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# WEEKLY Television Digest

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **CURRENT CAPSULES**

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

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

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

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

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

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

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

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

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

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

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

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

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

## Personals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Obituary

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

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

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

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

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

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

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

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

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

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

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

# Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **TOPICS & TRENDS**

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

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

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

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

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

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

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

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

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

## Finance

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

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

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

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

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

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

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

## Financial Reports of TV-Electronics Companies

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

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

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

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

### Trade Personals

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

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

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

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

### Obituary

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

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# WEEKLY **Television Digest**

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

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

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

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

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

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

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

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

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

### **Consumer Electronics**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ground-based system would involve 224 broadcast stations (9 equipped to originate programs), interconnected by 18,000 miles of microwave network and supplying 2 channels to every area. Capital investment: \$529 million. Annual operating cost: \$119 million.

Aircraft-based system would have 9 program originating stations, 40 aircraft (6 channels each). Because of difference in receiving antenna costs, unit cost per receiver would be higher than for either of other 2 systems. Capital investment for aircraft system: \$484 million. Operating cost: \$111 million.

Satellite system would use 9 program originating stations, 3 satellites each providing 3 channels, with assumption 50% probability of successful launch for any one satellite, one-year expected life, today's launching costs. Capital investment: \$323 million. Operating costs: \$116 million.

As to use in U.S., Dr. Korman conceded our broadcasting system has been "established in such a way as not to be applicable to satellite broadcasting" and "we do not wish to rebut this particular argument at the present time." However, he added, "it does appear . . . that where new TV systems are being contemplated in the world, the possibility of establishing this by means of a satellite are very bright indeed."

**SATELLITE COUNTDOWN STALLED:** Proposals by FCC's Ad Hoc Carrier Committee for commercial satellite communications (Vol. 1:5 p2) ran into trouble from all directions at Senate hearing last week.

"Non-profit" space plan was denounced by Small Business Monopoly Subcommittee Chmn. Long (D-La.), challenged by Justice Dept., questioned by National Aeronautics & Space Council. It failed to get FCC endorsement. And it was criticized from within industry group itself.

It's "self-interest proposal" which raises serious "monopoly problems" and doesn't "meet, or even attempt to meet competition," said Long at one point in 2-day hearings. It's "not adequate to meet the standards of the President or the Justice Dept.," agreed Asst. Attorney General Lee Loevinger, Anti-Trust Div. chief. He said his dissatisfaction was based "mostly on its generalities & omissions."

Administration isn't ready to buy plan, exec. secy. Dr. Edward Welsh of Space Council said. Critical appraisal of it is accompanied by consideration of other approaches to see whether they might serve "public interest" better, he told Subcommittee.

"We're still in the middle of the ball game," FCC Chmn. Minow testified, reporting Commission wasn't yet prepared to take position—one way or another—on carriers' blueprint for satellite setup. He said it would be subjected to closest examination to make sure "public interest will be fully served."

Public corporation should share ownership of system, said Western Union vp S. M. Barr, member of Ad Hoc Committee. He testified that its plan might lead to domination by one company—meaning AT&T. Agreeing with Barr, Sen. Long said national policy problems were long way from being resolved.

**LEE ELABORATES ON VHF DELETION:** Comr. Lee's controversial—to say the least—plan for giving unused and deintermixed vhf channels to non-broadcast services (Vol. 1:3 p1) was described by him in detail last week.

In speech prepared for delivery in N.Y. Nov. 10 before NAM's Manufacturers' Radio Service group, he said that there are 50 unused vhf assignments in country. These, with the 8 vhfs in markets which Commission has proposed to deintermix, he'd give to various mobile radio users. Ch. 2-8 would go to base stations in Safety & Special Radio Services. One mc from center of each channel would be used, to minimize interference to co-channel TV stations. Minimum co-channel spacing with TV stations would be 150 miles, height 200 ft. maximum, power 600 watts input maximum. Associated mobile units would continue to use frequencies now assigned to Land Mobile Service—to avoid interference to TV. Ch. 9-13 would be reserved "for possible future use by common carriers." Furthermore, he said, "a move of all of TV broadcasting to uhf would open these frequencies to much needed and efficient uses by common carriers."

But Lee sought to calm vhfers' fears: "I suspect the vhf TV station licensee could be greatly concerned by my proposal. However, I see no need for any apprehension.

"First, if the Commission can relieve the crowded situation in mobile services by the means I have suggested, the immediate need to send all of TV broadcasting to uhf is to this extent lessened but by no means removed. The largest outstanding unsatisfied demand would then be for a broad-band exclusive frequency allocation for common carriers.

"Second, if non-broadcast services are fitted into this portion of the spectrum the likelihood of any appreciable channel shifting to satisfy TV requirements would be significantly lessened. Certainly, from the standpoint of the broadcaster, it should be far preferable to share a channel with low-power radio devices than with high-power TV stations at standard or sub-standard spacings."

**AT&T LOWERS TARIFFS FOR ETV:** Educational TV stations will get reduced rates for interstate channel service from Bell lines effective Dec. 7—but bargains won't bring live ETV networking immediately, although AT&T described charges as "significantly lower than those for commercial TV."

"Every little bit helps," National Educational TV & Radio Center's network affairs vp James Robertson told us after Bell System filed new ETV schedule with FCC Nov. 6. "Everybody welcomes this acknowledgment by Bell that we can't afford commercial rates. But our networking problems aren't yet solved. There will have to be a very substantial reduction before they are."

Neither Bell nor NET could give us estimate of just how much lower ETV line costs would be. Bell spokesman said charges would depend on specific ETV demands in specific situations—none of which has arisen. Pointing out that ETV stations aren't interlocked now, Robertson said he hadn't yet figured charges for hypothetical hookups. FCC sources said rates would be real saving for ETV, but there were no dollars-&-cents guesses at Commission, either.

Bell proposed 2 types of ETV systems—"both available 24 hours a day, 7 days a week." One 6-channel system would be local type for use by one or more school systems within 25 miles of signal source. Second 5-channel system would be inter-exchange type for transmissions beyond 25-mile range. Neither would require monitoring, switching, special supervisions or standby circuits.

Bell's bargains for ETV were anticipated by FCC Chmn. Minow in speech last month to National Assn. of Educational Bcstrs. convention in Washington (Vol. 1:7 p2).

**COURT HALTS ETV DEAL FOR WNTA-TV:** In stunning development which could wreck plans by educators to take over WNTA-TV (Ch. 13) Newark-N.Y., Court of Appeals last week issued nearly-unprecedented order staying FCC's approval of \$6.2-million deal (Vol. 1:7 p2).

Three-judge panel ordered status quo maintained pending full hearing on appeal by N.J. Gov. Robert B. Meyner from Commission decision—and it's unlikely that arguments can be heard until January or later. Contract between WNTA-TV owner NTA and Educational TV for Metropolitan Area (ETMA) requires completion of sale by Nov. 27.

"The ball game could be over," said one participant in ETV project after Judges Wilbur K. Miller, E. Barrett Prettyman and Walter M. Bastian handed down brief ruling Nov. 9. Commission lawyers got busy at once on move to ask for rehearing on stay by all 9 judges. If that fails, FCC's only recourse would be time-taking appeal to Supreme Court.

Court panel gave no reasons for holding up deal. But at hearing earlier in day—when each side was permitted only 15 minutes for arguments—judges indicated they didn't like FCC's failure to give Meyner oral hearing on his protests that WNTA-TV sale would deprive N.J. of its only vhf assignment. Lawyers for WNTA-TV told judges that if they granted stay NTA would have no choice but to go back to commercial bidders & try to dispose of station at once to avoid further losses.

**PROBLEMS OF TEMPORARY OPERATION:** Interim trusteeship operation on new vhf channels in Syracuse, Rochester & Grand Rapids is much desired by FCC, but it's skeptical about prospects of getting mass of competing applicants together. It's understood that Commission responded to suggestions of ABC Pres. Goldenson much as we reported (Vol. 1:7 p5). It believes equal participation by all applicants is ideal—but participation shouldn't be mandatory. If majority of applicants agree on a plan but minority opposes, FCC might okay it nevertheless, if minority is free to join.

What worries many at Commission is this: Suppose regular interim operation with full ABC-TV programming is started—but a specialized applicant, such as ETV group, wins after several years' fight. Wouldn't public howl if its ABC-TV fare were cut off or emasculated? Such eventuality wouldn't be part of hearing record, supposedly couldn't affect decision, but it would be very much on commissioners' minds. However, it may be risk they're prepared to take.

Among factors improving chances of get-togethers—money. If applicants achieve operational profits while going through years of hearings, they'll be happier to pay attorneys' & engineers' fees, etc.

Deadline for filing in Syracuse passed Nov. 7, FCC stating it won't consider any applicants filed since. Most of the 10 on file were designated for hearing, balance will be within 30 days. Commission hasn't designated Rochester or Grand Rapids yet, so it's assumed late filers may still join race.

**NETWORKS CUT 1960 RADIO LOSSES:** Network radio continued to lose money last year, but at decelerated rate of \$3 million vs. \$4.5 million in 1959 (Vol. 16:43 p10), FCC reported last week in releasing final 1960 AM-FM financial data.

Non-network-owned radios marked up gain of 4.3% to \$48.9 million from \$46.9 million in profits before federal taxes—but nearly 1/3 of 3,470 AMs reported losses in 1960 vs. 34.7% in 1959. On FM side, 77.1% of independent stations lost money.

Revenues of networks & 19 o-&o stations increased 4.3% to \$63 million in 1960 from \$60.4 million in 1959 while nation's other AM, AM-FM and independent FM stations upped their revenues 7% to \$534.7 million. National spot time sales rose 7.4% to \$202.1 million, local increased 7.3% to \$385.3 million, but network time sales declined 1.7% to \$35 million.

Median profit of \$10,800 was chalked up by 2,303 AMs which made money last year. In 1959, profits of 2,174 in-the-black AMs averaged out to \$10,300. Median loss for in-the-red AMs was \$8,500 vs. \$7,200.

Combined TV & radio profits rose 9.6% in 1960 to \$290 million, TV accounting for \$244.1 million (Vol. 17:36 p3). Total TV & radio revenues went up 8.3% to \$1.86 billion.

## Personals

Charles R. Abry, Ernest Lee Jahncke Jr. and Angus Robinson elected NBC vps . . . Bailey M. Hobgood Jr. named promotion mgr. of WFMY-TV Greensboro, N.C.

Howard K. Smith, ex-CBS (Vol. 1:8 p5), signs on with NET as host for new educational series *Great Decisions—1962* . . . Douglas Edwards, CBS correspondent, receives special "human rights" award from American Jewish Committee & B'nai B'rith's Anti-Defamation League.

Joseph W. Bailey, ex-Ziv-United Artists, opens N.Y. law office at 200 W. 57th St. . . . Peter Keans, Screen Gems, elected N.Y. SMPTE section chmn. . . . David G. Williams named NTA press information dir. . . . Don Garrett, ex-*Candid Camera*, joins Screen Gems as publicity dir.

Odin S. Ramsland, gen. mgr. of KDAL-TV & KDAL Duluth-Superior, also named KDAL Inc. exec. vp.

Alan J. Hartnick resigns as asst. gen. counsel & asst. secy. of Metromedia . . . Thomas J. Sutton promoted to program & production mgr. of CKLW-TV Windsor, Ont.

Clyde C. McClymonds, Storer's special services mgr. and Grady Edney, radio program dir., elected vps. . . . Danny Thomas receives 1961 CARTA (Catholic Apostolate of Radio, TV and Advertising) Award.

Bestrs. Promotion Assn. ended 3-day N.Y. convention by electing Donald Curran (ABC) as new pres., succeeding John F. Hurlbut (WFBM-TV & WFBM Indianapolis). Other officers: James Bowermaster (radio WMT Cedar Rapids), 1st vp; Clark Grant (WOOD-TV & WOOD Grand Rapids-Kalamazoo), 2nd vp. Directors include Daniel Bellus (Transcontinent TV), Judd Cholier (KMOX-TV St. Louis), H. Taylor Vaden (WJZ-TV Baltimore), J. P. Riopel (CFM-TV Quebec City).



## **CURRENT CAPSULES**

Deal for sale of KTVU San Francisco to NBC for approximately \$7 million is over, FCC notifying parties application for transfer was dismissed as requested. With KTVU calling off sale, RKO General's purchase of WRC-TV & WRC Washington from NBC automatically falls through, and NBC will notify FCC of fact this week. Still pending is RKO's swap of WNAC-TV & WNAC Boston for NBC's WRCV-TV & WRCV Philadelphia. RKO and NBC want to go through with deal, but an obstacle is Philco's application for WRCV-TV channel. Ford Motor, buying Philco, may decide to drop fight.

ABC & NBC snarled at each other in public squabble over which network did better job covering Nov. 7 N.Y. election. ABC news vp James C. Hagerty started it by calling press conference to denounce "radically wrong" returns broadcast by NBC. He alleged "tabulating mistake" of 50,000 votes acknowledged by NBC actually involved 150,000 votes inaccurately credited to Mayor Robert F. Wagner. "Sour grapes," NBC retorted: "Jim Hagerty is running true to form—last with the audience & first with the press conference." CBS remained loftily aloof from dispute.

WLWI (Ch. 13) Indianapolis should be kept on air pending exhaustion of legal efforts to win its channel back, Crosley told FCC last week. It petitioned Commission for stay of decision giving Ch. 13 to WIBC (Vol. 1:8 p4). Crosley Chmn. James D. Shouse noted that FCC's decision "involved not a single criticism of Crosley's record of performance at Indianapolis" and that decision would give WIBC ownership in TV-radio and newspapers in Indianapolis.

Hartford pay-TV harbinger: Zenith has placed pilot order with Veeder-Root Inc., Hartford, for production of decoder components for use in pay-TV operations there (Vol. 1:5 p1). Zenith said field tests of decoder units will start "early in 1962," followed by mass production & installations in subscribers' homes "beginning next spring" and programming "late next spring."

First Collins FM stereo multiplex generator is now in use at classical-music WVCG Coral Gables, Fla., and station Pres. George W. Thorpe tells us that all stereo time is sold out—40 out of 80 operating hours weekly. After meeting with area dealers last week, he said they told him they had sold \$150,000 worth of stereo receiving equipment in one week and expect to do \$1 million worth of business by Christmas. Thorpe said he's disappointed in some types of receivers—in terms of separation, hum, signal-to-noise, distortion, drift. "The primary thing is separation," he said. "I hope manufacturers concentrate on this." Collins' A. Prose Walker, former NAB engineering dir. who headed NSRC's stereo tests, said that Collins' multiplexer feeds both stereo channels into exciter as composite signal and "this not only results in a signal significantly more stable than any other method can produce but it also produces a better monaural signal for those listening on a monaural receiver."

Bobtailed license renewals have been ordered by FCC for radios WBRO Waynesboro, Ga. (15 months) and WSME Sanford, Me. (18 months to end of current license period) for alleged promise-vs.-programming failures. Comrs. Hyde & Craven voted for limited renewals but dissented on language of notification letters.

CBS studio consolidation at 424 W. 57th St., N.Y. (Vol. 17:2 p13) is scheduled for completion by Jan. 1964 at cost of \$14.5 million. Facilities will include TV color equipment.

Hawaiian satellite approved: CP for Hilo Ch. 11 to operate as satellite of KONA (Ch. 2) Honolulu has been granted by FCC.

Teleglobe pay-TV byproduct—automatic emergency warning device—will be tested in Dec. at Johnstown, N.Y. by N.Y. State Civil Defense Commission.

FTC has no "angry men," Chmn. Paul Rand Dixon assured National Frozen Food Assn. in Miami Beach convention speech. Scorning industry & press attacks on his agency for "over-regulation, harassments and new aggressiveness," Dixon said that all FTC tries to do is to help business, not control it. It's "our democracy's way of buttressing private capitalism by helping it to be both competitive & civilized," he said. Criticism of FTC was renewed at Hot Springs convention of Assn. of National Advertisers, however. ANA's gen. counsel Gilbert Howell charged that Dixon & Co. are engaged in "grab for power" to put advertising in straitjacket of govt. control.

"Major breakthrough" in pay TV is claimed by Telemeter with announcement that all 35 away-from-home hockey games of Toronto Maple Leafs in 1961-62 season will be carried to Etobicoke subscribers. Hockey games, plus 5 home games of Toronto's pro football club, will give pay-TV homes "all fall & winter professional sports attractions presently not available on 'free' TV," Telemeter Pres. Louis A. Novins boasted. As example of success in sports programming, Telemeter cited Canadian Facts Ltd. survey which showed that 35% of Etobicoke subscribers paid \$2 to watch one football game vs. 33% who preferred 4 games available free at same time in Toronto's 6-station market.

Educational FM stereo has been approved by FCC in extension of rules permitting commercial multiplexing. Commission said there was no opposition to requests by educational FM licensees that they be counted in.

