Washington ..... WASH

FLORIDA

Cocoa Beach ..... WRKT-FM  
Coral Gables ..... WVCG-FM  
Ft. Lauderdale ..... WFLM  
Miami ..... WAEZ, WWPB  
Orlando ..... WHOO-FM  
Pensacola ..... WPEX-FM  
St. Petersburg ..... WTCX  
Sarasota ..... WYAK

GEORGIA

Athens ..... WGAU-FM  
Atlanta ..... WKLS, WSB-FM  
Gainesville ..... WDUN-FM

HAWAII

Honolulu ..... KAIM-FM, KPOI-FM

ILLINOIS

Bloomington ..... WJCB-FM  
Chicago ..... WEFM, WFMQ, WFMT, WKFM, WMAQ-FM, WSBC-FM  
Joliet ..... WJOL-FM  
Quincy ..... WGEM-FM  
Rock Island ..... WHBF-FM

INDIANA

Columbus ..... WCSI-FM  
Evansville ..... WIKY-FM  
Indianapolis ..... WISH-FM  
Terre Haute ..... WVTS

IOWA

Cedar Rapids... KHAK-FM, WMT-FM  
Des Moines ..... KDMI  
Waterloo ..... KXEL-FM

KANSAS

Lawrence ..... KANU

KENTUCKY

Lexington ..... WVLK-FM  
Owensboro ..... WSTO

LOUISIANA

Monroe ..... KMLB-FM  
New Orleans ..... WWMT

MARYLAND

Bethesda  
(Washington, D. C.) ..... WHFS, WJMD  
Towson (Baltimore) ..... WAQE-FM

MASSACHUSETTS

Boston ..... WBCN, WGBH  
Lynn ..... WUPY  
Waltham ..... WCRB-FM  
Worcester ..... WTAG-FM

MICHIGAN

Bay City ..... WNEM-FM  
Detroit .. WABX, WDTM, WGPR-FM, WLDM, WOMC  
East Lansing ..... WSWM  
Flint ..... WGMZ  
Grand Rapids WJEF-FM, WOOD-FM  
Midland ..... WQDC  
Mt. Pleasant ..... WCEN-FM

MINNESOTA

Minneapolis ..... KRSI-FM, KWFM, WAYL

MISSOURI

Joplin ..... KSYN  
Kansas City .. KCMO-FM, KMBC-FM  
St. Louis ..... KCFM, KSHE  
Springfield ..... KTXR

NEBRASKA

Omaha ..... KQAL-FM

NEVADA

Las Vegas ..... KORK-FM

NEW HAMPSHIRE

Mt. Washington ..... WMTW-FM

NEW JERSEY

Atlantic City ..... WFPG-FM  
Dover ..... WDHA-FM  
Long Branch ..... WRLB  
Trenton ..... WBUD-FM

NEW MEXICO

Albuquerque ..... KHFM

NEW YORK

Babylon, L. I. ..... WQMF  
Buffalo ..... WDCX  
Fresh Meadows, L.I.  
(N.Y.C.) ..... WTFM  
Garden City, L. I. ..... WLIR

New York ..... WQXR-FM  
Patchogue, L. I. ..... WPAC-FM  
Riverhead, L. I. ..... WAPC-FM  
Rochester ..... WCMF  
Schenectady ..... WGFN  
Syracuse ..... WSYR-FM  
Utica ..... WUFM

NORTH CAROLINA

Burlington ..... WBBB-FM  
Charlotte ..... WBT-FM  
Greensboro ..... WMDE, WQMG  
Hickory ..... WHKY-FM, WIRC-FM

OHIO

Barberton (Akron) ..... WDBN  
Canton ..... WCNO  
Cincinnati ..... WKRC-FM  
Cleveland ..... WDGO, WNOB, WDOK-FM  
Columbus ..... WBNS-FM  
Findlay ..... WFIN-FM  
Kettering ..... WKET-FM  
Mansfield ..... WVNO-FM  
Middletown ..... WPFB  
Port Clinton ..... WRWR  
Portsmouth ..... WPAV-FM  
Youngstown ..... WBBW-FM

OKLAHOMA

Oklahoma City ..... KFNB, KYFM  
Stillwater ..... KOSU-FM  
Tulsa ..... KOCW, KRAV

OREGON

Eugene ..... KFMY, KWFS-FM  
Portland ..... KGMG, KPFM  
Springfield (Eugene) ..... KEED-FM

PENNSYLVANIA

Braddock (Pittsburgh).... WLOA-FM  
Chambersburg ..... WCHA-FM  
Harrisburg ..... WPTA-FM  
Johnstown ..... WJAC-FM  
Philadelphia WFLN-FM, WHAT-FM, WIFI, WQAL  
Pittsburgh ..... WKJF  
Wilkes-Barre ..... WYZZ

RHODE ISLAND

Providence ..... WPFM, WXCN

SOUTH CAROLINA

Beaufort ..... WBEU-FM  
North Charleston ..... WKTM  
Spartanburg ..... WSPA-FM

TENNESSEE

Kingsport ..... WKPT-FM  
Nashville ..... WNFO-FM, WSIX-FM  
Sevierville ..... WSEV-FM  
Tullahoma ..... WJIG-FM

TEXAS

Amarillo ..... KCHO  
Austin ..... KTBC-FM  
Beaumont ..... KHGM  
Corpus Christi ..... KTOD-FM  
Dallas ..... KIXL-FM, KVIL-FM  
Ft. Worth ... KXOL-FM, WBAP-FM  
Gainesville ..... KGAF-FM  
Houston ..... KFMK, KODA-FM, KQUE, KRBE, KXYZ-FM  
Port Arthur ..... KFMP  
San Antonio ..... KEEZ  
Wichita Falls ..... KNTD

STATIONS BROADCASTING IN FM STEREO (Continued)

**UTAH**  
Salt Lake City ..... KSL-FM

**VIRGINIA**  
Martinsville ..... WMVA-FM  
Norfolk ..... WTAR-FM, WYFI  
Richmond ..... WFMV  
Roanoke ..... WSLS-FM

**WASHINGTON**  
Seattle ..... KETO-FM, KGMJ,  
KISW, KLSN, KZAM  
Tacoma ..... KLAY-FM

**WEST VIRGINIA**  
Charleston ..... WKNA  
Martinsburg ..... WEPM-FM

**WISCONSIN**  
Kenosha ..... WAXO  
Madison ..... WHA-FM, WISM-FM,  
WMFM  
Milwaukee ..... WFMR, WMKE,  
WTMJ-FM  
West Bend ..... WBKV-FM

**PUERTO RICO**  
Rio Piedras ..... WFID

**CANADA**  
Kamloops ..... CFFM  
Montreal ..... CFCF-FM, CKVL-FM  
Ottawa ..... CFRA-FM  
Quebec ..... CHRC-FM  
Toronto ..... CFRB-FM, CHFI-FM  
Vancouver ..... CHQM-FM  
Winnipeg ..... CKY-FM

STATIONS PLANNING FOR STEREO BROADCASTING

**ALABAMA**  
Huntsville ..... WAHR  
Mobile ..... WKRK-FM

**ARIZONA**  
Tucson ..... KSOM

**CALIFORNIA**  
Los Angeles ..... KBMS, KNX-FM  
Oceanside ..... KUDE-FM  
Sacramento ..... KFBK-FM  
San Bernardino ..... KRCS  
San Diego ..... KBBW  
San Francisco ..... KAFE, KCBS-FM,  
KEAR, KXXK  
Santa Barbara ..... KDB-FM  
Thousand Oaks ..... KNJO  
Woodland ..... KATT

**COLORADO**  
Boulder ..... KRNW  
Denver ..... KFML-FM  
Manitou Springs ..... KCMS-FM

**CONNECTICUT**  
Hartford ..... WCCC-FM

**DELAWARE**  
Wilmington ..... WDEL-FM

**FLORIDA**  
Cocoa Beach ..... WXBR  
Gainesville ..... KRUF-FM  
Miami ..... WMIE-FM  
Palm Beach ..... WQXT-FM  
Winter Haven ..... WINT-FM

**GEORGIA**  
Columbus ..... WRBL-FM

**IDAHO**  
Boise ..... KBOI-FM

**ILLINOIS**  
Champaign ..... WLRW  
Decatur ..... WSOY-FM  
Mattoon ..... WLBH-FM  
Waukegan ..... WEFA

**INDIANA**  
Richmond ..... WKBV-FM

**KANSAS**  
Wichita ..... KCMB-FM, KWBB-FM

**KENTUCKY**  
Louisville ..... WLVL  
Prestonsburg ..... WDOC-FM

**MAINE**  
Caribou ..... WFST-FM

**MICHIGAN**  
Detroit ..... WBFM  
Interlochen ..... WIAA  
Lansing ..... WMRT-FM

**MISSOURI**  
St. Joseph ..... KUSN-FM  
St. Louis ..... KADI, KMOX-FM, KWIX

**NEVADA**  
Las Vegas ..... KLUC-FM

**NEW JERSEY**  
Paterson ..... WPAT-FM  
Trenton ..... WTTM-FM

**NEW MEXICO**  
Los Alamos ..... KRSN-FM

**NEW YORK**  
Buffalo ..... WADB, WYSL-FM  
New York ..... WABC-FM, WYNC-FM

**OHIO**  
Cincinnati ..... WAEF-FM  
Cleveland Heights ..... WCUY  
Columbus ..... WMNI-FM  
Dover ..... WJER-FM  
Springfield ..... WBLY-FM  
Toledo ..... WTOL-FM

**PENNSYLVANIA**  
Hanover ..... WHVR-FM  
Philadelphia ..... WDVR  
Pittsburgh ..... WWSW-FM  
Warren ..... WRRN

**SOUTH CAROLINA**  
Columbia ..... WCOS-FM  
Seneca ..... WSNW-FM

**TENNESSEE**  
Camden ..... WFWL-FM  
Greenville ..... WGRV-FM  
Johnson City ..... WJCW-FM  
Lebanon ..... WCOR-FM  
McKenzie ..... WKTA

**TEXAS**  
Dallas ..... KRLD-FM, KSFM  
Gainesville ..... KGAF-FM  
Lubbock ..... KBFM  
Midland ..... KNFM  
San Antonio ..... WOAI-FM

**VIRGINIA**  
Richmond ..... WCOD

**WASHINGTON**  
Bellingham ..... KGMI-FM  
Seattle ..... KGFM

**WISCONSIN**  
Eau Claire ..... WIAL  
Green Bay ..... WBAY-FM  
Kenosha ..... WLIP-FM  
Wausau ..... WSAU-FM

**WYOMING**  
Cheyenne ..... KVWO-FM

**PUERTO RICO**  
Aquadilla ..... WABA-FM  
Isabella ..... WISA-FM

TV-RADIO PRODUCTION: EIA statistics for week ended May 10 (19th week of 1963)

	May 4-10	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV .....	118,364	134,716	126,412	2,538,152	2,450,219
Total radio .....	322,782	327,779	378,179	6,143,711	6,834,111
Auto radio .....	128,254	134,704	132,301	2,791,042	2,387,770

**PHILCO & RCA (cont.):** Highlights of new consumer electronics lines introduced last week by RCA & Philco (see also p. 8):

**Color:** RCA's color line, largest ever, contains 21 models, with more dollar-for-dollar value than last year. Bottom of line still is \$495, but this year it's wood-grained metal console (not table model), roughly equivalent to last year's \$525 model and leading to speculation that black metal table model might be dropped in later at low promotional price. Lowest-priced color remote is now \$595 (vs. \$750 last year), cheapest all-wood cabinet set \$549.95 (vs. \$595), with color combos starting at \$895 (vs. \$995) and running up to \$1,700. All sets use new RCA color chassis (Vol. 3:10 p7).