Channel TV Productions Ltd. has been organized at 175 Bloor St. E., Toronto, by Ted Cott, CTV TV Network Ltd. and Beaver Film Productions Ltd. to produce programs for Canadian TV and international distribution.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**STROMBERG-CARLSON MAY DROP HI FI:** Consider the strange paradox of General Dynamics/Electronics. Company sources report privately that sales of its Stromberg-Carlson hi fi are 4 times as great as last year. GD/E is still considering whether to enter the hotly competitive TV business. At same time, it's considering whether to quit consumer business entirely.

GD/E topkicks will confirm only that company is undergoing "inventory reduction" program, with substantial "fall promotion" price reductions on current-line models. Promotional pricing is limited to present dealers—no all-out harum-scarum liquidation is in progress.

Inside story behind inventory reduction program lies in parent company's need for more liquid capital position, as result of recent high expenses of its Convair div. As to leaving consumer products business, GD/E vp Arthur J. Hatch concedes that "trade rumors" are circulating, but adds that "a decision has not been made." About Stromberg's long-bruited re-entry into TV: "We're still considering it." How's business? "Very good."

Since it came under General Dynamics' wing, Stromberg-Carlson first offered consumers a line of hi-fi components, then branched into high-priced consoles, later dropped components and recently broadened console line to be competitive at all price ranges from \$199.95 up, announced plans to enter portable phono field. GD/E also makes Stromberg-Carlson auto radios & communications equipment.

GD/E has undergone important top-level executive changes in last few months, with Charles F. Horne stepping in as president last September after resignation of James McLean. Company officials are mum as to when consumer-products decision will be made. It now rests in lap of top General Dynamics corporate officials whether to get out of consumer field completely or expand into it more heavily, including TV.

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Friendly Frost chain broke full-page ad in Nov. 10 N.Y. Times to announce it was slashing "yesterday's prices . . . 32% to 43%" on entire stock of Stromberg-Carlson hi-fi & stereo instruments. Described as "most spectacular sale in Friendly Frost history," price slash offered such bargains as Model 766 console at \$258, vs. "yesterday's price" of \$379.95; Model 726 at \$188, vs. \$329.95 "yesterday."

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Another price readjustment will come soon when Magnavox introduces its "Golden Anniversary" line. Although a few prices will be juggled upwards by a few dollars, there will be several substantial reductions in present line—list price of 19-in. portable dropping \$10 to \$189.50, one 23-in. console dropping \$40 in mahogany (to \$259.50) and \$60 in cherry (to \$265). Six phono models are being repriced—one raised \$10, the others cut \$10 to \$30. Dealers are getting price protection on current inventory.

Anniversary line will feature 8 new TV models (\$249.50-\$535) and 8 new phonos (\$149.50-\$495).

**HOTEL TV AWAITS REPLACEMENT MARKET:** Hotel-motel TV is nearing end of its first big cycle, and is approaching stage where replacements are more significant than "original equipment." This was consensus of TV manufacturing and/or leasing firms exhibiting at last week's National Hotel Exposition in N.Y.

There was little agreement on anything else—not even size of market. Best educated guess is that there are close to 3 million guest rooms in U.S. hotels & motels (roughly 1.5 million in each), about 1.8 million of them (60%) equipped with TV. Most of the other 40% aren't good possibilities for TV, as they're low-cost rooms, marginal situations, etc.

One hotel supplier estimated 1962 guest-room TV market at about 350,000 sets—225,000 of them replacements for worn-out (or fully amortized) sets and 125,000 in new construction. Other industry sources

have called this estimate much too high. Nevertheless, it apparently is a pretty good market, judging from the number of firms battling for part of it.

Replacement market is due to ripen next year, TV suppliers believe, because hotel-motel industry will be ending its first big 5-year cycle, which began in 1957 & 1958—first year of extensive mass TV installation in guest rooms. Five years is considered normal life of TV set by Internal Revenue for tax purposes—and most hotel-motel TV leases now are made on 5-year basis.

Hotel-motel TV industry is bitterly divided between manufacturers which have their own factory-controlled leasing-financing-sales-service operations and specialist companies which handle TV leasing, financing, sales & service independent of manufacturer ownership. Manufacturers which provide complete direct-to-customer facilities include Philco (through its wholly owned subsidiary Tele-Sound, acquired this year), RCA (through RCA Service Co.) and Admiral. TV leasing specialists are American Communications Corp., Wells TV, Tel-Hotel div. of Electronics Leasing Corp.

Manufacturers making special hotel TV sets but dealing through independent specialists include GE, Magnavox & Westinghouse—the latter 2 being recent additions to the ranks. Zenith is in the field through its distributors, who, as independent businessmen, may make any autonomous arrangements they wish in the hotel field. Independent TV leasing specialists tend to feature sets made by GE, Westinghouse, Magnavox & Emerson, but they say they will use any sets specified by customers.

In our discussions with hotel-motel TV men last week, these trends in the business stood out:

(1) Methods of operation. Leasing continues to gain ground in TV field, providing these advantages: Lack of capital investment by hotel owner; tax benefits in some cases; savings if inn changes hands. Types of leases vary all over map. Some give innkeeper eventual ownership of set; some include master-antenna installation & service. Leases including installation & servicing generally run around 16¢ per day per set. Some firms insist on service contract. Others, such as Admiral & RCA, will lease sets alone, without installation or service. Admiral, in fact, advertises TV at "less than 10¢ a day."

Although leasing is most popular arrangement, there are still many outright sales. RCA Service Co. says its dealings are still about 50-50. Magnavox sells only through "contract dealers," specialists who handle hotel furniture, carpets, bedding, etc. International Hotel Supply Corp., Sheraton subsidiary which provides turnkey installation of hotel-motel furnishings, says it's now doing more than \$1 million a year in TV business—lease & sale—handling mainly RCA, Magnavox & Admiral.

(2) Sizes & shapes. At last year's hotel show (Vol. 16:47 pl6), 17-in. was still most popular size, even though consumer preference had already turned to 19-in. This year, 19-in. is in, with very few 17s in evidence. Two exceptions: RCA & Philco. RCA was showing 17-in. with Pittsburgh-type bonded implosion plate, as well as 19-in. bonded set. Philco's Tele-Sound still does half its business in the 17-in. Predicta—now off the consumer market for 2 years. Predicta, with its separately-mounted picture tube, is popular with hotel-motel trade because of its swiveling picture-tube housing and because it can be built into desks, tables, etc. Slim table models are most popular incoming model, and we're told white is "this year's color."

Consoles & sizes above 19-in. aren't big sellers, and are confined principally to super-deluxe installations, large rooms & suites. As to stands & cabinets, we were told that trend is to wall-mounted brackets and table & desk-top installations, because of saving in wall space.

(3) Special models. Most hotel-motel TV suppliers feature sets specially made for trade, with heavy-duty power cord, volume limiter, alcohol- & burn-resistant cabinet, 72-ohm antenna input. Special trend this year—perhaps most important trend of entire show—is combination TV-radio. This type of installation eliminates problem of theft of table radios (Magnavox gets around this problem by offering table radio with built-in theft alarm). GE, Westinghouse & RCA, among others, have just introduced special TV sets with radio channels built in.

Most of the TV-radio combinations are built to utilize Jerrold's Audio-Trol unit, which provides radio & background music on unused TV channels. Both GE & Westinghouse have new sets combining up to 7 TV channels with 5 radio & background music channels and intercom system to communicate with maid when she is in room (she inserts plug into special jack in TV set), utilizing hotel's TV distribution system as communication channel.

(4) Gimmicks & gadgets. Remote controls are just beginning to show up in hotel-motel installations, but not in large numbers. GE's new TV-radio combination is available with wired remote, which tunes both

TV & radio, may be installed in bedside table or wall. Wells TV has own version of wired remote which includes bedside speaker, channel, fine tuning, brightness & volume controls. Wireless remotes are the exception in hotel-motel business, because of service problems & possible interaction between sets in adjacent rooms. Even the wired remotes, TV suppliers tell us, haven't yet caught on with inn trade, are still in curiosity stage. In hospitals, on other hand, wired remotes & pillow speakers are universal.

Several firms are offering closed-circuit equipment, cameras, etc. for special local TV channels in large hotels. We're told there is very little demand for this type of system—in the few locations where it has been tried it hasn't been notably successful. But hotels are beginning to express interest in closed-circuit for in-the-car guest registration, security observation of grounds, kitchen, bar, etc.

(5) Color TV. This is one of the few subjects on which there's almost unanimous agreement. Demand for color is higher than last year, but only slightly so—and generally for lobbies & bars, with extremely few guest-room installations. Several color sets were displayed at hotel show, but principally as traffic-stoppers. Most suppliers said—some reluctantly—that they would supply color if customers wanted it. Leases on color, however, generally run about 2½ times cost of black-&-white.

As might be expected, RCA was most enthusiastic color vendor. "Almost every sizeable order last year included at least one color set," RCA Service Co. official told us. "The larger hotels are now going into color in their better suites." Other color comments: Admiral: "There's growing interest in color, more installations, but still mostly confined to public rooms." Philco's Tele-Sound: "We have color sets if they want them, but we don't push them." Wells TV: "We are supplying some color sets for lavish guest suites." Electronics Leasing Corp.: "There's very little call for it."

**MORE APPRAISALS—BUT STILL NO COLOR BOOM:** Consensus of color TV manufacturers that set sales are booming, but hardly zooming (Vol. 1:8 p6) received fresh support last week as we continued to query industry leaders about whereabouts & when-about of color's "sales breakthrough." Here are views & comments additional to our recent industrywide survey:

Admiral Electronics Div. vp Ross D. Siragusa Jr. told us that "we're just about sold out of everything we've made. Our distributor inventory of color sets is about half of what it was last year and our volume is double." He attributed color surge to increased programming—"particularly the Walt Disney program"—and the increase in color-selling dealers. Siragusa forecast 1961 color sales of 130-150,000 and a gain to 200,000 sets in 1962.

Motorola Consumer Products Div. exec. vp Edward R. Taylor noted that color market "is coming along just about as we anticipated, maybe even a little bit better"—but Motorola still has no plans to get into color. Taylor told us that Motorola still has no producer for its 23-in. rectangular color tube (Vol. 17:31 p16).

Sears Roebuck, buttressed by production wings Warwick Mfg. and Pacific Mercury, is a major albeit fanfare-less maker & seller of TVs—in volume. "Color is moving better than anticipated," a spokesman told us, "and we have increased production." Sears introduced Silvertone-brand color TVs in 100 of its stores in the fall, is now selling them in 150 stores.

Increasing "other network" interest in, but long-range planning for, color is implicit in announcement by Dr. Frank Stanton last week that CBS is embarking on \$14.5 million, 2-year modernization of its N.Y. facilities, with new production center slated to be in operation by Jan. 1964. Affiliate relations & engineering vp William B. Lodge told us the studio is being made "so that it can accommodate color." However, he pointed out, "we won't install all color equipment at the start because we don't want to freeze ourselves to present equipment."

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(NOTE: TV-radio production figures were unavailable last week. Two-week figures will be included in next week's issue.)

## **TOPICS & TRENDS**

CBS Inc. has "recovered from the effects of the 1960-61 recession," Chmn. William S. Paley & Pres. Frank Stanton assured stockholders in joint report on first 9 months this year. Consolidated net income for 9 months was \$12.6 million (\$1.47) on \$339 million sales vs. \$15.4 million (\$1.80) on \$336.5 million in corresponding 1960 period. But 3rd quarter earnings were \$3.2 million (38¢) vs. \$2.8 million (33¢), and CBS Inc. declared cash dividend of 35¢ plus 3% stock dividend. Report noted that discontinuance of CBS Electronic Div.

eliminates drain on earnings, that \$5-million losses & expenses incurred by disposition of assets will be charged against retained earnings, not income. CBS asserted that its 1960 TV earnings were greater than ABC & NBC combined, that its o-&o's lead all competition in their respective markets. CBS last week also reported acquisition of interest in Trinidad TV station to be built, sharing ownership of Govt. of Trinidad, Rediffusion and Scottish TV Ltd. (Roy Thomson).

Manufacturers' "suggested" list prices are valid comparisons in bargain advertising for appliances, Washington discounter George's Radio & TV Co. argued in FTC hearing. In initial decision, FTC examiner Walter K. Bennett had held that George's use of lists constituted false-pricing claims because customary retail sales prices in area were lower. Company countered that its regular prices already reflected discounts, that customers were educated in meaning of lists. Commission's final decision in case may set precedents for appliance trade.

Battle-royal on transistor radio patents: Regency Electronics Inc. (formerly I.D.E.A. Inc.), which introduced the first transistor radio in 1954, claims all Japanese transistor radios infringe on its patents and is currently negotiating with EIA of Japan for royalties on all transistor sets shipped to U.S. It's understood Regency is seeking 10¢ per set.

Motorola will offer its new electronic alternator system (Vol. 1:2 p7) to car owners as replacement for generator & regulator. It will be sold with universal installation kit by Motorola distributors & auto equipment jobbers.

Bonded tubes can be rebuilt without removing laminated cap, according to claim by Windsor Electronics Inc., Glen Ellyn, Ill., for new bake-out process on which it is seeking patent. Company, which specializes in sale & lease of picture-tube rebuilding equipment, claims to have solved problem of rebuilding bonded tube and at same time to have reduced bake-out time from 2 hours to one hour.

Radio WRLB Long Branch becomes central N.J.'s first FM stereocaster. The station is stereocasting 2 hours daily, 6-8 p.m. • Press preview of opening of WTFM Fresh Meadows, L.I., N.Y., "nation's first station built specifically for FM stereo broadcasting," has been slated for Nov. 21. Friendly Frost-owned station had hoped to be N.Y.-area's first FM stereocaster, was delayed by strike of concrete drivers (Vol. 17:35 p15).

**Trade Personals**

Robert L. Werner, RCA attorney since 1947 and vp-gen. attorney since 1951, elected exec. vp. & gen. attorney.

Thomas E. Drumm Jr. resigns as BDSA administrator in Commerce Dept. to take overseas job; Eugene P. Foley, Deputy Asst. Secy., given BDSA responsibilities . . . A. L. Svanascini, ex-Sarkes Tarzian, named Standard Kollsman Industries marketing mgr.

Philip C. Jackson elected exec. vp & gen. mgr. of Cenco Instruments subsidiary Instru-Coil Co. . . . H. R. Letzter, former Webcor vp-gen. sales mgr., named national sales mgr. by Hammond Organ.

John P. Bucan, former Bell & Howell vp-treas., named Ampex vp-treas. . . . S. Dean Wanlass elected pres. of Packard Bell Electronics' subsidiary Packard Bell Computer Corp. . . . Arnold Henderson, sales dir. of Emerson Radio's Emerson Div., reportedly has resigned, succeeded by field sales mgr. Leo Hahn.

Charles K. Rieger, GE mktg. services vp, appointed vp & group exec. of electric utility group, succeeding Clarence H. Linder who will serve as a consultant until his retirement Jan. 1963.

John H. Dummer, International Resistance foreign operations dir., elected a vp. . . . Stanley E. Miller promoted to mgr. of Sylvania's Fullerton, Cal. picture tube plant, succeeding Marion F. Chetty, now foreign manufacturing operations mgr.

Otto C. Kebernick, ex-Radiation Inc., joins International Resistance as marketing dir.

**Finance**

**Admiral 3-Quarter Profit Triples:** Increased sales of costlier products with fatter profit margins contributed to Admiral's healthy 9-month performance: earnings of \$1.4 million on \$136-million sales vs. \$497,072 on \$145 million in 1960's first 3 quarters (see financial table, p. 10).

Pres. Ross Siragusa said that dealers are selling more high-end merchandise, noted that average selling price of Admiral consumer products has been climbing in last several years. Average TV retail sale, he said, has increased to more than \$250 from less than \$200 in 1956.

"While the TV-appliance industry's pickup did not begin to exhibit strength until May," Siragusa commented, "it is currently gaining momentum and should exceed the pace of the rest of the economy by the end of the year. We anticipate further gains in the 4th quarter in both sales & earnings."

Corporation	Common Stock Period	Dividends		Stk. of Record
		Amt.	Payable	
Arvin Industries.....	Q	\$0.25	Dec. 20	Nov. 27
Canadian Westinghouse	Q	\$0.15	Jan. 2	Dec. 15
CBS Inc. ....	—	.35	Dec. 8	Nov. 24
CBS Inc. ....	Stk.	3%	Dec. 18	Nov. 24
Erie Resistor .....	Stk.	4%	Dec. 15	Nov. 17
Fairchild Camera & Inst.	Stk.	100%	Nov. 17	Nov. 3
General Instrument ...	A	.15	Dec. 18	Nov. 20
GT&E .....	Q	.19	Dec. 31	Nov. 22
Transcontinent TV "B"	—	.10	Dec. 9	Nov. 8
TV-Electronics Fund ..	—	.39	Nov. 30	Nov. 2
Zenith .....	Stk.	200%	Nov. 20	Nov. 3

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Admiral See story on p. 9	1961—9 mo. to Sept. 30	\$135,877,427	\$ 2,869,907	\$ 1,390,664 <sup>8</sup>	\$0.58 <sup>9</sup>	2,411,286
	1960—9 mo. to Sept. 30	144,976,988	1,207,764	497,072	.21	2,407,136
	1961—qtr. to Sept. 30	49,685,797	1,888,783	957,113	.40	2,411,286
	1960—qtr. to Sept. 30	49,772,958	(87,953)	(80,958)	—	2,407,136
Amphenol-Borg Electronics	1961—9 mo. to Sept. 30	53,153,796	1,731,333	892,133	.64	1,403,678
	1960—9 mo. to Sept. 30	51,169,830	4,434,453	2,126,704	1.53	1,394,253
	1961—qtr. to Sept. 30	18,512,742	786,363	428,663	.31	1,403,678
	1960—qtr. to Sept. 30	15,943,825	1,231,240	593,756	.43	1,394,253
Avnet Electronics	1961—qtr. to Sept. 30	4,226,103	605,625	329,960	.16 <sup>9</sup>	2,122,262
	1960—qtr. to Sept. 30 <sup>10</sup>	3,812,195	518,965	303,365	.14 <sup>9</sup>	2,122,262
Clevite	1961—9 mo. to Sept. 30	66,639,285	7,040,971	3,431,971	1.75	1,887,512
	1960—9 mo. to Sept. 30	71,863,569	10,430,985	5,109,985	2.65	1,883,447
Cohu Electronics	1961—9 mo. to Sept. 30	7,238,351	—	413,802	.29	1,426,851
	1960—9 mo. to Sept. 30	5,030,387	—	145,230	.10	1,415,821
CBS Inc. See story on p. 8	1961—9 mo. to Sept. 30	339,018,246	27,717,513	12,653,513	1.47	8,637,607
	1960—9 mo. to Sept. 30	336,582,220	35,401,313	15,496,313	1.80	8,632,076
	1961—qtr. to Sept. 30	98,250,501	—	3,244,181	.38	8,637,607
	1960—qtr. to Sept. 30	104,760,250	—	2,827,144	.33	8,632,076
Decca Records <sup>1</sup>	1961—9 mo. to Sept. 30	—	—	1,875,007	1.46	1,285,701
	1960—9 mo. to Sept. 30	—	—	4,159,772	3.24	1,285,701
Erie Resistor	1961—39 wks. to Oct. 1 1960 <sup>2</sup>	—	—	290,000	.29	798,806
Fairchild Camera & Instrument	1961—9 mo. to Sept. 30	67,261,000	—	3,752,000 <sup>11</sup>	3.01	1,243,475
	1960—9 mo. to Sept. 30	49,468,000	—	2,918,000 <sup>12</sup>	2.34	1,039,140
	1961—qtr. to Sept. 30	22,691,000	—	1,453,000 <sup>13</sup>	1.16	1,243,475
	1960—qtr. to Sept. 30	19,183,000	—	1,236,000 <sup>14</sup>	.99	1,039,140
ITT	1961—9 mo. to Sept. 30	623,689,622	—	23,930,259	1.48 <sup>5</sup>	—
	1960—9 mo. to Sept. 30	592,877,952	—	21,681,680	1.35 <sup>5</sup>	—
	1961—qtr. to Sept. 30	211,582,188	—	7,582,584	.47 <sup>5</sup>	—
	1960—qtr. to Sept. 30	209,057,955	—	7,007,008	.43 <sup>5</sup>	—
Loral Electronics	1961—6 mo. to Sept. 30	19,238,000	—	762,700	.41	1,864,864
	1960—6 mo. to Sept. 30	18,000,000	—	612,000	1.05	580,148
Meredith Publishing	1961—qtr. to Sept. 30	18,055,889	2,260,568	1,055,812	.80	1,326,987
	1960—qtr. to Sept. 30	14,003,053	821,548	381,192	.29	1,322,186
Minnesota Mining & Mfg.	1961—9 mo. to Sept. 30	448,149,263	104,389,951	53,289,951	1.04	51,473,073
	1960—9 mo. to Sept. 30	403,146,898	98,134,365	50,134,365	.98	51,316,762
	1961—qtr. to Sept. 30	157,434,905	37,574,822	18,974,822	.37	51,473,073
	1960—qtr. to Sept. 30	140,133,725	33,768,363	17,768,363	.35	51,316,762
Pacific Mercury	1961—year to June 30	—	—	(615,742) <sup>3</sup>	—	700,000
	1960—year to June 30	—	—	196,855	—	700,000
Philco	1961—9 mo. to Oct. 1	304,415,000	(10,137,000)	(5,778,000) <sup>4</sup>	—	4,104,033
	1960—9 mo. to Oct. 1	297,101,000	2,804,000	2,107,000	.44 <sup>5</sup>	4,090,207
Stewart-Warner	1961—9 mo. to Sept. 30	81,137,198	—	4,570,266	1.37	3,339,702
	1960—9 mo. to Sept. 30	82,264,260	—	4,781,574	1.45	3,297,753
Technicolor	1961—9 mo. to Sept. 30	40,460,179	—	1,438,945 <sup>6</sup>	.55 <sup>6</sup>	2,623,218
	1960—9 mo. to Sept. 30	21,366,588	—	360,599	.16	2,211,679
	1961—qtr. to Sept. 30	15,095,034	—	550,571	.21	2,623,218
	1960—qtr. to Sept. 30	6,349,266	—	72,355	.03	2,211,679
Tung-Sol	1961—39 wks. to Sept. 30	47,583,074	1,807,620	910,620	.81	925,858
	1960—39 wks. to Oct. 1	51,618,922	2,786,924	1,337,924	1.27	924,521
Webcor	1961—year to May 31 <sup>7</sup>	32,206,078	—	(2,654,123)	—	940,737
	1960—year to May 31	29,813,282	—	217,069	.33	650,737
	1961—qtr. to Aug. 31	—	—	911,000	.92	940,737
	1960—qtr. to Aug. 31	—	—	137,000	.21	650,737

Notes: <sup>1</sup>Including subsidiary Universal Pictures. <sup>2</sup>Comparison unavailable because of change in accounting procedure. <sup>3</sup>After \$366,000 tax credit and \$785,000 in non-recurring expenses. <sup>4</sup>After \$4.4-million tax credit. <sup>5</sup>After preferred dividends. <sup>6</sup>Excludes non-recurring income of \$517,000 (20¢ a share) representing special dividend from English affiliate Technicolor Ltd. <sup>7</sup>Year embraces only 11-month period because

of change in year-end to June 30. <sup>8</sup>Before special charge of \$225,286 (9¢ a share) resulting from unrealized depreciation of Canadian currency. <sup>9</sup>Based on 2,122,262 shares outstanding Sept. 30, 1961. <sup>10</sup>Includes British Industries, acquired Dec. 1960. <sup>11</sup>Includes \$940,000 tax credit. <sup>12</sup>Includes \$268,000 tax credit. <sup>13</sup>Includes \$589,000 tax credit. <sup>14</sup>Includes \$268,000 tax credit.

**GE Sees 1962 Profit Rise:** "We're cautiously optimistic" for a further upturn in 1962, GE Pres. G. L. Phillippe said last week, noting that the bottom of the slowdown in the electrical goods industry has passed. He

said that sales of major appliances have been good throughout the year, pointed out that prices in electrical industry are about on a par with 1956, some 5-6% below 1960's level.

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# WEEKLY Television Digest

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

## SUMMARY-INDEX OF WEEK'S NEWS

### **Broadcast**

**FCC WEIGHS AM OVERCROWDING**, asks staff to recommend how study should be made. Current thinking: team of 4 staff members, working 6-12 months (p. 1).

**BREATHING SPELL IN DEINTERMIXTURE** granted, parties given 2 more months to comment. Probable time-table: No final action before July (p. 1).

**NETWORK HEARING AGENDA SET** for Jan. 9 finale at which FCC will take on CBS, NBC and ABC chiefs. Commission fills 8 pages with questions it wants to ask (p. 2).

**DIXON SCORES "HUNGRY" BROADCASTERS** for taking questionable commercials, but praises NAB for "most commendable" work in reforming TV-radio practices (p. 3).

**LAST-DITCH WNTA-TV FIGHT STARTS** with FCC plea to Court of Appeals for reconsideration of ban on ETV deal for Newark-N.Y. Ch. 13. "Irreparable injury" cited (p. 3).

**HOSPITAL TV SHOWCASE PLANNED** in Newark, where new Columbus center will have up to 100 cameras covering everything from operations to storerooms (p. 5).

### **Consumer Electronics**

**FM-STEREO SALES FORMULA:** Good demonstrations. Component stereo tuners and table-model stereo sets selling well in markets with plenty of daytime programming (p. 7).

**WHAT ONE STATION LEARNED** about FM stereo: Good antenna is most important, even in primary area. WQXR-FM receives few complaints, finds coverage reductions about as predicted (p. 8).

**TV TOPS EQUIPMENT IN HOUSING COUNT** by Census Bureau in first advance reports on 1960 survey of states & counties. Initial releases cover 15 states (p. 8).

**WHITHER THE CONSOLE?** It may be a vanishing American; it now represents lowest percentage of TV sales in many years. Inroads of 19-in. portable taking biggest toll (p. 8).

**COMBOS GAINING IN SALES** as consoles lag; industry leaders attribute rise in popularity to better furniture styling, increased interest in good music (p. 9).

**TV-RADIO PRODUCTION AT PEAK** in Sept.; EIA figures also show that factory sales of phonos and picture & receiving tubes set 1961 monthly highs in Sept. (p. 10).

**FCC WEIGHS AM OVERCROWDING:** In special unannounced meeting last week, FCC began discussing whether it's authorizing too many AM stations, deteriorating programming and technical performance. This follows recent speech by Comr. Ford, who brought his worries out in open (Vol. 1:6 p1), and request by Comr. Lee that Commission consider freezing all AM applications except those which would provide first signal to "white" (unserved) areas.

Commission did nothing conclusive, it's understood. However, it did instruct staff to recommend how study of problem could be made. Initial thinking is that team of 4 top-flight staff members would have to devote 6-12 months to matter—studying engineering, processing practices, economics, etc. It's one of toughest problems to analyze, and there's fair amount of doubt at Commission that anything will really come of it. Among staff members reported looking into subject are engineer James Barr, economist H. H. Goldin, attorney Sol Schildhause.

At NAB's regional meeting in Minneapolis last week, Pres. Collins reiterated his oft-expressed view that there are "entirely too many broadcasters" in some areas and that "the radio broadcaster who has to give all of his efforts to survive is not able to do the job he should do."

**BREATHING SPELL IN DEINTERMIXTURE CASES:** FCC gave 2 months delay in deadline for comments in the 8 deintermixture cases—from Dec. 4 to Feb. 5—to intense relief of parties involved. Reply comments are due March 9. As of now, Dec. 4 deadline still stands for the 8 proposed vhf drop-ins. Commission previously had extended time for comments on over-all allocations policy proposal to Feb. 5 (Vol. 1:8 p2).

Speculation at Commission about time-table from here on runs like this: (1) After March 9, staff will take about 2 months to digest filings. (2) FCC will study & discuss cases, tell staff what to do; this will run

about a month. (3) Staff will take month or more to write final decisions. Thus, final action isn't expected before July.

FCC will be called to Capitol Hill, meanwhile, to testify on bills to block deintermixture. Though Commission will be able to discuss over-all policy, it won't be able to talk about the 8 specific deintermixture markets. It has placed them under the "adjudicatory" cloak until final decisions are issued. Among other allocations actions by FCC last week:

(1) Denied proposals to add Ch. 11 or Ch. 12 to San Francisco or San Jose or to add Ch. 12 to Sacramento or Santa Rosa. Commission said there are other areas in northern California which need a vhf more than San Francisco or Sacramento. As for Santa Rosa, FCC believes need there is "questionable"; in addition, it was reluctant to shift KHSL-TV (Ch. 12) Chico and KOLO-TV (Ch. 8) Reno to new channels.

(2) Turned down proposals to reserve Ch. 9 or Ch. 11 for educators in Redding, Cal. Chm. Minow dissented.

(3) Proposed to reserve 9 uhf channels for ETV network in Kentucky—Ch. 59, Ashland; 17, Bowling Green; 19, Hazard; 26, Madisonville; 24, Morehead; 33, Murray; 14, Pikeville; 29, Somerset; 54, Covington. Commission said, however, it doesn't believe such large blocks of uhf should be reserved until basic nationwide uhf policy is set—but it's willing to accept comments on plan meanwhile. (For other uhf allocations actions, see p. 6.)

In Connecticut, uhf operators & grantees went to Gov. Dempsey in attempt to get him to call off his fight against shifting WTIC-TV (Ch. 3) Hartford to uhf. They report he merely said: "Good luck with your petition. It's a good statement."

Statement sought to combat claims that loss of Ch. 3 would deprive many viewers of service. "This may or may not now be true," the uhfs said, "but it will not be so if the FCC action is upheld and there are more uhf stations on the air serving these same many thousands of people with clear, interference-free signals." They urged that Ch. 3 be given to ETV.

**NETWORK HEARING AGENDA SET:** FCC needed 8 single-spaced typed pages last week to outline subjects it wants to explore when CBS, NBC and ABC officials show up in Washington Jan. 9 as witnesses in finale of TV network program hearing (Vol. 1:8 p3).

Network heads were instructed in letters signed by FCC Chmn. Minow to come to hearing themselves and bring with them "appropriate officials" who are prepared to give detailed answers to questions in such areas as these:

Network control of programming—Record shows "marked trend" by networks toward financial interests in shows they air. Two charts—one for public record, other for FCC's own information—will be expected from each network, covering financial deals for past 4 seasons. Competitive secrets in confidential charts will be kept inviolate, Minow said—unless Commission decides that "disclosure is required to accomplish its purpose."

Network-talent agency relations—What is interplay between networks & companies which not only act as talent agents but produce & package shows?

Program selection—Is it true that shows are picked "principally on the basis of their utility as advertising vehicles for those advertisers who seek the largest audience?" If not, what network policies insure "diversity & balance" in programming?

News & public affairs shows—"It is important that the networks address themselves to these matters in as much detail as possible."

Ratings—FCC doesn't propose to "prescribe or advise" networks on details of commercial operations, but it is curious about how they use ratings in composing schedules.

Censorship by sponsors—There's "abundance of testimony" that advertisers dictate "subject matter, scripts, casting, etc." It needs to be "fully explored."

Consultation with affiliates—How much say do station affiliates have in network programming? Do they get chances "to exercise informed judgments prior to exhibition?"



**DIXON SCORES 'HUNGRY' BROADCASTERS:** FTC Chmn. Paul Rand Dixon broke his silence on broadcasting last week with alternating sweet & harsh words about TV & radio advertising practices.

"Most commendable work" is being done by NAB Code administrators, Dixon told Chicago Better Business Bureau, but some broadcasters are too "hungry" for their own good. In one of his few public comments on industry since he took New Frontier post in March (Vol. 1:4 p2), he said any TV & radio operators who still don't know when they're wrong should start homework on FTC-FCC "Advertising Alert" lessons (Vol. 1:8 p1).

"Reputable media have deep convictions against printing or broadcasting what they know to be false and will stand firm against any pressures to the contrary," Dixon said, singling out "fast-buck" advertising for fall-out shelters for particular scorn. "I wish the same were true for some of the hungrier publications & hungrier broadcasters. If these could only appreciate the shortsightedness of lax standards in accepting advertising, they might not be so hungry."

Good broadcasters have sacrificed "many millions of dollars in advertising revenue in order to maintain high standards of advertising acceptance," Dixon told Chicago audience, calling for "more such self-interest" within industry.

Note: Rat-a-tat-tat of criticism of FTC by advertising trade continued meanwhile back in Washington. In speech to Washington Ad Club, Brown & Williamson vp & advertising dir. John W. Burgard said FTC's "constantly evolving labyrinth of rules & regulations [is] the greatest menace to the advertising business today." Another menace, Burgard said, is "encroachment" on sponsors' TV show time by network credits & promotions for other programs.

**LAST-DITCH WNTA-TV FIGHT STARTS:** "Irreparable injury" to 15 million N.Y. area viewers—and to "entire nation" potentially—will result unless Court of Appeals removes its obstruction against \$6.2-million sale of WNTA-TV to educational interests (Vol. 1:9 p3), FCC asserted last week.

With only 13 days to go before expiration of Nov. 27 deadline for Ch. 13 deal between owner NTA & Educational TV for Metropolitan Area (ETMA), Commission hurried into Court Nov. 14 with plea that 3-judge panel reconsider its order staying FCC's approval of transfer—or that full 9-judge Court grant rehearing. Action by Court is expected this week.

WNTA-TV got ready for no-sale eventuality meanwhile, NTA indicating station would be taken off market if ETV deal falls through. NTA Chmn. & Pres. Leonard Davis announced station will resume full commercial operations in that event to protect 15,000 stockholders from further losses. "A greater emphasis on live telecasting during prime evening hours will be part of future programming," Davis said. As part of plans, WNTA-TV started negotiations to carry baseball games of new N.Y. Mets.