Philco's color line, produced in own factory for first time, is lengthened to 14 models from last year's 8. New price leader is hardboard-cabinet table model at \$495, and line is topped by "under-\$1,000" combo.

**Black-&-white:** Philco's prices & styling are news, with everything (including redesigned Town & Country 19-in. sets) down about \$10, where direct comparison is possible. Philco's flexible curtainwood doors are employed on sets selling as low as \$269.95. Two promotional consoles feature opaque-finished cabinets—in black hitchcock design & green Pennsylvania Dutch (complete with hex signs)—at \$299.95. Philco's 23-in. line begins with hardboard-cabinet table model at \$179.95 (vs. metal set last year at \$199.95). One model is available with tea-cart accessory. Combo prices are lower, too, starting with TV-phono at \$329.95; lowest-priced TV-radio-phono is \$399 (vs. \$499 last year). Top of combo line is \$645, with woven walnut speaker grille, well under last year's top-of-line price of \$829.

RCA's black-&-white line now has 27 basic models, much of it priced comparatively with last year. Lowest-priced remote control 23-in. table model is now \$259.95, some \$10 below last year's point; compact console sets start at \$219.95 (\$20 less than year ago). Combos with radio start at \$399.95 (vs. \$495), with first FM-stereo combo at \$425. Top-of-line b&w combo is now \$550 (vs. \$650).

**Stereo:** Portable stereo begins at \$69.95 with drop-down changer in both Philco & RCA lines, and both lines feature tape input & output jacks extensively in stereo units to take advantage of recording possibilities inherent in FM stereo. Philco's stereo consoles start at \$129.95, RCA's at \$149.95. Philco features 2 unique cabinet styles for stereo—one convertible to either desk or bench by changing legs (\$299.95), the other in form of secretary desk.

**Radio:** RCA's new FM-stereo table model uses twin units; Philco's has detachable speakers. Both transistor radio lines begin with 6-transistor sets at \$14.95 (Philco's is gift-packed), and both lines are believed to include imports. RCA introduced first FM-AM-SW set (11 transistor), at \$89.95—this is the German-made unit mentioned by Group Exec. vp W. Walter Watts at recent stockholders meeting (Vol. 3:19 p10). Philco line features 9-transistor AM-FM at \$49.95; RCA has added new FM-AM clock radio at \$59.95, replacing former one at \$79.95. RCA has "spice chest" radio which can be hung on wall.

Among other new features: Philco's new "high-gain" picture tube, said to reduce tube & set failures; RCA's new FM-AM tuner for all stereo merchandise.

**Japanese TV exports to U.S.** during first quarter 1963 totaled 87,836 sets, more than 4½% of U.S. TV production for same period and 8 times as many as the 11,039 exported to U.S. in first quarter 1962. Here's breakdown (last year's figures in parentheses): 21-in. & over, 4,767 (2); under 21-in., 46,033 (7,070); transistorized, 37,036 (3,976). Multi-transistor radio shipments also showed increase during same period: 3 or more transistors, 1,537,997 (1,285,253); tube radios, 212,071 (376,378); others including "toy" radios, 556,654 (896,108).

**Customs Bureau backed down,** reportedly on its strict policy of assigning relatively high base prices on imported Japanese radios (Vol. 2:49 p10). Customs had been applying duty on basis of \$6.30 for "Class C" (lowest-performance transistor radios on Japanese rating scale) radios, \$6.80 on Class B radios and \$7.30 on Class A. Base valuation on Class C sets has been reduced to \$5, on Class B to \$5.50 and on Class A radios to Japanese invoice prices. Reduction in Class C base means duty saving of 16¢ per set to importers of low-price radios in this class.

**Color sales & production statistics** will not be compiled by EIA in foreseeable future, as result of change in RCA's plans. Company had agreed last March to supply its own color statistics to industry pool beginning next July. However, it's understood RCA has now decided to wait for completion of reorganization of EIA Marketing Services Dept. before making final decision. Under EIA rules, no company which makes more than 50% of industry total of any single product need report data on that product.

**FM-stereo facilities** were built into virtually 50% or 205,217 of 411,252 combination receivers produced in 1963's first quarter. Of 62,816 TV-radio combos produced, 24,465 had FM-stereo, EIA reported. Of 348,436 radio-phono combos, 180,752 were FM-stereo equipped. For total 1962, nearly 46% or 767,539 of 1,677,385 combos produced featured FM-stereo.

**3M-Revere tape cartridge recorder** (Vol. 3:18 p8) will be sold in Chicago area initially by 16 retail outlets, including Marshall Field & Co.'s main store & 2 suburban stores, Lyon & Healy Music Co.'s 7 stores, Musicraft and Gill Custom House in Chicago, plus stores in Highland Park, Park Ridge and La Grange.

**Japan's TV manufacturers** plan this year to establish voluntary ceiling on exports to U.S. EIA of Japan exec. dir. Hiromi Kono said outlook is for initial quota of 10% of U.S. production. Total Japanese TV shipments to U.S. this year, he said, will rise to about 300,000 from 150,000 sets last year.

**Oak Mfg.'s McCoy Electronics** subsidiary is building adjacent to its Mt. Holly Springs, Pa. hq a \$500,000, 50,000-sq. ft. plant which will more than triple production capacity for quartz crystals, filters & frequency control units. Addition is slated for completion in Oct.

**Ohio's Fair Trade Act** was declared unconstitutional by 4-3 vote of State Supreme Court—but Act still stands. Under Ohio law, appellate decision can be upset only with approval of 6 of 7 Supreme Court justices. Appellate Court of Northern Ohio had upheld Act.

**Admiral's 5-year warranty** on etched circuit boards (Vol. 3:19 p7) covers circuit boards only, no other parts. Our warranty roundup last week was not properly explicit on this point.

**Sylvania will begin recall** this fall of workers to resume production of color TV tubes, suspended in 1957.

**FIRST-QUARTER SALES:** EIA's official report on first-quarter performance of home electronic products is strictly up & down. Monochrome TV moved ahead of year-ago's distributor sales by more than 73,600 units, but production increased less than 50,000. Radio sales dropped more than 290,000 units, and manufacturers cut back on output by nearly 439,000 units. Phonographs continued making merry 1963 music with sales gain of 134,000 units over 1962's first quarter.

Distributor sales of b&w TV gained some 20,000 units in March over March 1962, pushed quarterly total to 1.64 million units from year-earlier's 1.57 million. Production picture shows all-channel sets continuing to account for increasing share of total output. March's all-channel production jumped markedly to 76,481 from March-1962's 48,323. For first quarter, all-channel output ran more than 40% ahead of year-ago.

March radio sales by distributors to dealers dropped nearly 100,000 units from March 1962. First-quarter total dipped to 1.9 million from 2.2 million. FM radio production, which had dropped in Feb. from year-ago month, came about in March and went ahead of March 1962's output by nearly 25%. Quarterly output of FM radio also ran ahead.

Distributor's March phono sales continued year's up-beat pattern. Sales rose nearly 47,000 units from March 1962, and first-quarter volume rose to 992,649 from 1962's Jan.-March volume of 758,405.

Here are EIA's official figures:

**TV-RADIO DISTRIBUTOR SALES**

Month	Black-&-White TV		Radio (excl. auto)	
	1963	1962	1963	1962
January	503,821	465,836	453,348	562,869
February	535,999	521,275	616,036	697,893
March	601,797	580,876	818,510	917,236
<b>TOTAL</b>	<b>1,641,617</b>	<b>1,567,987</b>	<b>1,887,894</b>	<b>2,177,998</b>

**BLACK-&-WHITE TELEVISION PRODUCTION**

Month	Total		All-Channel	
	1963	1962	1963	1962
January	484,415	488,869	58,032	39,609
February	557,931	541,494	63,713	46,715
March	696,435	659,251	76,481	48,323
<b>TOTAL</b>	<b>1,738,781</b>	<b>1,689,614</b>	<b>198,226</b>	<b>134,647</b>

**RADIO PRODUCTION**

Month	Total		Auto Radio		FM	
	1963	1962	1963	1962	1963	1962
January	1,229,507	1,350,630	657,691	530,589	87,641	76,510
February	1,389,652	1,464,797	657,691	480,232	75,544	84,216
March	1,568,381	1,810,417	677,613	607,510	100,940	81,010
<b>TOTAL</b>	<b>4,187,540</b>	<b>4,625,844</b>	<b>1,929,809</b>	<b>1,618,331</b>	<b>264,125</b>	<b>241,736</b>

**PHONO DISTRIBUTOR SALES**

Month	1963			1962		
	Mono	Stereo	Total	Mono	Stereo	Total
January	81,046	235,479	316,525	48,423	171,305	219,728
February	73,424	256,548	329,972	50,563	188,857	239,420
March	78,922	267,230	346,152	63,206	236,051	299,257
<b>TOTAL</b>	<b>233,392</b>	<b>759,257</b>	<b>992,649</b>	<b>162,192</b>	<b>596,213</b>	<b>758,405</b>

**PHONO FACTORY SALES**

Month	1963			1962		
	Mono	Stereo	Total	Mono	Stereo	Total
January	83,638	258,058	341,694	68,545	191,014	259,559
February	77,971	262,304	339,275	52,566	202,846	255,412
March	92,871	236,842	329,713	60,991	237,492	298,483
<b>TOTAL</b>	<b>254,480</b>	<b>757,204</b>	<b>1,011,684</b>	<b>182,102</b>	<b>631,352</b>	<b>813,454</b>

**SIRAGUSA LOOKS AHEAD:** Confident picture of consumer durables' near-future was painted last week by Admiral Chmn. Ross D. Siragusa in panel on business outlook at National Industrial Conference Board's annual economic conference in N.Y.

For 1968, he ventured these distributor-to-dealer sales projections: 2.5 million color TV sets, out of total 7 million TVs; 23.5 million radios; 4.2 million stereo instruments; 4.35 million refrigerators; 1.25 million home freezers.

For more immediate future—balance of 1963—Siragusa said he expects good sales volume in consumer durables to continue, and predicted that "sales increases in the consumer electronics-major appliance field will exceed 3-5% rise anticipated in Gross National Product." He estimated industry color TV sales this year at "approximately 700,000 units, or more than 10% of the projected total TV sales of 6.5 million" and pointed out that color's dollar volume "will approximate 25% of the aggregate total because each color set sale is equivalent to about 3 black-&-white TV sales."

TV industry, he said, "has been experiencing a steadily increasing average retail selling price" due to "higher sales of big-ticket color TV and to greater concentration on sales of TV-stereo phono combinations." In phono field, he added, distributor sales of stereo instruments increased 27% in first quarter over same period last year. "By summer, you will see a variety of completely transistorized stereo radio-phonograph combinations at the top of the line."

He expressed opinion that softness in radio market (Vol. 3:17 p10) is "a breather after 2 high-volume years in which total industry sales reached 40 million units."

His optimism for business conditions this year, Siragusa declared, was not due solely to high level of govt. spending, but also: (1) Continued rise in personal income. (2) High level of consumer savings and satisfactory level of debt repayment. (3) Increasing employment. (4) Estimated 1.4 million new home starts.

Two more Motorola distributors have joined Fair Trade parade (Vol. 3:14 p13): Gough Industries, for San Diego & Imperial counties, California; Craig Electronics, 7 southern California counties. Both commence fair trading June 1.

Zenith was honored by National Alliance of TV & Electronic Service Assns. (NATESA) with its "Friend of Independent Service" award, only TV manufacturer to be so honored this year.