Court panel erred badly in granting stay sought by N.J. Gov. Robert B. Meyner, who wants his state to keep Newark-based Ch. 13, FCC argued in its petition. Commission said it made "fully reasonable decision" to approve NTA-ETMA deal without giving oral hearing to Meyner—and that contrary to panel's conclusion, channel wouldn't be relocated in N.Y.

Commission was particularly depressed by language of Court's order, which said that it was staying FCC's decision which had granted "transfer of Ch. 13 facilities from New Jersey to New York." FCC spokesman told us: "That would seem to make the whole argument moot, for the Court apparently has reached its conclusion about the whole basic decision." Commission lawyers have very few hopes that 9-judge Court will reverse its 3-judge panel. There are reports, meanwhile, that Meyner hasn't found any N.J. group which would want to buy station. If none shows up, Meyner would be left in very awkward political posture.

Consequences of panel's roadblock were described this way by FCC: "The 15 million persons within the Ch. 13 service area would suffer the irreparable injury of a loss of ETMA's educational & cultural services. Indeed, the potential harm to the general public is broader, since ETMA intends to make its programs available to the entire nation through film & video-tape facilities."

**HOSPITAL TV SHOWCASE PLANNED:** Country's most elaborate hospital TV installation—covering everything from surgery to thievery with as many as 100 cameras—is on drawingboards in Newark.

"Hospital of tomorrow" is what Columbus Hospital's development dir. George Radcliffe calls its proposed new TV-equipped, 8-building, 400-bed center, scheduled for start within 18 months. He's getting

engineering plans & estimates now from RCA, Westinghouse, Lockheed, Minneapolis-Honeywell and other manufacturers & suppliers on specifications for closed-circuit complex.

"We'll have extra eyes, feet and care through TV," Radcliffe told us. "And we'll save money in the long run. TV just makes pure sense in hospital operations." Columbus has experimented with TV uses such as monitoring, and Radcliffe has become ardent salesman of medium as medical aid. He works with Council on Medical TV and has promoted TV in papers read to Yale School of Medicine & N.Y. Academy of Sciences.

New hospital will have such electronic devices as these, Radcliffe reported:

Surgery—All operating rooms will have 2 cameras, one built into surgical light, other set for over-all observation. Operations will be televised live for teaching & evaluation purposes, taped to provide indisputable evidence in event of malpractice litigation.

Wards—Patients under intensive care will be monitored around clock by TV, including infra-red system when they must have darkness. Supplementary physiological monitoring devices will check blood pressure, etc., and slave monitors will enable physicians & nurses to keep patients under constant observation.

Administration—Strategically-placed cameras will give hospital chiefs on-spot views of all activities, indicating where & when they're needed for emergencies, saving them from needless trips.

Radiology—In conjunction with image intensification & tape recording, closed-circuit installation will eliminate time lags, permit playbacks at any time for re-evaluations by radiologists.

Inventory control—"Pilfering is considered a nasty word, but it exists to varying degrees in all large hospitals." TV will maintain surveillance over drugs, instruments, storeroom supplies.

Patients will watch TV shows on convenient sets as matter of course in new Newark hospital. Also planned is 2-way radio setup permitting consultation between ambulance crews & hospital staff.

## **CURRENT CAPSULES**

Slow-motion video-tape system devised by ABC was demonstrated for first time last week at special showing for newsmen. Designed for instantaneous slow-motion playback of action in sporting events, it will be used for first time on Thanksgiving Day telecast of Texas-Texas A&M football game. Developed by 6-man team under Al Malang, ABC chief video facilities engineer, new process utilizes Ampex Videotape recorder which has been specially modified to play standard tapes at half speed. This involved development of special standards cut to exactly one-half of U.S. TV standards—line frequency of 7,875 cycles, 15 frames per second, 30 fields, 262 lines (vs. 15,750, 30, 60 & 525 for regular TV standards). In playback, electronic standards converter changes output to standard TV signal.

As demonstrated by ABC, slow-motion playback picture had pronounced flicker, but engineering vp Frank Marx said this can be removed through known techniques, and network engineers are now developing flicker-remover which may be ready in time for Thanksgiving Day use of device. Lowered resolution (262 lines) was neither objectionable nor even noticeable at distance from which we viewed monitor. Since specially doctored Ampex recorder is used for playback, tape must be recorded on one machine, then transferred to special slow-motion machine for broadcast.

— ■ —

Nov. 14 was cutoff date for new Rochester Ch. 13 applications, as FCC began designating applications for hearing. Total is 11, including Rochester Telecasters Inc., which filed to share time with educators' Rochester Area Educational TV Assn.; latter is amending to reflect share-time proposal.

FCC last week released letter to ABC Pres. Goldenson, giving its views on his suggestions getting stations operating quickly on interim basis in Rochester, Syracuse & Grand Rapids (Vol. 1:7 p5 et seq.). As we indicated, Commission said it would like to have all applicants share operation equally in each city. However, it noted that it has authority to grant interim operation to group which some applicants refuse to join, because of "a strong public interest in instituting immediate service."

— ■ —

Networks should compete with public-affairs shows in same time period, ex-NBC programming vp David Levy suggested in talk to class at Annenberg School of Communications at U. of Pa. Simultaneous scheduling of such programs would put networks on even footing and make audiences "free from the temptation of escapism fare," he said. Levy also advocated stronger NAB Codes.

Doubts about "freedom of the press" application to TV-radio, expressed by Wall St. Journal Pres. Bernard Kilgore (Vol. 1:9 p1), were labeled "preposterous" by NAB Pres. Collins. Kilgore had said: "We are going to get the issue of freedom of the press obscured dangerously if we try to stretch it to fit the radio and TV industries." Collins' response: "While it is true that broadcasting stations are licensed by the govt., due to technological necessity, the Supreme Court has held that the govt. can no more impinge upon the freedom of the broadcaster's right of expression in its programming than it can impinge upon the publisher's right of expression."

Drive for liquor commercials received another push last week when Earl H. Tiffany Jr., vp of Ellington & Co., told Esquire magazine sales meeting in N.Y. that pressure will increase to break broadcasting's self-imposed prohibition. Distillers' hunt for increased sales volume, he said, will eventually cause them to drop "moral and public relations considerations which are invalid anyhow." Increase in number of stations, he added, will cause telecasters to look "eagerly" at liquor advertising. NAB spokesmen say they've yet to find a Code subscriber taking such commercials and that they're constantly warning industry that the practice invites federal legislation which could ban beer & wine advertising and jeopardize other kinds of commercials.

Practicability of worldwide TV via satellites has been questioned by Jack C. Oppenheimer of NASA's plans & program office. In speech on "Socio-Economic & Political Aspects of Space" at Lincoln, Neb. aerospace science clinic, he said big questions about satellite communications will remain even if Administration resolves operational policy problems (Vol. 1:9 p2). Among them: How will international TV handle languages? How can time-zone differences be adjusted to assure international audience for "instantaneous, non-taped" telecasts?

House hearings may be opened to TV & radio coverage as one result of death of Speaker Rayburn (D-Tex.). During long Rayburn regime, he barred mikes & cameras from committee proceedings as offensive to House rules & traditions, although Senate relaxed its hearing rules to permit broadcast equipment at discretion of committee chairmen. Rayburn's successor—probably Rep. McCormack (D-Mass.)—is expected to be less rigid about House customs.

## Personals

James A. Stabile, NBC-TV staff vp, promoted to NBC vp & assoc. gen. attorney . . . Ed Sullivan receives special award from National Council of Catholic Youth . . . Jerome R. Reeves, KDKA-TV Pittsburgh gen. mgr., named chief barker of Variety Club Tent No. 1 . . . Jack B. Weiner, ex-*Television Magazine*, joins TvB as national sales development mgr.

Frank Beazley, from CBS Sales, N.Y., named gen. sales mgr. of network's WCAU-TV Philadelphia . . . Frank Hovore, from Jack Packard ad agency, rejoins KTTV Los Angeles as sales promotion mgr. . . . Jules Hoffman promoted to *TV Guide* promotion dir.

Loomis C. Irish promoted to ABC-TV network sales service dir., John McAavity succeeds him as nighttime sales service mgr., Mark Cohen replaces McAavity as Eastern sales service mgr.

William P. Keeney, from Lavenson ad agency, joins NBC's WRCV-TV & WRCV Philadelphia as business mgr., replacing Arthur A. Watson, now WRCV-TV station mgr. . . . Alan Baker promoted to asst. NBC trade news editor.

Joseph M. Higgins resigns as vp & gen. mgr. of WTHI-TV Terre Haute to take similar posts with WIBC Indianapolis, which has been given WLWI's Ch. 13 by FCC (Vol. 1:9 p5); Ben Falber Jr. named operations vp of WTHI-TV; Russ Arnold, facilities vp; George Foulkes, sales vp.

John S. Hayes, pres. of *Washington Post-Newsweek* stations (WTOP-TV & WTOP Washington and WJXT Jacksonville), heads new NAB civil defense committee; Robert J. McAndrews (KBIG Hollywood) designated radio public relations committee chmn.

David Schoenbrun, CBS Paris correspondent, succeeds Howard K. Smith as chief Washington correspondent (Vol. 1:8 p5) . . . George Whitney, KFMB-TV & KFMB San Diego vp & gen. mgr., elected Cal. State Bcstrs. Assn. pres.

A. Louis Read, exec. vp & gen. mgr. of WDSU-TV New Orleans, elected TvB chmn. at Detroit meeting, succeeding Glenn Marshall Jr. of WJXT Jacksonville.

FCC Comr. Bartley will speak at fall meeting of Ariz. Bcstrs. Assn. in Phoenix Dec. 1. Others on program include NAB station services vp William Carlisle and Rep. Rhodes (R-Ariz.).

Filmed commentary by NAB Pres. LeRoy Collins on report by Commission on Goals for Higher Education in the South, on which he served, is being distributed to Southern TV stations.

Stay home & watch TV—"like the Lord intended for people to do"—elderly woman told rocket expert Dr. Werner von Braun after listening to explanation of why U.S. needs to put men on moon. She said she was unimpressed by moon plans at Marshall Space Flight Center, Huntsville, Ala.

TV revenues should be taxed 5% to subsidize live theater, Broadway producer Herman Shumlin told House Education Subcommittee at N.Y. hearing on proposals for federal aid to culture. Speaking for League of N.Y. Theaters, Shumlin testified competition from electronic entertainment endangered traditional dramatic arts. Of 33 N.Y. theaters, 3 are up for sale and another—Hudson—has been sold by NBC (“of all people”) for garage use, Shumlin said. Subcommittee’s Rep. Giaimo (D-Conn.) took dim view of tax proposal, however, pointing out Shuberts control 18 of theaters—and “somebody must be making a lot of money.” Another hearing witness was AFM Pres. Herman Kenin, who renewed his union’s arguments for federal curbs on foreign-made TV soundtracks to save American musicians’ jobs.

Simulated mayhem on TV by “Three Stooges”—rather than violence in Westerns, private-eye crime or sex—has worst effect on children watching WTMJ-TV Milwaukee programs, according to station survey conducted in cooperation with *Milwaukee Journal*. More than 75% of parents polled said TV “as a whole” is good for family life. But 30% complained that children imitate actions of “Three Stooges.” Violence was protested by 16.9%, shooting by 13.8%. Only 1.5% objected that their children “see over-exposed females.”

Three-way Rochester deal in which Transcontinent TV Corp. sold its WROC-TV (Ch. 5) to Ch. 10 share-timers WVET-TV & WHEC-TV for \$6.6 million and WHEC-TV took over Ch. 10 for \$3.9 million (Vol. 17:5 p14 et seq.) was finally consummated Nov. 14. WVET-TV (Veterans Bcstg. Co.) started full Ch. 5 operations as WROC-TV, WHEC-TV went on air as sole Ch. 10 occupant, Transcontinent left Rochester field.

“Incredible response” to \$1.5-million campaign to rebuild burned-out studios is reported by educational WGBH-TV Boston (Vol. 1:6 p5). CBS has contributed equipment worth \$35,000, anonymous foundation gave \$25,000, school children in suburban Somerville raised \$1,500. WGBH-TV has been using studios of Boston commercial stations since \$1-million fire Oct. 14.

“Strictly confidential” trouble-shooting service for members has been started by Ga. Assn. of Bcstrs. in new plan announced by exec. secy. Jack Williams. Stations facing “possible trouble” from FCC or financial, programming or competitive problems, can get on-spot consultation & help from Williams or GAB representatives recruited for assignments.

Closed-circuit telecast with big-name entertainers, planned for next May, will help finance construction of National Cultural Center proposed for Washington. Chmn. Roger L. Stevens hopes to raise more than \$7 million in admissions to show in 150 cities. Project has President Kennedy’s backing.

Audio tape of Pablo Casals’ cello concert at White House last week will be sent by NAB to stations requesting it, at \$5.50 for the 59-min. program. Alert NAB staffers had queried members through AP & UPI radio wires, got 250 responses immediately. Stations may broadcast tape once, sustaining only.

Add FCC allocations actions (see p. 2): (1) Proposed substituting Ch. 15 for Ch. 62, Oneonta, N.Y., deleting Ch. 15 from Rochester, Ch. 29 from Gloversville. (2) Proposed to reserve Ch. 18, E. Lansing, Mich. for ETV. (3) Finally reserved Ch. 20, Eugene, Ore., for ETV.

Teilifis Eireann (Irish TV), now building in Dublin, scheduled to test in Dec. and start regular operations Jan. 1, will operate on both 625 & 405 lines on Ch. 7 (60-kw ERP)—the later standards to enable set owners to pick up BBC & ITV programs. Four provincial stations are projected for 1962. Owned and operated commercially by the Republic of Ireland, station will be managed by Edward J. Roth, ex-mgr. of NBC’s former Canal 4 operation in Lima, Peru. It already has nearly \$1 million worth of commercials contracted.

BBC is “truly independent” despite fact that it is gov.-owned, director-general Hugh Carleton Greene said at N. Y. luncheon hosted by NBC Chmn. Robert W. Sarnoff. He deplored what he described as popular misconception that BBC “must dance to whatever tune the British gov. may call at any moment.” Greene acknowledged that “on paper” gov. has veto power over programming, but it’s “now pretty well unthinkable that it ever could be made use of.”

Ham radio satellite will be lofted into orbit by Air Force in Project OSCAR (Orbiting Satellite Carrying Amateur Radio) aboard Discoverer from Vandenberg Base—probably in December. Hams have organized OSCAR Assn. to develop tracking & communications networks using 10-lb. satellite, which will contain its own battery power system. It’s designed for investigation of propagation in 144-146 mc.

Up-to-date recording-reproduction standards are goal of revived NAB engineering committee. New stereo standards and more tape speeds will be considered by group headed by NAB engineering mgr. George Bartlett. Tape subcommittee is headed by Warren Braun (WSVA-TV & WSVA Harrisonburg, Va.), disc subcommittee by A. Prose Walker, Collins Radio.

“Big Brother” TV: The postal clerks’ union has protested Detroit post office tests of closed-circuit TV for inspection of conveyor belts & other mail-sorting equipment. The union said it feared TV cameras would be “diverted to the thoroughly repugnant manifestation of ‘Big Brother is watching you’ type supervision.”

Recent rash of magazines articles deriding TV & its new-season programming brought this editorial comment in Nov. 18 *TV Guide*: “Never before has the magazine business clutched an advertising competitor so closely to its bosom—and squeezed so hard.”

Closed-circuit TV provides one “much-needed answer to the growing management training needs” of small firms, Deputy Small Business Administration Administrator Irving Maness told graduates of pilot course at Hagerstown, Md. (Vol. 1:8 p4).

Radio’s community-leadership role will be discussed by FCC Comr. Ford Dec. 1 in Los Angeles at seminar sponsored jointly by Southern Cal. Bcstrs. Assn. and U. of Southern Cal.

Novel renewal hearing: Radio KSAY San Francisco has been designated for hearing to determine whether it creates a hazard by inducing currents in cranes at nearby Oakland Army Terminal.

FCC’s option-time oral argument has been postponed from Nov. 14 to Dec. 4—“because of the pressing urgency of other business.”

Latest ETV starter, WCBB (Ch. 10) Augusta, Me., began operations Nov. 13.

# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**FORMULA FOR FM-STEREO SALES SUCCESS:** There's only one way to sell FM stereo: Demonstrate it. There are 2 prerequisites to successful demonstration: (1) There must be good and varied programming (not all classical music) on air during shopping hours. (2) Store must be set up to receive FM-stereo programming—good antenna, convenient place for listening.

In markets where these conditions are being met, FM stereo is beginning to show real signs of vitality. Most reports indicate particular strength in hi-fi component tuners and in specialized 2- or 3-piece table models, such as GE's \$175-list stereo radio.

As to packaged hi-fi phono-FM consoles, there's no evident boom. Deliveries have been slow, and sales are just beginning. Many dealers aren't demonstrating FM stereo in phono consoles (some don't understand it yet) and in our tours of retailers we saw little evidence that stereo FM is being pushed hard as an accessory for, or part of, stereo phono consoles.

But it's only the beginning. The vanguard of music-lovers, the component hi-fi buffs, have clutched FM stereo to their bosoms. The family next door—the package-phono trade—hasn't yet heard about it. For example, record section of Nov. 12 N.Y. Times Sunday edition carried 531 column-inches of ads featuring FM-stereo hi-fi component tuners, none mentioning FM-stereo in phono consoles.

Particularly successful in FM stereo—although on small scale—is Pilot Radio Co., which has had opportunity to compare component & console sales patterns, since it makes both. Sales vp L. M. Sandwick, chairman of EIA's phono section and ardent FM-stereo booster, sizes up status this way: "We've felt a tremendous upturn in our component tuner business. In my 7 years here, we have never been so back-ordered on any items as we are now on stereo tuners & adapters. But so far, FM stereo hasn't affected our console business very much."

Given more promotion, more varied musical fare during daytime, more trade-broadcaster cooperation, more deliveries of consoles by all manufacturers, Sandwick is confident FM stereo will also boom console sales.

Interesting sidelight on in-store demonstration situation, according to Sandwick: "We discovered that very few dealers have been demonstrating radio at all in recent years. In most quality stores, they've been using records and tape. Some don't have proper antenna installations for FM stereo."

What are best FM-stereo markets? San Francisco, where KPEN-FM has been cooperating closely with trade, is "still far-&-away the best," says Sandwick, with N.Y. "a fast-closing second" since debut of WQXR-FM's daytime stereo schedule (see story p. 8). Chicago has become No. 3 now that WKFM is back in stereo with both feet. N.Y. may overtake San Francisco after Friendly Frost's powerful WTFM in nearby Long Island starts its 24-hour stereo schedule Nov. 24.

GE lists 6 top stereo markets for its \$175-list stereo table radio—Los Angeles, Chicago, San Francisco, N.Y., Detroit & Miami. Inclusion of Miami is testimonial to WVCG Coral Gables, which has been operating only about 2 weeks, but has cooperated closely with local distributors & dealers (Vol. 1:9 p5).

GE modestly characterizes sales of its stereo table model as "somewhat between terrific & sensational" and notes that "markets that are best for FM stereo are those which have always been the best FM markets."

In console field, Symphonic—which recently started large-scale shipments of stereo phonos with built-in multiplex—reports biggest initial response in Los Angeles, Detroit & N.Y.

Latest stereo starters, according to notifications filed with FCC: KONG-FM Visalia, Cal.; KFMY, Eugene, Ore.; KPEM Portland, Ore.; WFLN Philadelphia.

**WHAT ONE STATION LEARNED ABOUT FM STEREO:** From listener's standpoint, most significant difference between FM-stereo and conventional radio installation is need for far better antenna system. In this respect and in others, 3 months of FM stereocasting have generally borne out predictions based on National Stereo Radio Committee's 1960 field tests in Uniontown, Pa. So we were told last week by chief engineer L. J. Kleinklaus of N.Y. Times' WQXR-FM.

Station has received heavy mail response to stereocasts—most of it requesting information. From stereo-FM owners there have been few complaints. "At least 50% of the comments & inquiries have to do with antennas," said Kleinklaus.

What are FM stereo's special antenna requirements? "There's no question that to get proper stereo reception, you must improve your antenna—and not only in the fringe area. A line-cord antenna or a piece of twin lead on the wall or under the rug generally doesn't give good results, even in the primary area. Most listeners must use a special FM antenna outside or in the attic, or tap in on their TV antennas for best high-fidelity FM-stereo quality."

Reduction in coverage area has followed general expectations. "If you assume the coverage radius of an FM station broadcasting monophonically to be 90 miles, reception of its stereo signal in stereo is cut down to about 66 miles, or nearly 30%. Reception of the stereo signal on conventional monophonic FM sets goes out to about 88 miles, a reduction of only about 2%."

How about compatibility of FM stereo signal on monophonic receivers? "We've had no complaints about monophonic quality," said Kleinklaus. As to program material—stereo discs & tapes—"we've had to reject some recordings where the left-plus-right channels didn't add up to a good monophonic signal, but the rejection rate is less than 1%." (Other stations may find rejection rate slightly higher, since WQXR-FM specializes in "good music," doesn't use "gimmick" or exaggerated stereo-effect records.)

As to operation of broadcast equipment: "Over the last 3 months we've found that the equipment doesn't require considerable attention. It just must be set up right in the first place. We're still making some modifications, but nothing more drastic than you'd expect in a new piece of equipment."

WQXR-FM now programs about 20 hours weekly in stereo—much of it during shopping hours. Biggest stereo sponsor is Pilot Radio (see story p. 7), with nearly 7 hours weekly. Other stereo sponsors: GE, Fisher Radio, H. H. Scott, Zenith, Harman-Kardon, RCA Victor Records, Capitol Records, Angel Records, London Records, Air India.

**TV TOPS EQUIPMENT IN HOUSING COUNT:** "Must" items in 1960 household appliances were TV sets, radios, automatic washers—in that order—according to first 15 advance state & county reports by Census Bureau on its housing survey. Other findings in 52-report series (covering all states, D.C. and U.S. as whole) will be released at intervals until next March, when summary is due. Single reports are available for 15¢ from Bureau of Census, Washington 25, or Commerce Dept. field offices. Complete sets will cost \$6.

State-by-state TV count in first batch of reports:

State	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set	State	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
Alaska	57,250	32,103	3,120	22,027	N.H.	180,020	147,683	15,162	17,175
Colo.	529,419	403,689	46,987	78,531	N.M.	251,209	182,007	14,887	54,293
Conn.	752,736	608,158	85,649	58,903	N.C.	1,204,715	927,862	45,061	231,759
Ida.	193,839	157,643	8,697	27,499	N.D.	173,362	142,301	6,179	24,882
La.	892,344	661,736	64,320	166,278	R.I.	257,335	211,470	30,143	15,705
Me.	280,355	230,803	20,952	28,600	S.D.	194,821	157,889	5,626	31,306
Mont.	202,240	151,685	6,689	43,866	Wyo.	99,187	73,289	3,352	22,546
Nev.	91,520	67,937	7,748	15,835					

**THE CONSOLE—A VANISHING AMERICAN?** Is the straight black-&-white console destined to go the way of the brontosaurus and the dodo? Will it succumb to inroads of 19-in. portables & table models in the "straight set" category, and to combinations & color consoles in the more fancy brackets?

It's too early to say yet, of course—but there are definite indications. Most important is influence of the 19-in. portable, or table model, or whatever you want to call it. Percentage of console sales for 1961 may be lowest in TV history. This drop coincides with rise in 19-in. set sales. Most industryites point out that 19-in. is sufficiently larger than old 17-in. to be considered a "family-size" set and has cut into bigger-screen sales—including 23-in. models.

Straight consoles have accounted for about 37.5% of distributor-to-dealer TV sales first 10 months of this year—down from high of more than 50% in the early 1950s. Color set sales—as we pointed out 2 weeks

ago (Vol. 1:8 p6)—are increasing to point where color can be counted as part of high end of regular TV lines. Place of combinations in TV lines is treated in story below.

Historical pattern of TV set sales by cabinet types is shown in this table of retail sales, 1953-1960:

Year	Table-Portable	Console	TV-Phono Comb.
1953.....	46%	51%	3%
1954.....	55%	43%	2%
1955.....	57%	41%	2%
1956.....	64%	35%	1%
1957.....	60%	38%	2%
1958.....	56%	41%	3%
1959.....	58%	39%	3%
1960.....	54%	42%	4%

In distributor-to-dealer sales, here is pattern for first 10 months of 1961 vs. same period last year:

Year	Table-Portable	Console	TV-Phono Comb.
1960.....	57.5%	39%	3.5%
1961.....	59%	37.5%	3.5%

Note: Preliminary figures confirm what many manufacturers, distributors & dealers have already deduced—October wasn't a great month for TV sales. First 2 weeks maintained September's solid tone, with some falling-off in latter half of month. Nevertheless, month ended up nearly 7% ahead of Oct. 1960 in distributor-to-dealer sales—about 597,000 sets vs. 559,000 last year. For first 10 months of year, 1961 was ahead of last year by less than 1%—4,638,000 vs. 4,598,000.

**COMBOS GAINING IN SALES AS CONSOLES LAG:** Although consumer demand for TV consoles is down markedly from a year ago (see story p. 8), appetite for big-ticket TV-radio-phono combinations seemingly is being whetted on surprising scale. Combo sales rise is hardly of tidal wave proportions, of course, and over-all volume is still but a drop in total TV sales bucket. However, there's no question that combos are showing strong & healthy sales gain, and outlook is for increasing emphasis on TV-radio-phono models by manufacturers in next year's lines.

Most combo manufacturers we spoke with last week reported strong & improving combo sales, and most were highly optimistic about future of TV-radio-phono unit in face of declining console sales. Most bearish note was struck by Morris Sobin, pres. of Olympic which claims to be largest company in combo business. "Sure there's increasing interest in combos," he told us, "but when it's all said and done we're still speaking about only a fractional part of the TV business. Last year, total combo sales amounted to about 3.6% of total. This year the figure may increase to 3.8 or 3.9%. In my opinion combo sales will never account for more than 4-5% tops of total TV sales." His reason: "Most people either already have individual radios, TVs and phonos or prefer to buy & use them as individual instruments." Olympic, incidentally, offers combos which are really control centers and can be hooked up to play TV, radio and/or hi-fi in other rooms. GE noted a "seasonal increase" in combo sales, said there was a "softening to a slight degree" in console sales—but attributed the decline to popularity of portables rather than to combos.

For most part, manufacturers were bullish about combo's present & future. "Combo business has been too good," Admiral told us, noting that it is backordered and is bottlenecked by a shortage of cabinets. Admiral has 11 combos in line (including two 19-in. models), finds combos increasing percentage of total TV sales. Magnavox, long a major in combos, reported sales up & expanding to a higher percentage of total sales. Mktg. mgr. Jack Beldon said the sales rise is "not meteoric—just a solid gain. Magnavox pioneered in combinations; they're a very important part of our business and we'll continue to push them." Magnavox now has 8 combos in the line (including 27-in.) and probably will broaden its line next year, "depending on consumer demand."

There was pretty general agreement as to reasons for new popularity of combos: (1) Increasing interest in FM and FM-stereo. (2) Improved styling and wider variety of furniture cabinets. (3) Money- & space-saving advantages of combining FM-stereo, phono & TV in single handsome cabinet. There were other reasons. Mort Farr, NARDA chmn. and operator of a large retail outlet in suburban Philadelphia, told us there's been a big drop in console demand. He believes customers who normally would be buying consoles are

now holding off, deciding about a possible color TV buy. Meanwhile, as stopgap, they're buying TV portables, or moving up to combos to take advantage of all-in-one entertainment center.

There was general agreement, too, that color, over the long haul (next 5 or more years) will eventually take over TV's console business. RCA Sales Corp. mktg. vp Raymond Saxon noted that "surge in color has affected" b&w's high end but that RCA sales of combos are "definitely increasing." RCA now has 4 b&w and one color combo, is considering broadening line by increasing furniture models.

Summation: Combo sales are up and give every sign of increasing. Console sales are down, and color may well be one-factor. No one knows exact reasons for public's rekindled interest in combos, but undoubtedly improved furniture styling and heightened interest in music (stereo & FM-stereo) are major considerations. Certainly, a strong factor is money-saving advantage to consumer in buying TV, radio and phono in single unit than in separate cabinets. Most manufacturers will carry more combos (and more furniture variations of each model) next year. From dealer standpoint, it probably will become easier to sell home entertainment center as separate entity than to convince console-minded consumer to buy straight b&w console if he isn't yet ready for color.

**TV-RADIO PRODUCTION AT PEAK IN SEPT.:** Output of TVs & radios rose to 1961 monthly highs in Sept., latest EIA figures show. Factory sales of phonos and picture & receiving tubes also set 1961 records.

Production of TV sets rose to 694,580 from 678,937 in Sept. 1960. Cumulative output, which in Aug. caught up with year-ago production, bounced ahead by more than 20,000 sets to 4,393,768, vs. 4,373,121 for 1960's first 10 months. Radio output in Sept. climbed to 2,048,698 from 1,945,092 in Sept. 1960, but year-to-date production lagged behind 1960's 10-month totals 12,001,488 to 12,408,377. Here are EIA's figures:

Month	TELEVISION				RADIO					
	Total Production		Uhf Production		Total Production		Auto Radio Production		FM Production	
	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960
January	367,935	526,494	25,270	50,119	1,090,073	1,355,788	387,136	632,461	50,421	33,816
February	444,418	503,453	24,514	43,537	1,115,029	1,442,368	307,973	596,872	41,357	56,515
March	497,458	549,500	21,450	45,411	1,384,052	1,667,550	384,227	633,761	75,044	83,127
April	405,808	422,551	19,095	39,240	1,124,924	1,230,323	375,570	399,963	51,260	68,196
May	470,399	442,176	22,782	32,295	1,196,949	1,277,040	408,875	463,165	49,705	65,438
June	615,118	518,870	34,641	34,245	1,626,263	1,551,451	518,010	596,870	88,808	105,317
July	383,378	268,854	23,233	14,621	1,030,399	890,359	320,128	328,009	48,114	49,707
August	514,674	462,286	33,946	26,829	1,385,101	1,048,406	451,374	340,860	69,090	71,125
September	694,580	678,937	41,253	46,161	2,048,698	1,945,092	591,493	788,961	110,174	111,745
<b>TOTAL</b>	<b>4,393,768</b>	<b>4,373,121</b>	<b>246,264</b>	<b>332,458</b>	<b>12,001,488</b>	<b>12,408,377</b>	<b>3,744,786</b>	<b>4,780,922</b>	<b>583,973</b>	<b>677,410</b>

Although mono & stereo factory sales hit their healthiest 1961 stride in Sept., phonos were way off the 1960 pace, and year-to-date volume continued to lag far behind a year ago.

Mono sales rose to 124,142 units, but this was well behind Sept. 1960's 146,997. Stereo sales trailed the year-earlier volume 328,045 to 384,289. Cumulatively, mono & stereo 10-month totals ran far behind 1960: mono — 662,946 units vs. 738,671; stereo — 1,877,624 vs. 2,309,875.

Month	1961			1960		
	Mono	Stereo	Total	Mono	Stereo	Total
January	80,366	211,383	291,749	118,400	341,329	459,729
February	50,710	204,638	255,348	92,648	324,666	417,315
March	62,396	227,469	289,865	63,264	242,523	305,787
April	53,074	152,974	206,048	30,962	142,409	173,371
May	53,887	142,450	196,337	36,793	146,176	182,962
June	61,533	197,170	258,703	69,293	198,407	267,700
July	70,681	171,331	242,012	70,992	222,559	293,551
August	106,157	242,164	348,321	109,321	307,517	410,838
September	124,142	328,045	452,187	146,997	384,289	531,286
<b>TOTAL</b>	<b>662,946</b>	<b>1,877,624</b>	<b>2,540,570</b>	<b>738,671</b>	<b>2,309,875</b>	<b>3,048,546</b>

Factory sales of picture & receiving tubes were at their 1961 best in Sept., but the best wasn't good enough. In both units & dollars, kinescopes & receiving tubes continued to lag far behind the year-earlier volume during 1961's first 10 months.

TV picture tube sales totaled 946,405 units valued at \$18,981,210 in Sept. 1961. This compared with 913,496 at \$18,345,103 in Sept. 1960.

Receiving tubes duplicated kinescope performance by outselling Sept.-1960 37,611,000 units vs. 31,367,000. Dollar value increased to \$30,472,000 from \$26,872,000. Here are EIA's official tabulations:

	Picture Tubes		Receiving Tubes	
	Units	Dollars	Units	Dollars
January	707,833	\$14,430,602	26,343,000	\$22,227,000
February	728,989	14,395,931	25,803,000	21,865,000
March	936,098	18,725,011	36,635,000	30,719,000
April	722,110	14,293,375	28,687,000	24,392,000
May	673,315	13,238,774	29,823,000	25,308,000
June	806,852	15,887,776	31,463,000	25,989,000
July	457,181	9,364,364	27,566,000	20,979,000
August	870,578	17,239,228	36,907,000	31,347,000
September	946,405	18,981,210	37,611,000	30,472,000
Jan.-Sept. 1961	6,849,361	\$136,556,321	280,838,000	\$233,298,000
Jan.-Sept. 1960	6,978,241	139,685,905	302,459,000	254,916,000



## TOPICS & TRENDS

Crosby Electronics Co. last week filed Chapter X voluntary bankruptcy petition after Internal Revenue Service shut down its plant and that of its subsidiary Crosby-Teletronics in Syosset & Westbury, Long Island for non-payment of withholding taxes. The Crosby firm was instrumental in establishment of FM-stereo standards—by being the first to propose a compatible plus-&-minus system—although its particular system was turned down by FCC in favor of Zenith-GE approach. Crosby had been supplying FM-stereo adapters to several radio importers and marketing adapters itself.