Symphonic's new phonograph line is its largest—17 portables, priced from \$19.95 to \$229.95, and 13 consoles, \$99.99 to \$339.95. Four top-end portables feature drop-down changers.

Davega Stores' assets, trademarks & name have been purchased for \$311,100 by Henry Modell Co., N.Y. operator of 4 sporting goods stores (Vol. 3:19 p11).

Reports & comments: CBS, special report, A. M. Kidder & Co., One Wall St., N.Y. • "The Electronics Industry," discussion, Paine, Webber, Jackson & Curtis, 25 Broad St., N. Y. 4.

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

**Allied Artists.** Roger W. Hurlock bought 400 in Feb., held 37,400.

**Arrow Electronics.** Maurice Goldberg bought 100, held 133,086.

**Arvin Industries.** Edmund Ludlow bought 137, held 3,637. Frank H. Sparks sold 2,500, held 6,250.

**Avnet Electronics.** Alvin Bennett sold 13,000, held 42,661. Jack Stadler sold 10,500, held 35,785. Lester Avnet exchanged for tangible personal property 33,654 held in trust, held 246; held personally 217,156.

**Capital Cities Bestg.** Robert Lipton sold 2,275, held none.

**Clarostat Mfg.** Irvin Lavine bought 500, held 1,018.

**CBS.** Frank Stanton sold 20,000, held 145,890.

**Decca Records.** MCA bought 7,500, held 1,348,015.

**Dynamics Corp. of America.** R. F. Kelley bought 10,000, held 70,400.

**Federal Pacific Electric.** Clifford Harris sold 1,100 in Feb., held 30,000.

**Globe-Union.** R. H. Warner bought 750, held 2,415.

**Hallierafters.** Edward Bishop Jr. bought 800, held 4,400. Stanley Rendell bought 1,200, held 4,100.

**Lear Siegler.** Pierpont Hamilton sold 7,200 in Feb., held 29,521.

**Macfadden-Bartell.** David Bartell bought 200 in Feb., held 222,238. Gerald Bartell bought 200 in Feb., held 221,072. Lee Bartell bought 200 in Feb., held 221,072. Melvin Bartell bought 100 in Feb., held 100,800.

**Magnavox.** David Martin sold 100, held 3,204. John Sturgeon sold 500 in Feb., 200 in March, held 12,385.

**P. R. Mallory.** Boone Cross bought 100, held 100.

**MGM.** Nathan Cummings bought 7,900, held 62,681.

**Metromedia.** Richard Geismar bought 2,000 in April, held 2,300.

**Muntz TV.** Daniel Domin bought 1,000, held 27,008.

**National Video.** Harold Cole sold 800 Class A, held 100.

**Reeves Bestg. & Development.** Harry L. Petersen bought 100, held 2,730.

**Reeves Soundcraft.** Milton Untermeyer bought 200 in Feb., held 700.

**Stewart-Warner.** Donald Potter bought 600 in Feb., held 4,356.

**Taft Bestg.** Roger Read sold 500, held 353.

**TV Industries.** Walter Mack sold 500 in Feb., 6,300 in March, held 2,870.

**Terminal-Hudson Electronics.** Harry Donner sold 1,780, held none.

**Texas Instruments.** R. W. Olson bought 900, held 11,160.

**Thompson Ramo Wooldridge.** Charles Ohly sold 500, held 3,790. Dean Wooldridge sold 500 in Feb., 500 in March, held 35,507.

**Thompson-Starrett.** Herbert Kabat sold 7,000, held 190,365.

**Trans-Lux.** Harry Brandt bought 500 in Feb., held 115,050.

**20th Century-Fox.** Adam Gimbel bought 200, held 200.

**Webcor.** Paul Roth bought 100 in Feb., held 200.

**Electronics International Capital Ltd.,** Bermuda-based investment firm, has obtained stockholder approval to purchase \$5 million of Packard Bell Electronics debentures.

## Trade Personals

**Bert S. Cross** elected Minnesota Mining & Mfg. pres. & chief exec. officer, succeeding **Herbert P. Buetow**, who retires as pres. but continues as a dir. and will become finance committee chmn.

**John E. Wiegel** appointed GE audio products sales mgr., succeeding **Charles J. Fabso**.

**Henry E. Hockeimer**, Philco Communications & Electronics Div. gen. mgr., elected a vp . . . **Frank R. Wheeler** appointed Philco purchasing dir.

**Virgil B. Day**, GE vp for management development & employe relations services, will receive 1963 award of International Council of Industrial Editors for "outstanding contributions to communication & better industrial understanding."

**Morris J. Feldman**, N.Y. Transistor Corp. pres., elected pres. of American Radio Importers Assn. Other elections: vp, **Saul E. Ashkenazi**, Realtone Electronics pres.; secy., **Harold Harris**, Channel Master vp. **David Simon**, Harpers International pres., re-elected treas.

**R. C. Lanphier Jr.** elected Sangamo Electric engineering & mfg. exec. vp; **Cecil L. Clark**, sales & finance exec. vp . . . **John A. Spencer** elected GE regional vp for N.Y., N.J. & New England states, succeeding **Harold A. Olson**, who retires July 31

**J. Keith Hunton** named solid state semiconductor devices engineering mgr., Sylvania Microwave Device Div.

**Distributor Notes:** Philco Distributors-St. Louis will service 10 of 12 southern Illinois counties formerly covered by **Merkle Bros. Hardware**, which continues as Philco dealer in Quincy; **Hardware Products**, Philco's Sterling, Ill. distributor, will absorb other 2 counties, plus 6 counties (5 in eastern Iowa, one in Illinois) formerly served by **J. H. Ewinger & Son Distributing**, which continues as Philco dealer in Burlington, Ia. Four other counties formerly served by Ewinger will be absorbed by Philco branches • **Magnavox** names **Richard J. Guilfoyle** zone mgr. for New England states, headquartering in Boston • **Motorola** appoints **Braid Electric**, Nashville, Ben S. Gambill pres., distributor for Chattanooga area, replacing **Harwell Distributing** • **William E. Goetze** appointed pres. of RCA distributor **A. H. Meyer Co.**, San Francisco, succeeding **A. H. Meyer** who becomes chmn. • **Philco Consumer Products Div.** appoints **Frank Bonner** eastern regional mgr. He had been gen. mgr. of Philco Distributors' Washington-Baltimore Div., which is now split into Washington Div. (**Wally McGregor** gen. mgr.) & Baltimore Div. (**Irv Fulton** gen. mgr.) • **Motorola's** Sioux City, Ia. distributor, **Jones Distributing Co.**, adds most of South Dakota territory, succeeding **McKenzie Distributors**.

**Capital Cities Bestg.** has filed SEC registration statement (File 2-21412) for 250,000 shares of common, 114,003 of which are currently outstanding & will be publicly offered via underwriters headed by **White, Weld & Co.** Sellers of the outstanding shares are **Lowell Thomas** (offering 64,000 of 116,767 shares held) & **Chase Fund** of Boston, disposing of its 50,000-share holdings. Remaining shares will be offered after exercise of outstanding warrants.

## 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	1963—qtr. to Mar. 31	\$ 944,493	—	\$ (6,208)	—	254,136
	1962—qtr. to Mar. 31	1,455,312	—	87,185	\$0.34	254,136
Chris-Craft (formerly NAFI)	1963—qtr. to Mar. 31	17,468,186	\$ 315,449	290,449	.21	1,376,672
	1962—qtr. to Mar. 31	17,803,252	859,240	469,240	.34	1,376,672
EICO Electronic	1963—6 mo. to Mar. 31	4,550,023	—	87,450	.14	607,143
	1962—6 mo. to Mar. 31	4,896,800	—	174,992	.29	607,143
Gabriel	1963—qtr. to Mar. 31	7,390,000	—	107,519	.15	737,113
	1962—qtr. to Mar. 31	7,529,828	—	222,735	.30	737,113
Gulton Industries	1963—year to Feb. 28	30,044,860	2,869,241	1,409,241	1.24	1,138,992
	1962—year to Feb. 28	24,400,687	2,089,415	1,039,415	.92	1,129,810
Jerrold	1963—year to Feb. 28	24,816,000 <sup>7</sup>	—	735,967 <sup>7</sup>	.36	1,999,682
	1962—year to Feb. 28	18,002,000	—	597,234	.29	1,884,569
Litton Industries	1963—9 mo to Apr. 30 <sup>1</sup>	402,000,000	—	17,000,000	1.67	10,143,000
	1962—9 mo. to Apr. 30	274,508,000	—	11,646,000	1.17	9,869,895
MCA <sup>2</sup>	1963—qtr. to Mar. 31	—	—	3,157,796	.63	4,519,603
	1962—qtr. to Mar. 31	—	—	4,203,841 <sup>3</sup>	1.04 <sup>3</sup>	4,040,735
Paramount Pictures	1963—qtr. to Mar. 31	—	—	275,000 <sup>4</sup>	.17 <sup>4</sup>	1,681,681
	1962—qtr. to Mar. 31	—	—	1,129,000	.67	1,684,481
Howard W. Sams	1963—9 mo. to Mar. 31	10,655,270 <sup>7</sup>	—	760,904	1.41	536,225
	1962—9 mo. to Mar. 31	9,925,698	—	674,949	1.26	530,383
Sangamo Electric	1963—qtr. to Mar. 31	13,387,000	204,000	148,000	.09	1,637,617
	1962—qtr. to Mar. 31	10,615,000	(1,222,000)	(546,000)	—	1,637,161
Silicon Transistor	1962—year to Dec. 31	2,898,311	546,558	163,962 <sup>4</sup>	.31	533,958
	1961—year to Dec. 31	1,682,382	62,992	36,008	.07	516,250
Transitron Electronic	1963—13 wks. to Mar. 30	6,211,161	—	(663,023) <sup>5</sup>	—	7,503,368
	1962—13 wks. to Mar. 30	6,033,624	—	(297,101) <sup>6</sup>	—	7,503,368

Notes: <sup>1</sup> Estimated. <sup>2</sup> Includes on "pooling of interests" basis MCA's interest in Decca Records' consolidated net income. <sup>3</sup> Includes non-recurring income equal to 46¢ a share. <sup>4</sup> After \$117,204 (22¢) in special

charges. <sup>5</sup> After \$725,000 tax credit. <sup>6</sup> After \$315,000 tax credit. <sup>7</sup> Record. <sup>8</sup> Before investment profit of \$445,000 (28¢).

"William S. Paley & Frank Stanton provide smooth direction to world's largest advertising medium," declared May 15 *Financial World* in front-cover story, "CBS Rings the Bell." Although CBS doesn't publish divisional earnings, analysis noted, "it's estimated that about 85% of the company's profits comes from TV & most of the remainder from the Record Div. Radio is probably a small factor in the profit picture at the moment as earnings from the CBS-owned radio stations, in large measure, are offset by losses on the radio network." Among numerous accolades: "CBS also has the management talent & strong finances to eye new avenues of diversification within the broad boundaries of the entertainment & educational fields."

GT&E's first-quarter earnings rose 21% to record \$22,060,000 from \$18,162,000 a year earlier. Sylvania Pres. Gene K. Beare said color TV "will be a big boost" to Sylvania, noted production of color tubes will begin later this year. Item in this space last week (Vol. 3:19 p11) erroneously identified earnings as Sylvania's and was indefinite with regard to Sylvania's color tube plans. We regret the error.

Metromedia has purchased for \$5 million cash Ice Capades Inc. & affiliate International Ice Attractions. John H. Harris continues as producer of the 2 companies, which will function as Metromedia subsidiaries. Metromedia also bought WCBM-AM-FM Baltimore for more than \$2 million cash.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AT&T .....	Q	\$0.90	July 1	May 31
Federal Pacific Elec. ..	Q	.32	June 4	May 21
GPE .....	Q	.30	June 15	May 27
Hazeltine .....	Q	.20	June 14	May 31
Minnesota Mining .....	Q	.22½	June 12	May 24
Thompson Ramo Woold. Q		.35	June 15	May 24

Outlet Co.'s broadcast operations produced \$900,259 of fiscal-1963's \$1,013,593 operating profit (Vol. 3:15 p12). Earnings in fiscal-1964's first quarter, ended April 30, dropped \$239,074 from a year ago, but Pres. Joseph S. Sinclair said "we hope to wind up fiscal 1964 with earnings as good or possibly better than in" fiscal 1963.

Metromedia expects 1963 earnings to climb to "about \$2 a common share" from 1962's \$1.40 on a sales gain to "about \$55 million" from \$53.1 million. Chmn.-Pres. John W. Kluge said all operating facilities are in the black & running ahead of previous estimates. (For first-quarter report, see Vol. 3:16 p12.)

Famous Players Canadian operating profit in 1963's opening quarter rose at least 7% from year-ago's \$611,711, 35¢ a share, vp R. W. Bolstad reported. He noted that Famous Players is negotiating to buy into a number of CATV systems, said all TV stations in which company has interest "did better" in March quarter than year ago.



WEEKLY **Television Digest**  
NAB LIBRARY with  
**Consumer Electronics . . .** (starts page 7)

MAY 27, 1963

NEW SERIES VOL. 3, No. 21

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

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**NEW FCC CHAIRMAN OFF & RUNNING**, fast shouldering full load, says mail running '100-to-1' favorably, looks toward major decisions, has some ideas jelling (p. 1).

**HARRIS LIKES NAB'S RATINGS PROPOSAL**: Pres. Collins shows reform plan to Subcommittee—including criteria & standards, Rating Audit Service, methods research. Harris reservation: Will industry cooperate to make plan reality? (p. 2).

**COURT AFFIRMS FCC POWER OVER CATV MICROWAVE**, unanimously holding in Carter Mt. case that Commission can impose conditions to protect stations economically (p. 4).

**FCC STILL HIPPED ON 'LOCAL-LIVE'**, queries 5 New England stations on plans for all segments of day, not only 6-11 p.m. Hyde & Lee dissent, former decries efforts to 'influence program selection' (p. 4).

**NAB QUESTIONS CODE** commercial limitations, Swezey urging considerations of 'quality,' says FCC shouldn't compound NAB's 'error' (p. 5).

**SARNOFF ON ETV GOALS**: NBC chmn. sees 'unique opportunities' in special interest programming, experimentation, instructional TV to assist overburdened educational system. NET's White says ETV future is not dependent on N.Y. (p. 5).

**SALANT EXTOLLS TV NEWS**: CBS News pres. points to Roper, Steiner studies showing impact, believability of TV journalism (p. 5).

**NEW FCC CHAIRMAN OFF & RUNNING**: FCC's E. William Henry, who becomes chairman June 1, is beginning to feel full load of job, apparently enjoys it. "As soon as people quit trying to psychoanalyze me, I'll be able to get some work done." He's deluged with mail, interviews, speech invitations. He's trying to answer the mail, grants the interviews—but has accepted only one speech date: Sept. 24, International Radio & TV Society, N.Y., doesn't expect to give any before then. (Our prediction: He won't be able to hold out that long.)

Henry tells us mail is running "100-to-1 favorably." "Usually," he says, "they say that Minow has done a wonderful job and I sound as if I'll do the same." Any such from broadcasters? we asked. "Usually, they send congratulations and wish me well."

Henry is accustomed to hard work, long hours, takes increased load in stride. His age, 34, helps. "Sen. Pastore," he said, "told me he was governor of Rhode Island when he was 37—but that he wouldn't want to handle that grueling job now."

New chairman has been interviewed so thoroughly that there are few subjects he hasn't discussed. He certainly isn't afraid to take a stand—though he readily admits he has at times failed to elaborate on controversial matters, leaving unintended impressions.

Take for example his comment that sustaining time may serve as a yardstick of station perform-

**ANA PROBES TV VALUES** at spring meeting in N.Y., hears research reports which show that commercials buried in 'clutter' are less effective than those in 'clean' positions. (p. 6).

### Consumer Electronics

**COLOR PRICE BREAK** resounds through industry as Admiral shows table model at \$399.95, remote-control version at \$429.95, console at \$495. Zenith cuts several color models \$50, brings out 16-in. & 19-in. at \$10 & \$20 below predecessors; Admiral confirms forthcoming 11-in. at under \$100 (p. 7). Other new sets (p. 9).

**FAIR TRADE DISTRIBUTOR MEANS BUSINESS**: Motorola-Chicago takes prompt legal action against 2 dealers who sell below stated prices; 90% of distributor's dealers have signed individual fair trade contracts. (p. 7).

**'HI-FI' DEFINITION** still many months off, but FTC currently leans toward sliding-scale method; Commission invites industry members to submit ideas, insists disagreement won't block eventual ruling (p. 8).

**FIRST-QUARTER TUBE SALES**: Factory sales of TV picture tubes slipped to 2.3 million units from year-earlier's 2.4 million; dollar value dropped more than \$2 million to \$43.1 million. Receiving tube sales, EIA reports, plunged more than 8.8 million units to 83.7 million; dollar value fell \$7.9 million to \$70.5 million (p. 10).

**MAJ. ARMSTRONG'S VINDICATION** nearly complete, with settlement on FM-TV patents attained in 19 out of 21 cases; Motorola & Philco are last holdouts (p. 11).

ance (Vol. 3:20 p1). "What I meant was this," he said. "In its network inquiry, FCC found that networks often offered unsold public service programs to affiliates—but that affiliates frequently rejected these in favor of some 'Krazy Kat' thing that they could sell. I think there may be more public demand for the public service programs than stations realize."

Henry had hoped to issue his report on Omaha local-live hearing about now—but events of last 2 weeks may delay it until late summer. He wouldn't speculate about conclusions—except to say he expects Commission to take more liberal view of "local live" definition.

Henry is extremely interested in new TV program form, up for discussion this week (Vol. 3:20 p5). "It will be extremely important," he said, "but not a panacea. It will save a lot of letter writing. It will help clarify the FCC's position on programming. It will be helpful to the industry. But, the more I think of it, the more I think we'll have to adopt a spot check system—a fine tooth comb—like the Internal Revenue Service. Talk about staff! We'll get mountains of material—impossible to study carefully."

Lot of big subjects are on tap this week—Commission planning to meet 3 days in row, May 27-29, on option time, vhf drop-ins, CBS compensation plan, program form, etc. Apparently, Minow wants to get in on these big ones before he leaves—June 1, definitely, he announced, even though Lee Loevinger's Senate confirmation hearing is June 4. Minow's colleagues give him farewell party at FCC May 29.

Henry has some ideas on FCC procedures, hasn't firmed them up, won't disclose them until he gives concepts to colleagues. However, he said he thinks Commission might be wise to meet more frequently than it does now (regularly Wed., plus irregular special sessions).

**HARRIS LIKES NAB RATING PROPOSAL:** NAB's ambitious 3-point plan for ratings reform was removed from drawing board last week, shown to Harris Subcommittee. Legislators praised undertaking, expressed some reservations, said they hoped broadcast industry would make plan reality.

NAB Pres. Collins, who appeared with Group W Pres. McGannon (NAB research committee chmn.) & Melvin Goldberg, NAB research vp, said assn.'s objective is to secure "audience measurement services that are valid, reliable, effective and economically viable"—"without govt. control." Here's the NAB Industry Research Plan:

(1) "Rating Council" will establish "minimum criteria and minimum standards for rating services," establish & administer system of accreditation. Council will be composed of NAB representatives, RAB-TvB presidents (or their designees), plus "liaison" representatives from AAAA & ANA.

(2) Rating Audit Service—formerly referred to as Broadcast Audit Service (Vol. 3:18 p4)—will be organized by Rating Council subcommittee, directed by professional management, financed by rating services & "users." RAS will provide for auditing of methodologies & implementation procedures. RAS audit reports will be made to Council on regular basis. Raters who don't comply with minimum criteria & standards will be given chance for "remedial action;" if none is taken, accreditation will be rescinded. First RAS step will be to obtain, through questionnaire, present methods & operations of each rating company to serve as base in determining performance.

(3) NAB research committee will start "immediately" a continuing program of methodological research to seek improvements in techniques. Research will be split into 4 parts—local radio, local TV, national radio, national TV—supervised by subcommittees. NAB reported that TV networks have started, in cooperation with NAB, to research improvements in measuring national TV audiences. Special attention will be given to serious problems of local radio measurements affected by out-of-home & portable listening.

McGannon told of Collins' long-standing determination to overhaul broadcast research, conceded NAB plan is a "most ambitious undertaking," said it was necessary in order to be "responsive to the attitude and spirit of this Subcommittee."

Some specifics of plan were filled in by McGannon. Under criteria & standards, there'll be 2 broad categories: (1) Ethical standards on rating service implementation. (2) Statistical communications research standards to be evaluated by broadcast, academic & applied researchers.

Whether audit & accreditation would be performed by independent 3rd party (e.g., an accounting firm) or by a new organization, is under study, along with costs & frequency, McGannon said.

On methodology research into 4 basic broadcast areas, McGannon emphasized that the "most difficult area is that involving local radio." It has all the problems of local TV in sample size & reporting, plus difficulties in changing nature of mobile medium. Research vp Goldberg told us he's tackling job as though broadcast research were new area, is starting from ground up, has checked with electronics firms on new developments in instruments.

Legal issues of reform plan have been checked out by Douglas Anello, NAB gen. counsel, and Judge Bruce Bromley, of Cravath, Swaine & Moore. Justice Dept. approval will be sought.

Harris appears to be solidly behind NAB's effort, will watch closely industry cooperation & NAB's ability to get project off the ground. He's interested, too, in what Madison Avenue thinks of plan; if it scoffs, he may ask some ad leaders to come to Washington and tell why.

Harris is also mindful that any federal moves—FTC trade practice rules, Census Bureau ratings, FCC action—could be more difficult to implement than industry plans.

NAB reported it has approval of plan from ARB, Nielsen & Pulse, though Nielsen suggested it would like another look at implementation planning. Other researchers will be contacted shortly. Collins said Rating Council will set date, "hopefully within 60 days," for receiving applications for accreditation.

About 30 of 45 members of NAB radio & TV boards telegraphed approval last week, with 3 expressing reservations. Telegram containing doubts of Robert Pauley, ABC Radio pres., was used for questioning by Robert Richardson, Subcommittee staff attorney. Pauley wanted to know what NAB was going to do about the permanent sample method. Goldberg said he agreed with Census Bureau (Vol. 3:20 p4) that the method has problems, said he believed sample would have to change with population. Pauley also said that audits should be made without prior notice, and he questioned whether rating companies would be willing to pay for audits. "They didn't disagree violently" when advised they would have to share costs, said Goldberg.

AAAA & ANA have also pledged support, said McGannon, although ANA expressed doubts about tri-partite approach.

Subcommittee reservations: Whether this effort will succeed where compliance with Codes has been less than perfect; whether rater that doesn't seek accreditation (or loses it) will still be able to sell its numbers; whether NAB plan should be conducted by outside group (such as Stanford or Columbia).

Harris asked Collins for progress reports whenever NAB "did something." He also said that within a reasonable time he would expect complete report, perhaps in open hearing.