"We are in a tight cash position," Pres. Murray Crosby told us last week after bankruptcy petition was filed. "Internal Revenue cracked down in a way nobody can understand. We hope to pare down our staff and reorganize. Actually, we're in quite a good back-order situation." Govt. had filed tax liens totaling \$44,600 against the companies, and a creditors' committee last July 31 had put liabilities at about \$1.1 million. The Crosby firms also make hi-fi equipment and have military contracts.

U.S. Court of Appeals ruled last week that 4 Zenith patents for its Space Command remote-control unit are valid and were infringed by Admiral. The Appeals Court, in Denver, upheld the ruling of the Oklahoma City U.S. District Court which heard in favor of Zenith Aug. 1, 1960 (Vol. 16:36 p12). The Denver ruling, however, made no mention of Zenith's Fringelock TV circuit patents, which the District Court last year also ruled valid and infringed upon by Admiral.

### TV-RADIO PRODUCTION: EIA statistics for week ending Nov. 3 (44th week of 1961):

	Oct. 28-Nov. 3	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV .....	161,211	158,370	110,845	5,179,906	4,982,966
Total radio .....	456,499	451,956	429,057	14,252,415	14,568,716
auto radio .....	148,542	145,578	142,418	4,474,150	5,562,269

#### For week ending Nov. 10 (45th week of 1961):

	Nov. 4-10	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV .....	152,058	161,211	113,321	5,331,964	5,095,249
Total radio .....	458,324	456,499	385,996	14,710,739	14,958,113
auto radio .....	146,800	148,542	128,657	4,620,950	5,690,539

## Trade Personals

Dr. Elmer W. Engstrom, RCA senior exec. vp, assumes supervisory responsibility for 3 additional divisions, all of which heretofore reported to Pres. John L. Burns. They are consumer products, data processing and a group embracing international, industrial products and RCA Service Co. With the sole exception of NBC, all RCA divisions now report to Dr. Engstrom.

Eric Kirkham Cole has resigned from the boards of British Electronic Industries and subsidiary E. K. Cole Ltd., TV-radio firm he founded in 1922. He was BEI's deputy chmn. . . . Edward Diamond promoted by General Dynamics to associate counsel from Electronics Div. vp-gen. counsel.

Jack L. Hunter appointed distribution planning mgr., GE Radio & TV Div. . . . Edward M. Wesick named Western District sales mgr., distributor sales, by Sylvania Electronic Tube Div.

Ralph W. Wright promoted to vp of Litton's Westrex div. . . . Alfred A. Blanco promoted to marketing dir. of Page Communications Engineers; Earl A. Schneider appointed to marketing directorate.

James E. Sloan appointed advanced engineering products mgr. of RCA's major defense systems div. . . . Samuel J. McDonald promoted to distributor sales mgr. of Sylvania's semiconductor div.

Patrick E. Haggerty, Texas Instruments pres., has been elected IRE pres. for 1962.

Richard A. Vollmer advanced by Westinghouse to financial planning & control dir. from financial analysis

mgr. . . . Samuel J. McDonald named Sylvania Semiconductor Div. distributor sales mgr., succeeding W. L. Kelley who becomes merchandising mgr. for distributor sales . . . W. F. Mullin and Frank P. Vendeley named to new posts of mktg. mgr. and gen. sales mgr. respectively, Mallory Distributor Division.

James A. Core, staff assistant to Magnavox Pres. Frank Freimann, has resigned. The onetime Texas Instruments controller has returned to Texas, will announce his plans shortly.

Paul Garrison, formerly sales mgr. of I-T-E Circuit Breaker's Special Products Div., named gen. mgr. of Jerrold's subsidiary Technical Appliance Corp. . . . Milton B. Sleeper, widely known publisher & editor in electronics & hi-fi fields, named product design vp by R-A-E Equipment Inc., new firm in radio, audio and electronics kit field.

Franklin S. Hoffman promoted to sales vp by British Industries Corp.; Arthur M. Gasman moves up to promotion vp.

Tadelusz J. Siek named market research mgr. of Sylvania's Waltham Labs . . . Leo W. Hahn promoted to dir. of Emerson Radio's Emerson & Quiet Kool div. sales.

### Obituary

Jack Mendelson, district sales mgr. for the Du Mont Div. of Emerson Radio Associates, Newark, N.J., died at his Jersey City, N.J. home Nov. 13. He had been active in TV-radio-phono merchandising for more than 40 years, half of which were spent with RCA Victor distributor Krich Radisco. He had also been associated with Olympic Radio & TV. He is survived by his wife and brother.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Allied Artists Pictures	1961—qtr. to Sept. 30	\$ 2,365,000	\$ (775,000)	\$ (730,000) <sup>1</sup>	—	911,278
	1960—qtr. to Sept. 30	4,244,000	286,000	277,000	\$0.30	899,240
Columbia Pictures	1961—year to July 1	—	—	212,000 <sup>2</sup>	—	1,449,030
	1960—year to June 25	—	—	2,107,000 <sup>2</sup>	1.47	1,287,109
General Dynamics	1961—9 mo. to Sept. 30	1,555,689,708	(83,576,496)	(39,532,496) <sup>4</sup>	—	9,997,065
	1960—9 mo. to Sept. 30	1,442,771,395	(55,244,568)	(25,084,568) <sup>5</sup>	—	9,946,080
GPE	1961—9 mo. to Sept. 30	171,196,090	8,457,540	4,189,040 <sup>11</sup>	2.47 <sup>10</sup>	1,546,790
	1960—9 mo. to Sept. 30	176,554,550	7,982,412	3,622,512 <sup>12</sup>	2.17 <sup>10</sup>	1,492,508
	1961—qtr. to Sept. 30	52,292,533	2,438,837	1,122,037	.61 <sup>10</sup>	1,546,790
	1960—qtr. to Sept. 30	55,831,746	2,612,176	1,155,376	.69 <sup>10</sup>	1,492,508
International Resistance	1961—42 wks. to Oct. 22	18,200,246	—	1,522,217	1.10	1,388,298
	1960—42 wks. to Oct. 22	17,150,228	—	1,705,942	1.23	1,385,798
Lynch Corp. (Symphonic)	1961—9 mo. to Sept. 30	15,817,676	—	321,606	.45	713,562
	1960—9 mo. to Sept. 30	17,615,116	—	(190,107)	—	713,562
	1961—qtr. to Sept. 30	6,835,461	—	310,847	.44	713,562
	1960—qtr. to Sept. 30	7,932,176	—	(68,057)	—	713,562
MGM	1961—year to Aug. 31	140,539,527 <sup>14</sup>	—	12,676,516 <sup>8</sup>	5.02	2,668,388
	1960—year to Aug. 31	130,444,607 <sup>10</sup>	—	9,594,908	3.83	2,506,129
Movielab Film Labs	1961—qtr. to Sept. 30	1,395,293	—	64,225	.20	312,500
	1960—qtr. to Sept. 30	1,259,331	—	55,798	.18	312,500
Muter Co.	1961—9 mo. to Sept. 30	10,047,200	219,651	111,119	.10	1,142,961
	1960—9 mo. to Sept. 30	8,871,207	201,472	98,726	.12	839,523
National Union Electric	1961—9 mo. to Sept. 30	25,693,621	—	481,307	.08	5,749,479
	1960 <sup>9</sup>	—	—	—	—	—
	1961—qtr. to Sept. 30	9,180,172	—	250,245	.04	5,749,479
A. C. Nielsen	1961—year to Aug. 31	36,100,000	—	2,442,000	1.43	1,710,000 <sup>13</sup>
	1960—year to Aug. 31	31,000,000	—	2,138,000	1.25	570,000
Oak Mfg.	1961—9 mo. to Sept. 30	16,617,689	571,077	305,877	.46	655,794
	1960—9 mo. to Sept. 30	13,487,660	889,913	432,913	.66	655,894
	1961—qtr. to Sept. 30	5,608,551	238,557	118,357	.18	655,794
	1960—qtr. to Sept. 30	3,840,847	61,345	31,345	.05	655,894
Thompson-Starrett <sup>7</sup>	1961—9 mo. to Sept. 30	15,518,465	—	209,121	.06	2,718,918
	1960—9 mo. to Sept. 30	7,625,186	—	(424,759)	—	2,650,266
Transitron Electronic	1961—13 wks. to Sept. 30	8,487,715	—	204,653	.03	7,503,368
	1960—13 wks. to Sept. 24	11,767,511	—	1,825,804	.24	7,502,500
Vornado	1961—year to Aug. 31	105,039,934 <sup>5</sup>	—	3,052,539 <sup>8</sup>	2.44	1,249,407
	1960—year to Aug. 31	99,142,259	—	1,179,101 <sup>9</sup>	1.01 <sup>9</sup>	1,168,260
Westinghouse Story below	1961—9 mo. to Sept. 30	1,387,512,000	—	25,012,000	.67	34,837,472
	1960—9 mo. to Sept. 30	1,457,233,000	—	60,680,000	1.71	34,706,557

Notes: <sup>1</sup>After \$45,000 tax credit. <sup>2</sup>After \$3-million inventory reduction and \$1.6-million profit on sale of land. <sup>3</sup>After \$1-million inventory reduction and \$202,000 profit on sale of land. <sup>4</sup>After \$44-million tax credit. <sup>5</sup>After \$30.2-million tax credit. <sup>6</sup>Comparison unavailable because of mergers & acquisitions. <sup>7</sup>Includes Delmonico International Division.

<sup>8</sup>Record. <sup>9</sup>After non-recurring loss of \$565,423 (48¢ a share). <sup>10</sup>After preferred dividends. <sup>11</sup>Includes \$578,299 (36¢) gain on sale of properties. <sup>12</sup>Includes \$97,953 (7¢) gain on sale of properties. <sup>13</sup>Reflects 3-for-1 split. <sup>14</sup>Includes \$18,014,611 from TV. <sup>15</sup>Includes \$14,127,538 from TV.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AB-PT	Q	\$0.25	Dec. 15	Nov. 24
AB-PT	Stk.	2%	Dec. 28	Nov. 24
AT&T	Q	.90	Jan. 2	Dec. 1
Burroughs	Q	.25	Jan. 20	Dec. 29
Con. Electronic Ind. ...	Q	.25	Jan. 5	Dec. 20
Daystrom	Q	.07½	Dec. 15	Nov. 27
Walt Disney Prod. ....	Q	.10	Jan. 20	Dec. 22
Walt Disney Prod. ....	Stk.	3%	Jan. 20	Dec. 22
Fairchild Cam. & Inst. .	New	.50	Dec. 18	Dec. 1
Famous Players Can. ...	Q	.25	Dec. 8	Nov. 22
Famous Players Can. ...	Ex.	.12½	Dec. 8	Nov. 22
GPE	Q	.30	Dec. 15	Nov. 30
Hazeltine	Q	.20	Dec. 15	Dec. 1
MGM	Q	.50	Jan. 15	Dec. 22
Minnesota Mining ....	Q	.17½	Dec. 12	Nov. 24
Time Inc.	A	1.00	Dec. 11	Nov. 24

**Westinghouse's 9 Months 'Disturbing':** Pres. Mark W. Cresap Jr. last week called upon employees to work harder to control costs & improve sales. Terming Westinghouse's 9-month performance "disturbing" (see financial table), he added: "Profit performance in the first 9 months of this year has not been good. Very plainly, we haven't been selling as many products as we expected to sell this year. We are pleased that new orders for some of our product lines have been showing some gains in recent weeks, but over-all we haven't done as well as we figured we would." He urged employees to "avoid waste," to be "on the alert for better methods."

**Emerson Subsidiary Sells Stock:** Emertron Inc., wholly owned subsidiary of Emerson Radio & Phonograph last week issued rights to holders of Emerson common to buy at \$5 a share 320,000 shares of Emertron. The offering expires Nov. 30, is underwritten by F. Eberstadt & Co.

# WEEKLY **Television Digest**

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

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**NBC'S SARNOFF—ON INDUSTRY & GOVT.**—sees agreement on objectives, believes public is being led upward gradually via free enterprise system (p. 1).

**TORONTO PAY-TV EXTENSION PLANNED** for 1,000 householders in section adjoining wired-up suburb Etobicoke. Telemeter reports 250 already are signed up (p. 2).

**CATV HOT AFTER ETV, STATION RELATIONS**, NCTA Pres. Dalton reports, summing up developments since he has headed cable operators' organization (p. 2).

**STORZ SOCKED IN FORFEITURE CASE**, FCC serving notice of \$10,000 liability by radio KOMA Oklahoma City for "willfully or repeatedly" violating rules (p. 3).

**TV FILM CASE REACHES SUPREME COURT**, Justice Dept. asking for review of District Court ban on distributors' block-booking on grounds it isn't tough enough (p. 3).

**GRAND JURY STUDIES MCA DEALS** in long-rumored Justice Dept.

probe of TV talent-&-production operations of big company to see if anti-trust laws were violated (p. 3).

### **Consumer Electronics**

**1961 TV SALES** of less than 6 million seen on basis of 10-month figures showing distributor sales less than 1% ahead of last year. Final total estimated at between 5.8 & 5.9 million vs. last year's 5.7 million (p. 7).

**FM-STEREO SHOWCASE**, Friendly Frost's 24-hour WTFM in N.Y. area, begins programming with all-out campaign for broadcaster-trade cooperation. Station starts with 12 set makers as sponsors (p. 8).

**UHF MARKET SLOW & steady**, no lift seen in near future from N.Y. market. All-channel set sales for 1961 lower than 1960, but channel strip purchases reported 20% higher, largely as result of new uhf ABC affiliate in Louisville. Report on N.Y. test (p. 8).

**RETAIL PATTERNS**, charted by Audits & Surveys Co., show TV-radio-phono business is gradually shifting away from appliance stores to wide variety of other types of retail outlets (p. 11).

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**NBC'S SARNOFF—ON INDUSTRY & GOVT.:** It's intriguing to tap the thinking of network leadership at this time, shortly before FCC's massive windup hearing on network programming processes, which begins Jan. 9. Last week, we interviewed NBC Chmn. Robert W. Sarnoff. Highlights of his philosophy:

"I don't think there's any disagreement, within the industry or government, on our objectives. We all want to offer the public more informational programs, more actualities, more children's programs, and so on.

"The question is the means. Some people are impatient. They want more programs for minority groups—now. But, should we do it more slowly via the free enterprise system? Or attempt to force it through government order?

"There's been a tremendous improvement in programming as against, say, 4 or 5 years ago. The audience is much more knowledgeable. The information programs are drawing very large audiences. Not as large as entertainment shows, of course, but large nonetheless.

"Sure, a lot of things can be improved, but it has got to be done with our free system. One thing that bothers me is that we don't get enough credit for the pioneering we do. Look at TV itself. People talk of the profits made by stations—but think of the huge losses they suffered in their pioneering days! I think that networks, particularly, have a responsibility to pioneer. Look at color. We bear the costs of 'colorizing' programs. Look at the recent New York elections. We were willing to spend money on the best news-gathering organization in the business. I don't think there's enough official recognition of the pioneering we do.

"A rule of reason should guide the government in judging the industry. I think FCC has the responsibility of looking at the industry's performance on an over-all basis. One year we may have too many quizzes; another, we may have too many Westerns, and so on. But on an over-all basis, over a period of years,

our performance will measure up to any reasonable standard. I think one way of judging a station is by asking: Is it successful? If it is, it obviously is serving a public need. It should be remembered that we're competing with other media as well as intramurally.

"I have no trouble with 'promise vs. performance.' I think a licensee should stick to his representations—but he should be given reasonable opportunity to retain flexibility to meet the changing needs of his audience." Among other points touched on:

(1) "Liquor advertising is a mistake. It's a perfect example of how a few stations can wreak havoc on the whole industry."

(2) "Helping foreign countries to start TV is another pioneering responsibility of the industry. We're working with the Nigerian government and we have other projects in the works. This is another excellent example of how private enterprise can do a public service job."

(3) "Business is holding up nicely. We don't have a program casualty in sight."

(4) "Color is off the ground. There may be receiver shortages. We have won accounts because the other networks don't offer color."

**TORONTO PAY-TV EXTENSION PLANNED:** Undaunted by internal squabble over pay-TV losses in Toronto suburb Etobicoke (Vol. 1:6 p2), Paramount subsidiary Famous Players Canadian announced last week that "plans have been completed" to extend Telemeter system into adjoining residential section.

Deadline "early in 1962" was set for wiring Mimico-New Toronto area, where Famous Players Pres. J. J. Fitzgibbons said he's counting on 1,000 new subscribers (among potential of 2,000) to add to 5,000-odd served by Etobicoke pay-as-you-see installation.