Large unanswered question last week: What's happening between NAB & RAB over latter's All-Radio Methodology Study, and its request that NAB put up \$75,000 of needed \$200,000? Based on emphasis made on local radio needs in Collins-McGannon testimony—and statements by those close to RAB—it appears that they're going separate ways. NAB board will weigh it at June 24 meeting.

RAB's plan calls for evaluation of research methods to measure more accurately radio's total sets-in-use, not ratings per se. Its methodology study would then be turned over to rating company—perhaps a new one—to sell method to industry. NAB's plan is vastly more comprehensive—covering long-term auditing, accreditation, methodological studies for TV & radio.

Newton Minow, outgoing FCC chmn., could have testified this week, but passed it up, believing task belonged to incoming Chmn. Henry, who may get Subcommittee call in 1-2 weeks. To names of reps who will appear (Vol. 3:20 p3)—if & when Subcommittee decides to call them—add Ward Dorrell, Blair research vp. Plan to call FTC Chmn. Dixon appears to have been dropped.

Leonard Goldenson, AB-PT pres., told stockholder meeting that the Harris Subcommittee "has done a great service to the industry [and] we feel we should operate through the NAB in exploring improvements in ratings. He said ABC Radio Pres. Robert Pauley has come up with new audience measurement method—but declined to elaborate.

**COURT AFFIRMS FCC POWER OVER CATV MICROWAVE:** FCC & telecasters won significant decision against CATV in Court of Appeals last week. Unanimously, Court held that Commission can refuse to authorize construction of a microwave system to serve CATV systems—if FCC believes result would be to hurt a TV station seriously. With Judges Bazelon, Miller & Washington representing both liberal & conservative branches of Court, chances of reversal are very slim. However, loser may seek Supreme Court review.

Decision came in famous "Carter Mountain" case, in which FCC declined to grant microwave facilities to serve CATVs in Riverton, Lander & Thermopolis, Wyo.—after protest had been filed by KWRB-TV Riverton. In denying the microwave, Commission had told Carter Mountain Transmission Corp. it could file again—if it could show that the CATVs would carry KWRB-TV's signal and wouldn't duplicate its programs with those relayed from other stations.

Court denied Carter Mountain's claims all down the line. It said FCC isn't required to "apply classic common carrier criteria." Rather, it said, FCC "was entitled—if indeed it was not obliged—to consider the use to which the facilities & frequencies requested were to be put, and to weigh that use as against other legally relevant factors, including the effect on existing local stations." Court asserted that the CATVs aren't entitled to common carrier service "as a matter of law"; that FCC isn't going beyond its legal powers and taking over regulation of CATVs; that Commission isn't engaging in "censorship."

Court accepted FCC's conclusion that microwave service to CATVs would probably kill off KWRB-TV. With such service, Court said, KWRB-TV would lose audience and "its survival would be seriously jeopardized." Furthermore, according to Court, demise of station would mean loss of local programs, loss of free TV, and loss of all TV in rural areas which cable doesn't reach.

Decision undoubtedly strengthens FCC's hand in negotiating with CATV operators regarding legislation. Also, it may be assumed that any telecaster who believes microwaves serving CATVs can hurt him will rely on decision to invoke FCC protection. NAB sources were cheered by decision—though they see some unwanted extensions of FCC powers over broadcasters too. Meanwhile, meeting of NCTA & FCC representatives—on legislation—is expected to be postponed from May 28 to June 3.

**FCC STILL HIPPED ON 'LOCAL-LIVE':** So-called "6-to-11" issue—amount of local-live material telecast 6-11 p.m. (Vol. 3:11 p3)—came to head again last week. Five New England stations' renewals were pending, and question before FCC was whether they're carrying enough local-live.

Comr. Ford came up with a letter Commission accepted—Hyde & Lee dissenting. It's much in line with FCC's 1960 program-policy statement. Letter asks station to give: (1) Narrative description of how it determines needs for local-live. (2) How station believes such needs should be filled in all segments of day—not only 6-11 p.m. (3) Description of local-live programs carried during last 12 months, and whether they pre-empted other programs. (4) Plans for fulfilling local-live needs in next renewal period.

Comr. Hyde described each station's proposals, as shown in pending applications, concluded:

"I find no justification for further delay & inquiry concerning the applications of these stations. There is no question as to the power of the Commission to request information, but this authority should not be invoked to needlessly burden applications & FCC processes. Moreover, I think this authority should not be used to influence program selection."

Stations queried: WAGM-TV Presque Isle, Me.; WCSH-TV Portland, Me.; WHYN-TV Springfield, Mass.; WLBZ-TV Bangor, Me.; WNHC-TV New Haven, Conn.

Investment in legitimate theatre will be made by AB-PT for first time this fall—in 3 Broadway musicals to be produced by On-Stage Productions, owned by Lester Osterman & Jule Styne. Cast album rights will go to ABC-Paramount Records. Shows: "A Girl to Remember" with Carol Burnett, opens Nov. 23; "The Ghost Goes West," Styne musical of film; "Mrs. A," Richard Aldrich book about his wife, Gertrude Lawrence, with Cole Porter music.

Local TV movie "specials" took another step last week with signing of 15-market licensing deal between Drewrys Ltd. (beer) and MGM-TV, covering 3 post-1948 features which Drewrys will sponsor. Agreement is first to be made directly between a feature distributor & a major TV client and follows pattern of old-line syndication "regional deals" such as Ballantine's purchase of *Highway Patrol*. Movies will be slotted on holiday weekends this summer.

**NAB QUESTIONS CODE:** FCC's proposal to put teeth into NAB Codes' commercial limits by giving them force of law (Vol. 3:20 p6) got severe kick last week—when NAB in a sense disowned Codes.

Code Authority Dir. Robert D. Swezey said it's time to get away from strict time limitations and adopt "more intelligent" approach of considering quality instead of quantity.

Swezey told Pennsylvania Assn. of Bcstrs.: "I am sure . . . we are barking up the wrong tree in placing our Code emphasis virtually entirely upon the limitation of the time devoted to commercials, and I can see absolutely nothing to be gained by [FCC's] pursuit of our error."

Joint study by broadcasters & advertisers should evolve simple "do's" & "don't's," Swezey said. He called for immediate study of network & local commercials to categorize them in terms of quality (creative, entertaining, educational, dull, repetitive, obtrusive), placement, length, etc.

FCC plan was attacked last week by Rep. Roberts (D. Ala.), member of Commerce Committee: "The adoption of such a proposal . . . is a very definite form of rate-setting which I believe to be outside and beyond present regulations."



Best TV commercials were honored in N.Y. May 24 with "Clio" Awards presented at 4th annual American TV Commercials Festival. Total of 56 awards in 33 product or special categories was handed out to winners selected by 135 admen in 5 regional councils from nearly 1,400 commercials submitted by clients, agencies, stations & producers in U.S. & Canada. Hottest winner was Good-year Tire's "Go, Go" series of film spots, produced by VPI for Young & Rubicam, which won "best" as over-all series, as well as its product category, plus top scores for editing & scoring. Interestingly, no awards were voted in tobacco & dentifrice categories because "no exceptional advertising was introduced during the past year." Multiple-award winners were Volkswagen, Chevrolet Trucks, Trushay, Sprite Soda, Laura Scudder Potato Chips, Cracker Jack. Best locally produced commercial was musical spot series which helped to win upset election for Indiana's Birch Bayh over Sen. Homer Capehart. Video-taped commercials were represented at event (to delight of festival dir. Wallace Ross), being screened on closed-circuit system. Festival will be re-staged June 5 in Toronto; reels of winners will be shown to ad clubs in U.S. & overseas.

Top industry officials host annual campaign luncheon of radio-TV div., United Jewish Appeal tomorrow (28) at N.Y.'s Waldorf-Astoria: Simon Siegel, AB-PT exec. vp, UJA div. chmn.; Leonard Goldenson, AB-PT pres.; Robert Hurleigh, Mutual pres.; John Kluge, Metromedia pres.; Donald McGannon, Group W pres.; William Paley, CBS chmn.

Measure to lift equal time proviso of Communications Act for "legally qualified candidates" for President & Vice President was approved by House Commerce Committee last week. Resolution (H.J. 247) provides for suspension of Sec. 315 of Act for 75-day period immediately preceding Nov. 3, 1964, asks FCC to make detailed report to Congress by May 1, 1965, on effects of suspension.

**Sarnoff on ETV Goals:** NBC Chmn. Robert W. Sarnoff, in the running dispute over his views on ETV's role (Vol. 3:18 p3, et seq.), elaborated last week. Speaking to National Congress of Parents & Teachers in Miami, he said that:

ETV has "unique opportunities" to present in detail subjects of special interest to minority audiences, to engage in program experimentation that at first may attract small number of viewers, to provide formal instruction to ease load of overburdened educational system.

Earlier in week, Sarnoff received award from American Assn. of Colleges for Teacher Education for *Continental Classroom*, "first nationally televised college course, 1958-1963."

A plea on behalf of ETV's versatility was made by John F. White, NET pres., in a May 17 speech before PR directors of ETV network's affiliates in N.Y. "We must resist the efforts of those who would drive us to a single philosophy," he said, adding, "It is your role to develop the strongest kind of local programming, and it is here, I think, that all of us have not done our very best. We need more showmanship."

ETV's success should not be measured in terms of medium's problems in N.Y., White warned. "All of this business about the N.Y. affair damaging ETV across the country is in my mind a lot of poppycock."



**Salant Extolls TV News:** Increased faith of public in TV news was underscored by CBS News Pres. Richard S. Salant in speech before Chicago Broadcast Advertising Club last week.

Citing 1962 Elmo Roper study, he said 39% of public termed TV news "most believable," up 10 points from 2 years ago, while newspapers dropped from 32% to 24%. "Least believable" to interviewees, Roper found, were: newspapers, 28%; magazines, 25%; radio, 9%; TV, 7%.

Salant said new study by Dr. Gary Steiner, a follow-up of "The People Look at Television" (Vol. 3:8 p2), will show that percentage of public believing TV has most complete coverage has increased from 20% to 29% in 2 years; TV brings latest news most quickly, from 36% to 47%; TV has most unbiased news, from 29% to 40%.



No self-representation plans are blueprinted by Triangle Stations, apparently. Triangle last week renewed its national rep contract with John Blair & Co. Said Triangle Vp-Gen. Mgr. Roger W. Clipp: "It is a pleasure to continue our association." Similarly, C. Wrede Petersmeyer recently told us that Corinthian Bcstg. Co.'s stations were also "quite happy" with firm's rep, H-R, and "have no plans to create our own rep firm" in the manner of Westinghouse Bcstg. Co. and RKO General. Triangle deal with Blair involves TV outlets in Philadelphia, Hartford-New Haven, Altoona-Johnstown, Binghamton, Fresno and Lancaster-Lebanon, plus radio representation of 5 Triangle outlets.

**CATV in program distribution:** Cablevents, subsidiary of Daniels & Assoc., Denver, gets U.S. & Canadian CATV distribution rights from SportsVision for closed-circuit Liston-Patterson return championship bout July 22 in Las Vegas. Pres. Bill Daniels said this marks firm's entry into special CATV programming & distribution.

# Television Digest

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**ANA PROBES TV VALUES:** Cold-eyed look by admen at TV's ability to punch across sales points and stimulate consumer purchasing was dominant feature of spring meeting in N.Y. last week of Assn. of National Advertisers.

Brown & Williamson's Ad Dir. John W. Burgard told ANA members of notable difference in TV commercial effectiveness when product message is in "island" position as opposed to being buried in "clutter" at station-break and group-commercial points.

A major broadcast ad buyer, Burgard said tests of kines on audience panels showed 40% more viewers recalled brand, 35% more recalled specific copy points than did viewers who saw commercial in "clutter" position.

Narrowing product protection in nighttime TV is obviously part of problem of commercial effectiveness, as Burgard sees it. He cited further research to show average 44% gain in effectiveness of commercials when tested alone, as against spotting in show with 15-min. product protection.

Report on another TV study came from Paul E. J. Gerhold, vp & mktg. dir. of Foote, Cone & Belding. In telephone survey (11,000 completed calls) in Queens County, N. Y., researchers found that TV wasn't doing well in reaching, or impressing, housewives in evenings. Highlights of study: only 9.4% of housewives viewed part of average evening network TV show, and only 2.5% of housewives could recall, a day later, something said or demonstrated in commercials they had seen. Commented Gerhold: "Program ratings are . . . an unsatisfactory basis for improving TV advertising efficiency."

On special ANA front news was made by noted electronics industry adman—Westinghouse's Roger H. Bolin. He was voted Paul B. West Award for Leadership for, among other things, "powerful determination to achieve the high objectives he sets for himself & the organizations he helps guide."

WIIAS-TV Louisville was socked by FCC with \$1,000 fine for failing to identify sponsor of political broadcast relating to May 28 election for governor. Commission said April 29 program was announced as sponsored by "Committee for Good Government," when station "had reason to inquire as to whether the true sponsor was in fact Edward T. Breathitt, one of A. B. Chandler's opponents . . ." Commission said station's explanation wasn't satisfactory, that violation was "willful." Counsel for station said action will be contested.

Seven studio consoles and related equipment, worth about \$500,000, have been ordered from Gates by CBS for its new Broadcast Center. Contract for the transistorized equipment, Gates said, is "probably the largest single order for sound control equipment ever placed by a U.S. company."

Eidophor simultaneous color TV projector was delivered by Theatre Network TV this month to Hazeltine Electronics Div. for installation at Rome Air Development Center, Rome, N.Y. TNT said delivery was the first of any projector using Eidophor principle to project NTSC-standard color.

FCC Chmn. Minow's appearance on *Brinkley's Journal* has been rescheduled for May 27.

## Personals

Frank Stanton, CBS pres., named a trustee, Carnegie Institution of Washington succeeding late Henry R. Shepley.

Stephen C. Riddleberger, ABC-owned radio stations pres., named ABC News vp & gen. mgr., succeeding Robert E. Lang, vp in charge of news, resigned. Robert J. Quinn promoted to exec. producer-gen. operations mgr.

Stuart Temkin, CBS TV spot billing section supervisor, promoted to CBS TV Stations National Sales business mgr. . . . Howard Karshan, asst. to CBS News business affairs dir., promoted to dir. of administration, Europe, hq Paris.

William Cooke, ex-Canadian Bcstg. Corp. TV sales mgr., named gen. mgr., CBS TV Network Sales of Canada, new subsidiary . . . Raymond V. Schneider elected TelePromTer vp in charge CATV div., Jay J. Merkle vp-programs & productions div.

David Gerber elected GAC-TV senior vp, Lester Gottlieb rejoins company as vp-East Coast creative programming . . . Albert Kinsey, ex-Lewis, Dobrow & Lamb vp, named station mgr., uhf WOOK-TV Washington.

Paul Marlowe promoted to WESH-TV Daytona Beach news dir., Ben Taylor to sports dir. . . . William J. Silag, ex-asst. to pres., Ithaca College, named asst. to Phil Cowan, Metromedia PR vp.

David H. Horowitz, ex-partner, law firm Schwartz & Frohlich, named Screen Gems gen. attorney . . . James E. Corkey, ex-FTC senior trial lawyer, appointed Senate Antitrust & Monopoly Subcommittee gen. counsel.

Robert Rauseh, ex-WREO Ashtabula, appointed West Coast broadcast sales rep, General Electronic Labs.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**THE NEW LINES—COLOR PRICE BREAK:** That crunching sound you just heard was the breaking of color prices. To accompaniment of raised industry eyebrows, Admiral at week's end showed 16-set color line which started with \$399.95-list table model, remote-control version at \$429.95 and console at \$495. Zenith's color line was marked by reductions of up to \$50 in some models.

Admiral's \$399.95 color leader was week's big surprise. It's black ebony table model. One of top 3 or 4 manufacturers of color, Admiral is making all color sets available with "full-function Sonar wireless remote control" for low additional price of \$30. Its new color sets feature 26,000 volts of picture power, single color-brightness-contrast control.

Effect of Admiral's color move on its competitors is not yet known. However, you'll recall that RCA & Philco color lines also now give more value for money, and neither has black metal table model (Vol. 3:20 p8)—leaving room for introduction of one later at less than current \$495 starting-point (RCA's leader is wood-grain metal console, Philco's is hardboard table model).

Zenith, too, has room for lower-priced drop-in color set, if it should so choose—for its leader model is now vinyl-clad console at \$499.95, just \$50 less than corresponding model last year. Also a \$50 reduction, 18-set Zenith color line features lowboy console at \$549.95. In Zenith's 34-set black-&-white lines, significant reductions also abound—particularly new 16-in. set at \$149.95 (\$10 cut), 19-in. at \$149.95 (\$20 off). Zenith has introduced solid-state amplifier for its stereo instruments.

Admiral also confirmed report, first printed last Jan. in Television Digest, that it will introduce 11-in. personal TV (Vol. 3:4 p8). It showed set to distributors at last weekend's Chicago meeting, revealed no delivery schedules but announced "pricing will be competitive"—presumably with GE's \$99.95 (Vol. 3:20 p8).

In first statement about its tinyvision, Admiral emphasized its differences from GE's radically designed no-chassis model. It used phrases such as "horizontal precision crafted chassis . . . rugged steel supporting frame . . . the same time-proven circuitry featured in big-screen sets . . . far more than normal strength [in] the chassis."

Trends thus far in 4 major lines announced to date (RCA, Philco, Zenith, Admiral color) and in other lines which have been premiered, shape up this way: Definite price reductions in some sets, more for money in others; big push for 16-in. & below; longer lines in color & b&w TV as well as stereo.

It's obvious no one wants to rock the boat while trade winds are blowing so freshly. New merchandise shown so far—and the prices—constitute industry's strong bid to encourage public to continue its present spending mood. (For details on new sets, see p. 9.)

**FAIR TRADE DISTRIBUTOR MEANS BUSINESS:** Motorola's Chicago distributor isn't seeking court case to test its newly established fair-trade program (Vol. 3:14 p13), but Motorola-Chicago hasn't hesitated to take prompt legal action to corral 2 straying dealers.

In latest move, distributor obtained temporary injunction against Alan Radio & Appliance, Chicago, which attempted to sell fair-traded \$259.95 Motorola TV for some \$24 less. Alan's owner, Alan Kritz, told us "one of our extra men" made the sale, which "we caught and never shipped." He added: "Our sales force now is fully indoctrinated and I'm happy with the situation. I'd love to see fair trade work out."

We asked Motorola-Chicago's counsel, Robert V. Nystrom, why matter had been taken to Superior Court, Chicago. He explained: "We find it more efficient and impressive if we go to court for an injunction instead of handling the matter with the dealer over the phone. If he violates again, he's in contempt of court."

Although Illinois state law automatically binds all Motorola-Chicago dealers to fair trade contract so long as just one signs it, distributor has been signing dealers to individual contracts, has some 90% of

them already in fold. However, 10% who haven't signed, including Alan Radio & Appliance, are bound just as tightly as the signers. "We have been obtaining individual contracts," Nystrom told us, "because it's more impressive that way and shows individual treatment of our dealers."

Test case is unnecessary, he said, because "Illinois' fair trade law has been fully established." Motorola-Chicago soon will nail down its temporary injunction against Alan's by applying to court for permanent injunction, Nystrom told us, adding: "Alan will not contest, so I can go into court most anytime to obtain a permanent ruling." Injunction had been obtained against a prior violator, "but he signed our fair trade contract the day the injunction was issued."

**SLOW PROGRESS TOWARD 'HI-FI' DEFINITION:** Federal Trade Commission's Bureau of Industry Guidance is still determined to arrive at definition or standard of "high fidelity" and similar terms to protect public against misleading advertising of home audio equipment. But it's still in stage of "preliminary consideration" and wants more views from industry.

One estimate from within Bureau is that "we could conceivably come up with a definition within the next few months, but it will probably take more than a few months." Timing depends on when all of industry's views are received, on staff members' workload and on FTC procedures.

EIA submitted package hi-fi manufacturers' suggested definition in Jan. (Vol. 3:2 p9)—passed it along to FTC without endorsement. It was met with howls of anguish from some component hi-fi makers, but it's understood that component industry's manufacturing association, Institute of High Fidelity, has not yet submitted any "comprehensive recommendations" to FTC.

"The mere fact that the industry can't agree on a definition will not preclude our trying to protect the public with some specific rules," an FTC spokesman told us last week. "This is an important issue with us. We think the consumer is being deceived, and we have considerable evidence that others feel the same way. We know it's not an easy problem—it's highly technical—and we are awaiting submission of views by other interested members of the industry."

FTC is not wedded to any specific method of "defining" hi fi. In fact, it seems now to be veering toward some sliding-scale method, such as "test standards with clear & conspicuous disclosures." If a manufacturer calls an instrument high fidelity, "he must come up with disclosure of what he means by the term," is how one FTC staffer explains this approach. Presumably, Walsh Engineering Co. grading system (Vol. 2:26 p14, 3:12 p8) would fit this approach.

Hi-fi standards or definition could be established under one of 3 different FTC procedures: (1) Advertising guides, which could be promulgated by FTC without hearing, on basis of Commission stipulation of what are considered adequate advertising safeguards. (2) Commission could call trade practice conference, inviting interested parties to appear for informal exchange of views. (3) It could use new procedure of establishing trade regulation rules—which includes full hearing and full record in consideration of whether to promulgate rules. Best guess is FTC will use simplest method—establishing advertising guides.

There's another possible procedure for setting hi-fi standards—but it doesn't directly involve FTC. This is through Commerce Dept.'s Commodity Standards Div., which establishes industry standards—usually upon petition of members of an industry rather than another govt. bureau. Nevertheless, since FTC may well make use of services of Commerce Dept.'s National Bureau of Standards for technical work on subject of hi fi, Commodity Standards Div. may eventually get into the act.

FTC officials are anxious to get views of individual members of industry on question of hi-fi standards & definitions, and say they'll be happy to receive suggestions in writing or in person. Address: Bureau of Industry Guidance, Federal Trade Commission, Washington 25, D. C.

For status report of staff-level investigation by FTC attorney G. Martin Shepherd, see p. 10.

**TV-RADIO PRODUCTION:** EIA statistics for week ended May 17 (20th week of 1963)

	May 11-17	Preceding wk.	1962 wk.	'63 cumulative	'62 cumulative
Black & white TV .....	130,302	118,364	117,930	2,668,454	2,566,590
Total radio .....	366,198	322,782	360,623	6,559,909	7,202,709
Auto radio .....	155,058	128,254	129,091	2,946,100	2,516,767



**THE NEW SETS:** Bigger values, longer lines—and some surprises—highlighted last week's new-set introductions. (See also p. 7.)

At week's end, **Zenith** hadn't announced full pricing of its lines, but indicated that wood veneer cabinets on color sets would "offer greater values" this year, presumably in line with trend to begin wood cabinets at lower prices. Top of color line is \$1,775 combo. In black-&-white, Zenith introduced new strip tuner (in 31 sets) which can accommodate any combination of 12 vhf or uhf channel strips—especially useful for remote tuning. In addition, all sets are designed for field conversion to all-channel. Two Zenith portables have new timer which turns set off within 10 hours or turns it on up to 13 hours after setting.