Already 250 customers have been signed up by advance Telemeter salesmen who interviewed 500 householders in new territory, another company spokesman told us. He said goal of 1,000 should be reached by time cables are ready—"and that will be well over the break-even point, counting amortization but not programming."

"This is encouraging acceptance of pay TV," spokesman said, reporting most of those signed now were impressed by pay-TV reactions of friends in wired-up Etobicoke. Mimico-New Toronto customers will pay flat \$15 annual service charge (plus pro-rated programming fees) instead of Etobicoke service charge schedule which starts with \$5 installation assessment. This innovation represents "major development in economics of pay TV," according to spokesman.

New subscribers "will strengthen representation of certain economic levels of the population and will provide a more comprehensive population mix," Fitzgibbons said.

**CATV HOT AFTER ETV, STATION RELATIONS:** First reorganization stage of National Community TV Assn. is over, according to Pres. William Dalton, who reviewed CATV developments for us since he took over as NCTA head Jan. 1:

(1) Dalton's a bug on ETV, sees CATV operators extending ETV signals just as they did commercial. He reports that about 1/3 of nation's CATV operators now carry ETV stations. At least one system, in Aberdeen, Wash., has 2 ETV signals. NCTA is urging all operators to connect schools in their communities.

NCTA has named an ETV Policy Council, including Dr. John Guy Fowlkes, long-time Dean of Education at U. of Wis.; Archer Taylor, U. of Mont. ETV director; James Palmer, State College, Pa. engineer; Loren Stone, U. of Wash. audio-visual education director.

"We've got a public service responsibility here to extend ETV signals," said Dalton. "Educators and broadcasters have found that ETV produces dramatically increased educational results."

(2) Relationships with telecasters have improved greatly, according to Dalton. "They used to be at loggerheads with us in a number of areas. There are now only 2 or 3 areas of incompatibility and these are being worked out. In our recent meeting at White Sulphur Springs, W. Va., there were quite a few telecasters on hand and they were enthusiastic about the way CATV extends their signals.

"Some telecasters fear that CATV will bring pay TV. These fears are groundless. There won't be enough pay-TV programming to have any impact.

"CATV is going into larger communities, with broadcast interests participating, and it's working out."

(3) "On the legislative front, we find less enthusiasm for regimenting this industry. I think congressmen are more aware of the service we render. FCC, however, apparently is going to continue to recommend legislation to regulate us."

Dalton reported that membership is now nearly 500, plus 20 associate members (manufacturers, brokers, etc.). Headquarters staff has increased from 4 to 9 since first of year—including addition of full-time house counsel Robert L'Heureux and public relations director Leonard Lieberman. Next annual convention is in Washington's Shoreham Hotel June 17-22.

**STORZ SOCKED IN FORFEITURE CASE:** "Apparent liability" of \$10,000 forfeiture under penalty provisions of Harris-Pastore Act has been incurred by Storz Bcstg. Co.'s radio KOMA Oklahoma City for rules violations, FCC ruled last week in 2nd case of kind.

Storz station was cited in particular by Commission for daytime transmitter operation prior to 4 a.m. and for maintaining field strength which "far exceeded the licensed maximum values." Accused of "willfully or repeatedly failing to operate station KOMA as set forth in its license," company was given 30 days from receipt of Nov. 21 notice to prove "non-liability" or surrender \$10,000.

Radio KDWB St. Paul was first station hit by FCC in forfeiture action. Crowell-Collier outlet was assessed \$2,500 in July (Chmn. Minow holding out for full \$10,000 fine permitted under law) for excess-power operation (Vol. 17:31 p7). Commission promptly collected forfeit for U.S. Treasury.

**TV FILM CASE REACHES SUPREME COURT:** N.Y. District Court ban on block booking of old movies for TV sales or licensing by 6 major distributors isn't tough enough, Justice Dept. told Supreme Court last week in appeal for review of Judge Archie O. Dawson's anti-trust order.

Dawson's judgments "invite widespread avoidance of the Sherman Act's prohibition against block-booking agreements," govt. complained in trying to reopen complex monopoly case, which started early in 1960 in N.Y. court (Vol. 16:9 p12 et seq.).

TV stations still are compelled to take packages of unwanted films in order to get few desirable features, Justice Dept. protested, telling Supreme Court that under Dawson's orders: (1) Film distributor may withhold movies from individual stations until it makes sure entire packages can't be sold in same markets. (2) Distributors don't have to price films separately and explain why cost of same films differs when bought as part of package.

"Extent of the coercive power left in the distributors' hands" is so great that "stations can & will be regularly induced" to take dogs among old features, govt. brief said. It maintained that distributors can use competition among stations as lever to force continuance of block-booking practices which Dawson's formula was supposed to prevent.

Nonsense, distributors retorted in counter appeals. They had first indicated they wouldn't fight Dawson's ban, but decided it was too tough after govt. moved to carry case to Supreme Court (Vol. 17:17 p12). Five of 6 distributors involved—Loew's, Screen Gems, Associated Artists, United Artists, C&C Super—asked Supreme Court for relaxation of anti-block-booking terms. Dawson's order also was directed at NTA.

**GRAND JURY STUDIES MCA DEALS:** Much rumored federal grand jury probe of big MCA, which announced in October that it is getting out of TV talent-agency or TV production business (Vol. 1:7 p4), finally got under way in Los Angeles last week in what is expected to be months-long proceedings.

Justice Dept. kept secrecy lid on specific targets of investigation, reporting only that special jury was being impaneled to see whether there have been criminal violations of anti-trust law by companies in entertainment industry. But there was little doubt that MCA's dual role as agency & producer was main subject of inquiry presided over by District Court Judge Pierson Hall.

Lengthy monopoly probe was promised by Judge Hall in questioning prospective jurors. They were asked whether they were prepared to stay on job in courtroom for 4 days per week for 3 or 4 months.

As WLBW-TV took over Miami's Ch. 10 from WPST-TV Nov. 20, latter's Pres. G. T. Baker ran ad in Washington papers indicating intention of filing application for channel again. Commission's authorization to WLBW-TV is for 4 months—but it's due to keep operating through next round of competitive hearings. It's assumed there will be many applicants for channel. In ad, Baker urged hearing be held in Miami, again denied that his organization was responsible for any improper approaches to FCC.

## CURRENT CAPSULES

FCC is "wholly erroneous" in denouncing CBS "incentive compensation plan" for affiliates as contrary to Commission rules (Vol. 1:7 p3), Meredith Bcstg. Co. asserted in an early letter in behalf of its WHEN-TV Syracuse & WOW-TV Omaha. In stout defense of CBS plan, Meredith said that if FCC carries its reasoning far enough, "any agreement between a network & a station looking toward the sale of time would be a violation." It suggested that Commission shouldn't pick on CBS in any event, that "general rule-making proceedings should be instituted" for compensation plans of all networks to determine just where "the line of legality is to be drawn."

Crosley's WLWI (Ch. 13) Indianapolis remains on air for indefinite period, FCC staying effectiveness of decision which would have required Crosley to turn channel over to WIBC Nov. 30. Commission said status quo remains until 30 days after it renders decision on a petition for reconsideration. Crosley & WIBC had been competitors for Ch. 13 originally, and FCC awarded CP to Crosley in 1957. WIBC appealed to courts which sent case back to Commission on a technicality. With changed membership, FCC then decided grant to Crosley would give it too much "concentration of control" of mass media in Indiana-Ohio area (Vol. 1:8 p4).

FCC allocations actions: (1) Turned down petitions to move Ch. 2, Santa Fe, to Albuquerque or Las Vegas, N.M., finding "no merit" in them. (2) Finalized shift of ETV reservation from Ch. 73 to Ch. 9, Bay City, Mich. (3) Started rule-making to assign 8 uhf ETV channels in Georgia—Ch. 18, Dalton; 14, Draketown; 20, Wrens; 15, Cochran; 23, Dawson; 18, Ashburn; 14, Pelham; 17, Warm Springs. As in similar Kentucky case (Vol. 1:10 p2), Commission said it doesn't want to act finally on such "large block" assignments until whole allocations policy is set, but it welcomes comments until then. (4) Turned down requests for extension of Dec. 4 deadline for comments in short-spaced vhf rule-making. Commission has proposed to add one vhf channel each, at less than standard spacing, to: Oklahoma City, Johnstown, Baton Rouge, Dayton, Jacksonville, Birmingham, Knoxville, Charlotte (Vol. 17:31 p2).

Six-way contest for new Grand Rapids Ch. 13 has been set for hearing by FCC. Applications of Grand Bcstg. Co. and Atlas Bcstg. Co. were designated, will be joined by West Mich. Telecasters Inc., MKO Bcstg. Corp., Peninsular Bcstg. Co. and Major TV Co. FCC denied West Michigan's petition to make traffick-ing issue out of Grand's application. Federal Aviation Agency was made party to proceedings.

Special TV-radio "pressroom" is being created at the N.Y. office of U.S. Weather Bureau, we're told by Paul Kutschenreuter, asst. chief for technical services of USWB. It will be apart from facilities for print journalists & wire services, is expected to be ready by next fall, will feed live telecasts on pooled basis to all 3 networks. Plan is an outgrowth of extensive coverage given Hurricane Carla by KHOU-TV Houston, which USWB considers model of emergency communications. Since hurricane-prone area stretches from Brownsville, Tex. to Boston, and season lasts from mid-June to mid-October, USWB hopes to set up other TV pool facilities in such cities as New Orleans, Miami, Washington and Boston, and to maintain closer liaison (via NAB) with industry.

TV did itself proud during Carla, study of KHOU-TV viewer reaction showcased by Corinthian Bcstg. Co. in N.Y. last week indicated. Nine out of 10 respondents reported seeing KHOU-TV telecasts direct from Galveston, Tex. Weather Bureau. Some two-thirds relied on TV for regular weather news.

NAB will keep hands of FCC's deintermixture proposals for 8 markets (Vol. 1:10 p1), Pres. LeRoy Collins indicated at Jacksonville news conference. "I doubt we will get involved in the current deintermixture fight," he said when questioned at NAB's fall regional conference there.

BBC counterpart in U.S. is advocated by historian Arnold Toynbee as one way to make sure that public gets straight & unbiased news. "Semi-public corporation" along BBC lines should be created here in face of growing complexity of public affairs and increasing control of communications by few powerful companies, he argues in new NET series *Strategy of Truth*.

Transcontinent enters Cleveland: Purchase of radios WDOK & WDOK-FM Cleveland for \$1.4 million from Civic Bcstrs. Inc. has been announced by Transcontinent TV Corp., which earlier left Rochester, N.Y. market after selling its WROC-TV (Vol. 1:10 p5). Civic Pres. Frederick Wolf was retained in "management capacity" by Transcontinent.

## Personals

Leonard Goldenson, AB-PT pres., appointed by President Kennedy as member of White House Committee for Traffic Safety . . . James Conley, ex-WCAU-TV Philadelphia, named gen. sales mgr. of ABC-TV national station sales.

William R. McAndrew, NBC News exec. vp, receives communications achievement award from Catholic U., Washington . . . Claude Cain, KID-TV Idaho Falls sales mgr., also named station mgr.

Frank Stanton, CBS Inc. chmn., and Douglas Edwards, CBS correspondent, cited by San Jose State College for service to journalism . . . John Horn promoted to CBS corporate information mgr.

David Sarnoff, RCA chmn., appointed to U.S. Freedom from Hunger Foundation by President Kennedy.

Matthew E. Vieracker, WBKB Chicago gen. mgr., assigned by ABC International to Panama for year as consultant to affiliated Televisora Nacional, new Panama City Ch. 2 station . . . Edward Giller promoted to acting program dir. of WNBF-TV & WNBF Binghamton, Edwin Gimzek named WNBF-FM sales mgr., Ruth H. Hider merchandising & promotion mgr. of the 3 stations.

Quayle B. Smith joins Pierson, Ball & Dowd, Washington communications law firm . . . John Hopkins gen. mgr. of NAFI's KTVT Fort Worth-Dallas, elected pres.

Dr. Wilson M. Compton, ex-USIA dir., named trustee of joint IBEW-International Good Music Inc. fund for retraining of studio workers displaced by company's automated broadcasting equipment . . . Harry B. Green named gen. mgr. of NT&T's 6 CATV systems.

Marvin Korman promoted to new post of Screen Gems advertising & promotion mgr.; William Hart named Midwest sales mgr., replacing Robert Newgard, now Western sales mgr.

Frank P. Fogarty, Meredith Bestg. Co. exec. vp, renamed NAB freedom of information committee chmn. . . . Gordon Sherman, gen. mgr. of radio WMAY Springfield, elected Ill. Bcstrs. Assn. pres.

Robert B. Jones Jr. of radio WFBR Baltimore elected Md.-D.C. Bcstrs. Assn. pres., succeeding Lloyd W. Dennis Jr. of radio WTOP Washington.

## Obituary

Frank Roberson, 79, senior member of Washington communications law firm of Spearman & Roberson, 1934-38 asst. FCC gen. counsel and former Westchester County, N.Y. judge, died Nov. 17 of heart disease in Washington home. Surviving are his widow, daughter, son, Frank F. Roberson of Hogan & Hartson TV-radio law firm in Washington.

Indictment of TV programming by 4 commercial stations in Washington, where school authorities have refused to support new educational WETA-TV (Vol. 1:6 p2), has been voted by board of D. C. Congress of Parents & Teachers. PTA group drafted letter to management of WTOP-TV, WRC-TV, WMAL-TV and WTTG protesting "mayhem, sadism, murder, rape, call girls, swearing and infidelity" in evening shows seen by children. Action was taken on recommendation of American U.'s Dr. Benjamin Alexander.

"Walk in My Shoes" print of ABC-TV's Sept. 19 *Bell & Howell Close-Up!* show has been presented to Library of Congress by ABC Washington vp Alfred Beckman.

NBC job for Meyner? N.J. Gov. Robert B. Meyner, who mounted apparently successful campaign to block sale of WNTA-TV (Ch. 13) Newark-N.Y. to educators (Vol. 1:10 p3), may wind up as NBC-TV performer after he leaves office in Jan. He says he's had no "firm offer," but NBC has discussed plans for Meyner & wife to host new panel show. Meanwhile, Meyner & N.J. Attorney General David D. Furman filed Court of Appeals rebuttals to FCC arguments for reversal of order which halted scheduled Nov. 27 transfer of WNTA-TV to Educational TV for Metropolitan Area. They said Commission established no good grounds for rehearing. Full 9-judge court will hear argument Nov. 27. At same time, N.Y. Education Dept. released report asserting that metropolitan area needs—and can support—10 ETV outlets.

Collins likes his job: "I am deeply involved in my present position and like it that way," NAB Pres. LeRoy Collins told news conference in Jacksonville in conjunction with regional fall meeting. Pressed by reporters to say whether he has any plans to return to politics in Fla., where he was governor before joining NAB, Collins said: "It cannot reasonably be anticipated that I ever would run again." He added this hedge: "It has long been a matter of principle with me never to close any doors that tightly. So let me say only that I have no plans & no intentions of ever running."

Interconnected ETV network of stations is needed and it's "absurd" that U.S. still lacks one, NBC public affairs dir. Edward Stanley told Kansas City convocation of American Assn. of Land-Grant Colleges & State Universities. He called on educators to develop their own TV as "greatest pathway" to education—and not count on commercial stations to do it for them. As example of what can be done, Stanley cited NBC-TV's *Continental Classroom*, which started in 1958 with 500,000 viewers, now has estimated 2 million.

ETV-PTA meeting was conducted from air by Pres. John E. Ivey Jr. of Midwest Program on Airborne TV Instruction in night flight aboard converted DC-6 which transmits courses to 6 states (Vol. 1:6 p2). In 2-hour telecast from plane, he told parents & teachers gathered in 2,000 schools below how they can organize to finance project in future years. Dr. Ivey estimated cost at \$3.7 million annually.

ETV fill-in will be given by NET officials & educational station mgrs. to Hyman Goldin of FCC's Office of Research & Education and James O. Juntilla of Broadcast Bureau at informal Nov. 27-28 N.Y. conference.

Horse-race broadcasts which seem to serve needs of gamblers, rather than public, can cost stations their licenses, FCC reminded licensees in new public notice. "Restatement of Commission Policy" followed suggestions at Senate Racket Subcommittee hearings that Chmn. Minow pay more attention to such broadcasts & less to crime & violence on TV entertainment shows (Vol. 17:37 p2).

Strict ban on cameras in Ont. courtrooms has been proposed by Justice G. A. Gale of provincial Supreme Court. He told Attorney General's Committee on the Administration of Justice that legislation forbidding TV coverage of judicial proceedings is needed.

Police guard was set up at 4 N.Y. area radios—WBNX, WWRL, WADO and WHOM—following undercover tip that Puerto Rican nationalists plotted to seize Spanish-language stations to broadcast UN speech by Cuban Ambassador Mario Garcia-Inchaustegui.