Major innovation in Zenith stereo line, as shown to distributors in Chicago, is solid-state amplifier in 4 models, which supplies 120 watts of EIA music power, and is claimed to provide clearer reproduction, particularly on high sound peaks.

**Admiral's** color line, aside from leader models, features "Masterpiece Series" of wood & veneer cabinets with 10 models at \$549.95-\$725. Color combos with FM stereo are \$895, \$925 & \$995. The \$399.95 leader model has same basic chassis as other Admiral color sets, but uses gasketed safety glass instead of bonded picture tube. Admiral also introduced redesigned automatic record changer in "pancake"-type slim monaural portable at \$39.95.

**Big, big phono line**—17 portables & 12 consoles—was introduced by **Symphonic** last week. Called Symphonic's "broadcast," it features 4-speed portable phono with AM radio at \$29.95, drop-down changers in 4 high-end portables, stereo FM & AM in portable phonos at \$169.95 & \$229.95. Nine consoles have hardwood veneer cabinets. Consoles begin at \$99.95, FM-stereo equipped consoles at \$179.95 (vs. \$239.95 year ago). Top-of-line is \$339.95. Symphonic re-entered tape recorder market with 4 units. Other new-set introductions:

**Pilot** introduced all-solid-state portable stereo phono at \$199, designed to accommodate drop-in FM-stereo & AM tuner.

**RCA Distributor Products Dept.** showed new FM-stereo version of its hi-fi FM-AM-tuner-amplifier at last week's Parts Show in Chicago. No price was announced for the 30-watt unit.

**Estey Electronics**, manufacturer of electronic organs, announced new tape recorder line at \$79.95, \$99.95, \$199.95 & \$299.95.

**Magnavox** premiered 7-transistor pocket radio with gift-pack at \$17.95, reduced one multi-band portable from \$125 to \$99.95, another from \$99.95 to \$89.95, raised price of 8-transistor pocket set \$2 to \$21.95.

**Standard Radio Corp.** introduced first FM-only portable radio, 10-transistor, at \$49.95, and 8-transistor version of its tiny matchbook-size Micronic Ruby at \$39.95. **Electro-home** is introducing FM stereo table radio in U.S. at \$169.95.

**Philco** will double its dollar investment in point-of-sale advertising for its 1964 TV's & stereos. Promotion mgr. Owen Klepper said Philco's investment in point-of-sale displays in next 12 months also will be highest yearly spending in past decade.

**Philco-Ford relationship** is paying off, Ford Group vp Irving A. Duffy, a Philco board member, told Philco distributors at Miami Beach convention. Part of the \$17 million Ford authorized for facilities & tooling in Philco's Consumer Products Div. has resulted in redesigned TV sets, he said. In April, after introduction of new Starlite portable line, Duffy said, Philco TV distributor sales climbed 11% from last year, compared with 5% industry-wide increase. Philco also announced first national dealer meeting since acquisition by Ford—May 23, 1964 in Ford Bldg. at N.Y. World's Fair, with 5,000 dealers & distributors attending unveiling of 1965 lines.

**Philco employes' claim** that increasing imports of transistor radios was major factor in closing of Sandusky, O. production plant was rejected by Tariff Commission (Vol. 3:14 p14). Favorable ruling would have qualified employes to apply to Labor Dept. for variety of Federal aids. Commission said it had confidential information from Philco supporting latter's earlier announcement that Sandusky plant was being closed because "there no longer is economic justification for maintaining separate facilities for the production of home radios alone."

**Packard Bell** will buy cabinets from Chisolm Industries, Canadian TV & cabinet manufacturer, "due to continued record-breaking sales" which have exceeded Packard Bell's cabinet manufacturing capacity. Home Products Div. vp-gen. mgr. Kenneth R. Johnson estimated that Chisolm "will be producing 3-5% of our cabinets in the near future."

**U.S. companies** established 1,874 new operations in Europe in 5 years from Jan. 1958 through Jan. 1963, reported Chase National Bank. Of these, 177 were electronics & electrical machinery firms, 53 appliances, 52 research & engineering. Italy was prime choice for electronics-electrical companies with 40. Runners-up: France, 34; United Kingdom, 25; Switzerland, 20.

**Audio Devices' first-quarter sales** dropped 5-10% from year-ago's \$2.2 million, but Pres. William T. Hack said he couldn't estimate if profits also sagged. Audio Devices issues only semi-annual statements. For total 1963, Hack forecast 11% increase over 1962's record \$8.2 million sales (Vol. 3:14 p16) & "continued improvement in profit margins."

**GE record-changer production** will begin about Sept. 1 in newly leased 46,000-sq.-ft. Decatur, Ill. building, using dies & designs purchased last March from Glaser-Steers Div. of Ametek Inc. (Vol. 3:13 p7). GE officials said company would also continue to buy changers from current vendors.

**International Resistance** will erect \$2.5 million, 72,200-sq.-ft. advanced research & development center near Norristown, Pa. next year. Construction, originally slated for this summer, will get underway next March.

**Transistorized indoor TV-FM antenna & booster**, "Transistar," has been introduced by Spiraling Products. Device incorporates twin dipole antennas, printed-circuit transistor amplifier, sells for \$29.95.

**J. C. Penney Co.** will sell its own brand TV sets in 96 of its 1,700 retail stores by year's end, Pres. William M. Batten said at firm's annual meeting in N.Y. last week.

**"U-Boost"** — uhf booster — has been introduced by Blonder-Tongue at \$39.95 list.

**FTC's Hi-Fi Comments:** Here's status of FTC's staff-level high fidelity investigation (see p. 8) as explained in letter which is sent by G. Martin Shepherd of Bureau of Industry Guidance in response to industry inquiries:

"On the basis of available information, it appears that this term [high fidelity] is being used in such manner as to have the capacity and tendency to deceive consumers. Such a practice could constitute a violation of Sec. 10 of the Federal Trade Commission Act which declares unfair methods of competition, and unfair or deceptive acts or practices, in commerce to be unlawful. Therefore, this bureau's staff is pursuing its responsibility to investigate & determine whether the practice is so widespread and the public interest so substantial as to warrant recommending that the Commission take some industry-wide action to protect consumers & competitors."

"We are now seeking available information & opinions from groups & individual experts in the field of sound reproduction to assist in our determination of what criteria should be met before products could be properly represented as being in the 'high fidelity' range. No one group or segment of the industry has been singled out in this regard. On the contrary, we have indicated that we would welcome the constructive suggestions of any company, group or individual.

"We have received a number of constructive suggestions concerning this very complex problem, but we believe that a full expression of the industry's views would be very helpful in establishing an adequate basis for this bureau's eventual recommendation to the Commission. In this connection, we are awaiting what we hope will be extensive comments from members of the industry who have indicated a desire & willingness to state their positions."

Letter concludes with invitation to present "any serious contribution" in writing or in informal discussion with FTC staff members in Washington.

Magnavox & Pres. Frank Freimann drew May 22 *Financial World* accolade which emphasized that "low-cost production of high quality electronic goods has made Magnavox a growing force in the electronics world." Analysis drew attention to Magnavox's "exceptionally wide profit margins," noted that "some 80% of its sales of TV sets in 1962 was in the \$250 and over bracket." Company also sold "close to 1/3 of all TV-radio-phono combinations last year." Portables & table models "represented 60% of all TV set sales last year," *World* pointed out, "but only 25% of Magnavox sales were in this lower end of the price scale." Consumer products accounted for nearly 3/4 of Magnavox's total 1962 earnings, but "fastest-growing segment of the business has been the Govt. & Industrial Products Div. which contributed more than 45% of 1962 sales."

Raytheon expects profitable first half despite first-quarter loss of more than \$1.4 million (Vol. 3:16 p12). Pres. Charles F. Adams told annual meeting that loss stemmed from writeoff of expenses involved in closing of East Coast semiconductor facilities.

ITT will spend more than \$1 million for 53,000-sq.-ft. addition to its ITT Federal Labs facilities at San Fernando, Cal. New facility is slated for completion by mid-August.

**First-Quarter Tube Sales:** Factory sales of TV picture & receiving tubes closed 1963's opening quarter on downbeat, trailing in both units & dollars from 1962's first quarter. Picture tube sales dipped more than 66,000 units to 2.3 million from 2.4 million; dollar value dropped more than \$2 million to \$43.1 million from \$45.1 million. Receiving tube slide was even more pronounced. Unit sales fell off more than 8.8 million to 83.7 million from 92.5 million in 1962's opening quarter. Dollar value declined \$7.9 million to \$70.5 million from \$78.4 million.

Lagging first-quarter sales were aggravated by March decline in both units & dollars for picture & receiving tubes. Picture tube sales tumbled more than 57,000 units to 760,524 from March-1962's 817,830; dollar value sank \$1.4 million to \$14.2 million from \$15.6 million. Receiving tube sales in March lagged 4.6 million units behind year-earlier's 34.9 million units; dollar value sloughed off \$4.1 million to \$25.6 million from \$29.8 million. Here are EIA's figures:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	890,246	16,846,046	27,025,000	22,524,000
February	636,392	11,990,596	26,382,000	22,354,000
March	760,524	14,223,503	30,285,000	25,643,000
Jan.-Mar. 1963	2,287,162	43,060,145	83,692,000	70,521,000
Jan.-Mar. 1962	2,353,561	45,149,766	92,497,000	78,415,000

**Legalities:** Zenith & Motorola are dropping their suits against each other for TV patent infringements. The suits: Zenith's 1959 action charging infringement of its "fringe lock" circuit & 5 patents covering "Space Command" remote control; Motorola's 1960 suit alleged infringement • Sonic Electronics' 27 1/4% Chapter 11 plan (Vol. 3:8 p11) has been accepted by required majority of creditors of N.Y. phonograph & hi-fi equipment manufacturer. Plan commences 60 days after confirmation, is payable in 48 equal monthly installments. Next hearing before Referee Asa S. Herzog: June 10, 10:30 a.m. • Rek-O-Kut, Corona, N.Y. maker of hi-fi equipment, has filed Chapter 11 petition, listing liabilities of \$361,406 vs. assets of \$502,125, including \$100 cash, \$300,000 inventory, \$139,000 accounts receivable. Referee is Sherman D. Warner, Jamaica, N.Y.

Aiming at "component TV" business, Andrea Radio is gradually putting its "Satellite" chassis in national distribution, for sale through parts jobbers & hi-fi dealers. According to gen. sales mgr. Michael Ranalli, Andrea now has sales reps covering about 75% of the country, but only for its Satellite unit—not its full TV line, which is sold mainly in N.Y. metropolitan area. Chassis is being merchandised as component for built-in systems & TV-hi-fi systems, sells for "under \$300." Andrea has tentative plans to add similar color TV chassis.

Home Entertainment Co. of America placed on market 300,000 shares of common (\$10 a share) via underwriters Bernard M. Kahn & Co. Proceeds will be used to install & operate pay TV system in Santa Monica, Cal. Service is slated to commence operation April 1964.

Assn. of Electronic Mfrs. is new name of merged Producers of Associated Components for Electronics and Assn. of Electronic Parts & Equipment Mfrs.

Scripps-Howard Bestg. earnings in 1963's first quarter were 27¢ per share vs. 28¢ a year earlier.

## Trade Personals

Allan B. Mills, RCA Sales Corp. advance product planning mgr., retires June 1 after 39 years with RCA. One of consumer electronics industry's best-known executives, he has held wide variety of sales & merchandising posts in company's consumer products operations, including position of sales & merchandising mgr. He'll be succeeded in planning post by David E. Daly, former field sales representative.

Charles B. Thornton, Litton Industries chmn., elected to board of Lehman Bros. investment bankers.

Maj. Gen. David P. Gibbs promoted to U.S. Army Chief Signal Officer, succeeding Maj. Gen. Earle F. Cook; Gen. Gibbs' father, Maj. Gen. George S., held post 1928-31.

Dr. Paul K. Weimer, RCA Labs, receives 1963 David Sarnoff Outstanding Achievement Award in Science for contributions to field of thin-film electronic devices; Dr. Morrel P. Bachynski, RCA Victor Co. Ltd., Montreal, cited with 1963 David Sarnoff Outstanding Achievement Award in Engineering for achievements in fields of microwaves & plasma physics.

Gordon N. Thayer becomes AT&T planning vp June 1, succeeded by Richard A. Goodson as operations vp.

Thomas Q. Fisher appointed Philco TV & hi-fi product planning mgr. . . . Philip Weil, former Norge mktg. development dir., joins Magnavox in as-yet-undisclosed post.

George E. Morden, former Martin-Marietta vp, joins RCA Victor Co., Montreal, as asst. to consumer products vp G. L. Mansour.

Dr. F. Lincoln Vogel Jr., ex-RCA, appointed head of Sprague Electric's Semiconductor Research Dept. . . . Dr. Charles J. Peters named senior scientist at Sylvania's Applied Research Lab.

Leon Kuby, sales mgr. of Harman-Kardon's Citation Kit Div., also also named Hi-Fi Div. sales mgr., a new post . . . Thomas R. Chadwick, ex-Henri, Hurst & McDonald ad agency, appointed sales mgr., Admiral Color TV Div. . . . Norm Sanders appointed hi-fi sales mgr., Lear Siegler's Bogen Communications Div., succeeding Harry Barton, resigned.

Robert Harris, ex-Emerson, joins Symphonic Radio & Electronic as asst. sales mgr. for tape recorders.

## Obituary

Henry W. Johnson, 56, RCA International patent attorney, died of heart ailment May 19 in Philadelphia's Hahnemann Hospital. He lived in Bloomfield, N.J. Johnson also was member of IEEE's Standards Committee. Survivors are wife, daughter, son.

Ludwig G. Zucker, 58, retired design services lab mgr. of Allen B. Du Mont Corp., died May 16 at St. Michael's Hospital, Newark, N.J. He had been previously an RCA project engineer & Emerson Radio chief mechanical engineer.

**Distributor Notes:** William E. Boss, ex-RCA & for past year vp of Southern Wholesalers Inc. of Va., appointed exec. vp of parent Southern Wholesalers • Olympic Radio & TV names Jack Wolf mgr. of Boston sales branch, succeeding David Schwartz, resigned. He also continues as northeastern regional sales mgr.

**ARMSTRONG'S VINDICATION:** Nine years after his death, estate of Maj. Edwin H. Armstrong now has made nearly complete sweep of settlements with TV-radio industry, collecting untold millions on basis that Armstrong's FM inventions "are to be found in every FM broadcast receiver, in every TV receiver, and they have wide applications to military, police & other mobile services."

Wording is from opinion in 1959 suit against Emerson, first of FM cases to reach decision, which marked turning point in fight of Armstrong against most of TV-radio industry (Vol. 15:40 p15). Recent settlements by Admiral and Du Mont Labs (now a Fairchild Camera div.) brought total to 19, out of 21 cases filed by Armstrong estate. Two suits now remain on books—against Motorola & Philco. Motorola action went full legal route, now awaits decision in Chicago Federal Court.

First out-of-court settlement was reached with RCA shortly after Armstrong's death in 1954. Other firms which have settled are Arvin, Avco, Bendix, Fada, Gillfillan Bros., Hoffman, ITT, Packard Bell, Philharmonic, Radio Craftsmen, Radio & TV Inc., Raytheon, Sentinel, Sylvania & Wells-Gardner.

The 28 companies which took licenses under Armstrong patents paid royalties totaling \$4.5 million from 1940 to 1954. They include GE, Zenith, Fisher, Westinghouse, Hallicrafters, Western Union, Stromberg-Carlson, Western Electric.

**Mergers & acquisitions:** General Controls has been merged officially into ITT (Vol. 3:15 p12), will be operated as wholly owned subsidiary named ITT General Controls Inc. • Emerson Electric, St. Louis maker of electric & electronic products, and Rantec, Calabasas, Cal. manufacturer of microwave devices, antennas & electronic instrumentation, will merge if their stockholders approve. Amalgamation calls for exchange of 2.35 shares of Rantec common for one share of new Emerson preferred that would be convertible into .8 share of Emerson common. • Cox Instruments shareholders have approved merger into Lynch Corp. (Symphonic) on basis of 1.05 shares of Lynch common for each Cox share. Lynch already owns some 55% of Cox's outstanding 373,674 shares.

**Bankruptcy frauds are on rise,** reported May 20 *Wall St. Journal*, adding: "Investigations of suspected frauds in bankruptcy cases have risen 40% in the past 3 years and criminal convictions for such frauds have more than doubled in that time, the FBI reports." One estimate of cost to American businessmen is \$1.5-2 million per business day, up from about \$500,000 in 1955. Result: some manufacturers "have increased significantly the provisions they make for potential bad debts." Example: "Emerson Radio in the 5 years to 1962 increased its reserves for doubtful accounts 125% while sales rose 47%."

Howard W. Sams expects earnings in 1963 fiscal year ending June 30 to top \$1 million vs. year-ago's \$860,061. Sales are expected to rise to "at least \$14 million" from fiscal-1962's \$13 million. (For 9-month report, see Vol. 13:20 p16.)

Litton Industries will sell to institutional investor \$50 million of promissory notes due Dec. 1, 1984. New financing, arranged by Lehman Brothers and Clark, Dodge & Co., will be used to repay short-term bank notes.

## 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	1963—39 wks. to Mar. 30	\$ 13,584,000	—	\$ (1,200,000)	—	931,608
	1962—39 wks. to Mar. 30	9,585,000	—	(1,196,000)	—	931,608
Automatic Radio Mfg.	1963—6 mo. to Mar. 31	7,068,600	—	294,800	\$0.13	2,038,415
	1962—6 mo. to Mar. 31	7,259,900	—	477,600	.22	1,960,015
Avnet Electronics	1963—9 mo. to Mar. 31	34,616,846	\$ 4,261,461	2,157,791	.70	3,090,837
	1962—9 mo. to Mar. 31	30,420,066	4,749,444	2,385,495	.77	3,090,837
	1963—qtr. to Mar. 31	11,792,982	1,065,866	536,144	.17	3,090,837
	1962—qtr. to Mar. 31	11,016,824	1,664,702	821,230	.27	3,090,837
Federal Pacific Electric	1963—9 mo. to Mar. 31	70,841,889	1,629,304	794,404	.09 <sup>1</sup>	2,426,096
	1962—9 mo. to Mar. 31	71,913,054	2,748,562	1,601,206 <sup>2</sup>	.39 <sup>1</sup>	2,371,127
	1963—qtr. to Mar. 31	22,997,148	125,595	67,695	—	2,426,096
	1962—qtr. to Mar. 31	23,405,186	(562,528)	(353,484) <sup>2</sup>	—	2,371,127
Lafayette Radio & Electronics	1963—9 mo. to Mar. 31	24,215,696 <sup>4</sup>	—	672,207 <sup>4</sup>	.63	1,061,675
	1962—9 mo. to Mar. 31	18,975,813	—	478,143	.45	1,061,675
Microwave Associates	1963—6 mo. to Mar. 31	5,274,800	—	35,800	.04	1,019,100
	1962—6 mo. to Mar. 31	6,261,700	—	265,900	.26	1,012,200
Oxford Electric	1963—qtr. to Mar. 31	2,089,800	(61,673)	(61,673)	—	461,989
	1962—qtr. to Mar. 31	2,263,583	46,664	22,664	.05	436,466
Screen Gems	1963—9 mo. to Mar. 31	—	5,496,810	2,783,218 <sup>4</sup>	1.10	2,538,400
	1962—9 mo. to Mar. 31	—	4,851,500	2,428,236	.96	2,538,400
Technicolor	1963—qtr. to Mar. 31	18,616,166	—	866,437	.33	2,655,921
	1962—qtr. to Mar. 31	14,796,100	—	513,511	.20	2,623,218
20th Century-Fox	1963—qtr. to Mar. 31	23,961,000	2,824,945	2,292,000	.90	2,545,845
	1962—qtr. to Mar. 31	32,668,000	(209,347)	(513,587)	—	2,446,986

Notes: <sup>1</sup> After preferred dividends. <sup>2</sup> Includes \$563,122 non-recurring income <sup>3</sup> After \$209,044 tax credit. <sup>4</sup> Record.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Disney Productions	Q	\$0.10	July 1	June 12
Emerson Radio	Q	.10	June 20	June 5
Famous Players	Q	.25	June 14	May 30
Globe-Union	Q	.22	June 10	May 31
Harvey Radio	Stk.	5%	July 19	June 21
MGM	Q	.37½	July 15	June 14
Scripps-Howard Bcstg.	New	.25	June 10	May 24
Sprague Electric	Q	.30	June 14	May 27
Time Inc.	—	.75	June 10	May 24
Warner Bros.	Q	.12½	Aug. 5	July 12

ABC-TV's strong program schedule for next season will be "fully competitive," Pres. Leonard H. Goldenson told AB-PT stockholders last week in N.Y. However, he said, some of this season's programs have not "measured up to expectations," and this was reflected in lower first-quarter earnings than year ago. Current-quarter earnings may be lower than last year for same reason, he added, declining to predict full-year results. Following the meeting, he said sales of new shows are increasing—running about same as sales this time last year—despite fact that "tried-&-true" shows generally are easier to sell. He said colorcasting next season will be doubled on ABC-TV, to total about 3 hours weekly.

Thompson Ramo Wooldridge scored record March sales of more than \$40 million, and Chmn. J. D. Wright told annual meeting that 1963 sales could climb to \$475 million range from 1962's \$460.3 million.

Packard Bell Electronics derives some 40% of its sales from TV & radio sets, 23% in space & systems, 26% in computers, balance in physical sciences & services, noted May 20 *N.Y. Herald Tribune* in analysis of \$5 million investment made by Electronics International Capital Ltd. in "financially-ailing Packard Bell for the equivalent of a 38% ownership of the company." Other EIC investments: British Ultra Electronics, \$5 million for 40% ownership; Belgian Novak Electronics, \$3 million for 70%; Vectron Electro-Physics Ltd. of Britain, \$500,000. EIC-Packard Bell deal, analysis said, "fills a need which both organizations have, on the one hand, of investing funds in attractive situations and, on the other, of getting cash on a crash basis."

Reports & comments: Dynamics Corp. of America, discussion, Bregman, Cummings & Co., 100 Broadway, N.Y. 5 • Gulton Industries, analysis, Gude, Winnill & Co., One Wall St., N.Y. 5 • Sears Roebuck, study, Laird, Bissell & Meeds, 120 Broadway, N.Y. 5 • Curtis Mathes, review, William R. Staats & Co., 640 S. Spring St., Los Angeles 14 • Walt Disney Productions, discussion, L. F. Rothschild & Co., 120 Broadway, N.Y. 5.

R. H. Macy has leased departments in 4 N.Y.-area stores to Terminal-Hudson Electronics for sale of hi-fi equipment, audio devices, tubes, batteries & amateur equipment. Agreement marks Macy's entry in field. First leased department will open around August 1 at Macy's Herald Square store. Terminal-Hudson has had leased departments since July 1962 in Bamberger's, N.J. department store chain owned by Macy.