Print media and TV-radio were compared in terms of govt. regulation by Washington attorney Marcus Cohn in address to Fla. Bestrs. Assn. in Jacksonville last week. He likened FCC licensing with Post Office's 2nd class mailing privileges. Tongue in cheek, he analyzed *Jacksonville Times-Union* according to FCC's application forms, found it 85% commercial, heavy on entertainment vs. information. Of advertisements, he found 13 for liquor, several for "bleeding bladders" and "change of life problems" and the like—types proscribed by NAB Code. "Newspapers have critics of all kinds—of TV-radio, movies, books, etc.," he said. "Why don't we have critics of other media? You'll get respect only when you realize your stature." Cohn said that broadcasting has a crisis about every 20 years—the current one aggravated by attacks from print media in financial difficulties.

Proposed \$5.7-million sale of majority interest in *Honolulu Star-Bulletin* & its broadcast properties by trustees of Wallace Rider Farrington estate to local businessmen has been blocked by court order obtained by Mrs. Farrington. She won temporary restraining writ on grounds that stock is worth more. *Star-Bulletin* operates KGMB-TV & KGMB Honolulu, satellites KHBC-TV Hilo & KMAU-TV Wailuku and radio KHBC Hilo.

FTC consent order forbidding deceptive pricing & "free" claims for Nutri-Health vitamin tablets in broadcast commercials and advertising circulars has been signed by Nutri-Health Inc., Baltimore.

New studios opened: Travelers Bestg. Service Corp. (WTIC-TV & WTIC Hartford) dedicates its Broadcast House in downtown urban renewal project Nov. 27. Speakers include CBS Inc. Pres. Frank Stanton and Conn. Gov. John N. Dempsey.

Unauthorized transfer of control of radio WMGY Montgomery, Ala. from Joe Scott to C. A. McClure was scored by FCC in renewing station's license. Commission said it would overlook violation in view of good broadcasting records of station & McClure, but warned against further infractions. Chmn. Minow & Comr. Lee voted against grant.

Headline speakers scheduled for 17th annual Ga. Radio-TV Institute at Athens Jan. 23-25 include President Kennedy's Press Secy. Pierre Salinger, Asst. Secy. of State Roger Tubby, Asst. Defense Secy. Arthur Sylvester, NAB Chmn. Clair R. McCollough. Program also includes seminars on sales, management, programming, news.

Short-term renewal of 15 months has been ordered by FCC for radio WSRA Milton, Ga. Commission said programming deficiencies barred full 3-year license term, noted that station promised to do better. Comrs. Hyde & Craven dissented to notification letter.

Another CATV system has been acquired by H&B Americans' Transcontinent Communication Systems with purchase of Lovington (N. M.) Antenna & Service Co., which serves 1,800 subscribers. Tex-Mex Communications Co., which operates a microwave from Denver City, Tex. to Lovington, is included.

CBUT-1 (Ch. 9) Courtenay. B.C., 625 watts, unattended relay for CBUT Vancouver, due on air next July-Aug. with Canadian GE equipment.

New Canadian TvB members: CHEX-TV Peterborough, CKGN-TV North Bay, CKWS Kingston, CKNX-TV Wingham, Ont.

Formal opening of WUHF, FCC's experimental N.Y. Ch. 31 station, is set for Nov. 29 in Empire State Bldg. ceremonies. FCC Chmn. Minow will throw switch.

U.S. ETV aid for Pakistan is being promoted by Vice President Johnson as result of his first visit there in May and reciprocal trip here by camel driver Bashir Ahmad, who can't read or write. Plans for establishing educational TV station at Karachi and installing big community screens at 20-25 points within 100-mile radius are being worked out by Johnson & Pakistani Ambassador Ariz Ahmad, who points out 85% of his countrymen have never had schooling.

ABC-TV in Philippines: ABC International TV Inc. has signed agreement with Republic Broadcasting System (upcoming DZBB-TV Manila) to render programming, engineering & sales assistance to the Manila station and future Republic TV outlets in the Philippines. ABC International will act as sales and program purchasing rep for the stations. ABC also has interests in 2 Japanese stations—JOEX-TV Tokyo & JOOR-TV Osaka—and NWS-TV Adelaide, Australia, as well as stations in 9 Latin American countries.

Target dates have been set for 13 new "national" (govt.-owned) TV stations by Australia's Postmaster-General: For the Australian capital, Canberra, Dec. 1962. State of Victoria—Bendigo, April 1963; Ballarat, May 1963; Latrobe Valley, Sept. 1963; Goulburn Valley, Nov. 1963. New South Wales—Newcastle, April 1963; Wollongong, Sept. 1963; Orange, Oct. 1963; Richmond-Tweed, April 1964. Queensland—Darling Downs, July 1963; Rockhampton, Sept. 1963; Townsville, Oct. 1963. Tasmania—Launceston, July 1963.

Recording rights of American broadcasters & record-makers would be protected under international agreement reached at Rome conference under auspices of International Labor Organization, UNESCO and International Union for Protection of Literary & Artistic Works. Applying principles of present international copyright laws to broadcasting field, Rome compact would bind signatory countries to grant foreign performers same protection which is given nationals. At least 6 countries must ratify agreement before it becomes effective.

New Korean TV station operated by Information Ministry in Seoul is scheduled to start 5-hour daily programming in December.

To conform with treaties covering frequency allocations (1959 Geneva Radio Regulations), FCC has amended its rules (Subparts A & B, Part 2).

Emergency TV-radio system linking all Canadian stations with Army siren-warning setup in cities is being established by CBC. Operating much as Conelrad does in U.S., Canadian system is expected to reach 97% of population simultaneously.

International Broadcasting Awards for "most effective" 1961 TV & radio commercials will be announced by Hollywood Ad Club at banquet there next Feb. 13.

New Frontier relations with the advertising industry will be theme of 4th annual Advertising Federation of America mid-winter Washington conference next Feb. 7 in Statler-Hilton Hotel. Administration speakers will include FCC Chmn. Minow, FTC Chmn. Dixon, Commerce Secy. Hodges.

British "pirate" radio operating in Thames estuary just outside 3-mile limit is planned by 2 promoters who offer 6 minutes of commercials in every hour of 24-hour broadcasting.



# Consumer Electronics . . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**1961 TV SALES—LESS THAN 6 MILLION:** It now seems nearly certain that 1961 TV sales (distributor-to-dealer) won't hit the widely predicted figure of 6 million. On basis of sales for first 10 months of year, best bet now is that year will close out with some where between 5.8 & 5.9 million sets sold to dealers, up from 5.7 million last year.

To hit 6-million figure, sales in November & December would have to run nearly 24% ahead of same months last year. This is possible, of course, but it doesn't seem to be in cards on basis of performance so far. Cumulative distributor sales for the year finally caught up with last year's figure in September (Vol. 1:6 p9), and for first 10 months of this year total sales were less than 1% ahead of 1960. In both September & October, sales were about 5% ahead of the comparable 1960 months. If sales this November & December run 10% ahead of last year's same months, total sales for year will be about 5,850,000 units.

Retail sales last year totaled 5,945,000, according to EIA's sampling survey. Our guesstimate is that 1961 retail sales will total approximately 6 million—although this can never be checked, since EIA has discontinued compilation of retail sales figures.

Preliminary tabulation of unofficial figures for October shows 5% dip in radio sales to dealers as compared with Oct. 1960—running counter to general 1961 radio sales trend. When it is recalled, however, that Oct. 1960 was exceptionally good month—25% ahead of Oct. 1959 (Vol. 16:48 p17)—this drop certainly isn't alarming. For first 10 months of 1961, distributors' radio sales were ahead of 1960 by more than 900,000 units, or nearly 12%.

Inventories at factory & distributor levels continued to show decreases from 1960 levels at end of October. TV inventories appeared to be at very satisfactory levels. While radio inventories were lower than last year, they were not down as sharply as TV.

What of the next 6 months? Federal Reserve Board's quarterly survey of consumer buying intentions shows that public is still keeping tight grip on its pocketbook. Compared with its April & July surveys, October poll showed slightly more consumers planning purchases of TV & hi fi. But compared with year ago, buying intentions were down.

Planning to buy TV sets in the 6 months from Oct. 1961 to April 1962 were 4.5% of those surveyed, down from 4.9% in Oct. 1960, but up from 4.1% in April and 4.2% in July 1961. Intentions to buy radios or phonos costing \$100 or more showed same pattern: 2.5% said in Oct. 1961 that they planned to buy them, as opposed to 2.7% one year earlier and 2.1% in both April & July 1961.

Here are unofficial figures on TV-radio production, sales & inventories for October 1961 and year-to-date vs. 1960:

	TELEVISION		10 Months	10 Months
	Oct. 1961	Oct. 1960	1961	1960
Production . . . . .	625,000	500,000	5,019,000	4,873,000
Factory sales . . . . .	598,000	506,000	4,817,000	4,685,000
Distributor sales . . . . .	588,000	559,000	4,638,000	4,598,000
Factory inventory . . . . .	413,000	490,000	—	—
Distributor inventory . . . . .	820,000	838,000	—	—
	<b>RADIO (excluding auto)</b>			
Production . . . . .	1,219,000	1,089,000	9,470,000	8,716,000
Factory sales . . . . .	1,263,000	1,178,000	9,148,000	8,166,000
Distributor sales . . . . .	1,109,000	1,166,000	8,542,000	7,641,000
Factory inventory . . . . .	996,000	1,008,000	—	—
Distributor inventory . . . . .	1,700,000	1,769,000	—	—

**FM-STEREO SHOWCASE OPENS IN N.Y.:** Cooperation with manufacturers, distributors & dealers will be keystone of Friendly Frost's new WTFM, serving N.Y. metropolitan area with FM stereo 24 hours a day. Station went on air Sat. Nov. 25 after announcing dealer-support program in full-page ads preceding day.

Station's deluxe installation at Fresh Meadow (near Flushing), Long Island, close to site of N.Y. World Fair, combines modern studios (RCA FM transmitter, 20-kw ERP, latest stereo equipment, 50,000 recorded stereo selections) with posh hi-fi showroom. Indicative of mutual manufacturer-station cooperation is fact that station starts up already in black, with 25% of its time sold out—sponsors including set makers Admiral, Clairtone of Canada, Du Mont-Emerson, GE, Grundig-Majestic, Motorola, Philco, Pilot, H. H. Scott, Stromberg-Carlson, Westinghouse, Zenith.

Behind carefully thought-out plans for trade cooperation is long-time TV-radio industryite Friendly Frost Chairman Gerald O. Kaye, who has served in set distribution (Bruno-N.Y.), broadcasting (onetime head of WNTA-TV & WNTA Newark-N.Y. and now affiliated with 2 other L.I. stations owned by Friendly Frost) and mass retailing (29 stores in Northeast).

Kaye & his associates have listened carefully to complaints of trade about earlier FM-stereo starters and are determined to provide smoothest and most efficient liaison. Station will supply point-of-sale material to all retailers, won't mention Friendly Frost (or any other retail outlets) on air, although special announcements will urge listeners to visit dealers for FM-stereo demonstration.

Its most effective gimmick is continuous stereo programming. It will urge dealer "to keep the dials of his demonstrator FM-stereo models set" at WTFM's 103.5 mc. Music & other program material particularly suitable for stereo demonstration will be featured on all-day "Stereo Spectacular" every Saturday. Even commercials and news pickups will be broadcast stereophonically.

In same modern building with WTFM studios is deluxe "Volare Sound Salon," operated as class merchandising outlet for high-end phonos & TV, much of it carrying "Volare" private label. Among consoles displayed last week when we visited the salon were top-price sets made by Westinghouse (from its "Curio Chest" collection), Capehart, Clairtone, Electrohome of Canada, Ampex, Pilot, Motorola, Stromberg-Carlson, Fonovox and Kane-Mark (the latter incorporating RCA color-TV chassis). Many bore "Volare" nameplate in addition to manufacturer's trademark.

WTFM will also loan out its salon & meeting space for gatherings of distributor salesmen, etc., to help them familiarize selves with FM stereo. Station was launched with big preview last week, attended by manufacturer & distributor personnel. Consensus of those we talked with bore out conclusions we reached in our article last week (Vol. 1:10 p7)—that consoles with FM stereo will be a slow-building market, and that WTFM's plan for trade-broadcaster co-operation is exactly the proper way to go about selling FM stereo to public.

Note: WTFM won't be only 24-hour stereo operation. It's understood that KCMO-FM Kansas City and KODA Houston also plan round-the-clock stereo. Among latest FM-stereo starters, incidentally, are WAYL Minneapolis & WAQE Baltimore.

**UHF MARKET SLOW & STEADY; NO LIFT SEEN:** What happens to uhf in near future depends on outcome of FCC's current N.Y. tests and its efforts in Congress to require industry to include all-channel tuners in all TV sets. As of today, with nearly 100 uhf stations on air and with N.Y. uhf project now broadcasting, there are still no signs of any substantial lift.

Industry production figures, as matter of fact, show that only 6% of all sets made during first 9 months of 1961 contained all-channel tuners, as compared with 8% for same 1960 period. This figure doesn't include conversions made in the field or sets sold with individual uhf tuner strips. Nevertheless, there was some momentary excitement supplied by uhf earlier this fall—and it wasn't in N.Y. It was in Louisville.

Set & tuner makers agree that Louisville was this year's uhf high spot. It provided an instance—rare in recent years—where a uhf station went on air with a primary network affiliation in predominantly vhf area. In this case it was WLKY (Ch. 32), with ABC programs. There was rush for converters & strips earlier this fall—Standard Kollsman estimates 20,000-25,000 strips were sold to consumers in area—but excitement has simmered down now as area is considered "converted." Although all-channel tuner business is down this year, Standard Kollsman reports 20% rise in uhf strip business, largely because of Louisville.

But Louisville is unusual phenomenon, is in sharp contrast to large areas—such as Washington & Philadelphia—where recent debuts of uhf stations created no stir at all. Difference, of course, is that these stations are educational outlets—not primary network affiliates.

How goes New York? Interrupted frequently by equipment troubles, FCC's WUHF (operated by N.Y.C.'s municipal WNYC) is now putting out narrow beam at about 1,000 kw ERP from temporary antenna facing North from Empire State Bldg. Permanent antenna is in place and scheduled to be put in use next week.

Most set makers aren't actively seeking uhf sales now in N.Y. market. There's little original programming so far on WUHF (much of time is devoted to simulcasts with vhf stations for test purposes)—but there are some indications that manufacturers will begin at least to offer some uhf equipment in N.Y. early next year for those who may want it. Du Mont to date is only brand advertising uhf in N.Y. market, and its newspaper ad copy features adaptability by means of uhf strips.

Standard Kollsman Pres. J. O. Burke reports "interest" by some of his set-making customers. He says it appears that several will offer drop-in models this winter aimed at N.Y. market. For this purpose, they're swinging over to turret tuners in some new models for adaptability to uhf strip.

Blonder-Tongue currently claims to be only manufacturer of converters, but it's understood Standard Kollsman is now considering entering this business, presumably on basis of slight renewed interest in anticipation of N.Y. programming. Blonder-Tongue Pres. Isaac Blonder, who earlier this fall predicted WUHF could bring \$100 million in new business to N.Y. dealers & service technicians (Vol. 1:2 p6), told us last week he thinks little impact will be felt in N.Y. for a year. All N.Y. parts jobbers now have Blonder-Tongue converters, but no strong business has been felt yet. Blonder feels that eventual good programming (Municipal Bcstg. Service has inside track to N.Y. World Fair, new Lincoln Center of Performing Arts, etc.) eventually will mean good steady uhf business in the big city.

First reports on reception in narrow 30-degree path of temporary antenna on Empire State Bldg. have been good, with comments coming from as far as 75 miles north—including some areas where reception from some of city's vhf channels is poor. In northerly direction from Empire State, there's no lack of signal. Feeding Blonder-Tongue BTU-2S 2-tube converter into RCA color set in location about 3 miles northwest of Empire State, we received strong Ch. 31 signal using coat-hanger as indoor antenna.

There's certainly no excitement in N.Y. over the new channel—most New Yorkers aren't aware it exists. Most set makers and their distributors say they'll supply uhf models on request, but there's been no request yet. We see no uhf boom coming in N.Y. on basis of station. Nation-wide, prognosis for uhf in 1962 is about same as 1961.

## **TOPICS & TRENDS**

EIA Winter Conference this week (Nov. 28-30) in Los Angeles' Statler Hilton Hotel takes up "industry problems with few precedents in number or magnitude." Among subjects for consideration: FCC's program (Docket 14299) for promoting wider use of uhf frequencies by TV broadcasters; Congressional sentiment on FCC-sponsored legislation calling for production of only all-channel TV sets; creation of an EIA committee to make technical recommendations to FCC regarding feasibility of AM-stereo radio; problems of imports competition and foreign trade development.

Tighter FTC rules on use of manufacturers' list prices for comparisons in bargain advertising (Vol. 1:9 p9) have been recommended in initial decision by hearing examiner Leon Gross. In case involving Giant Food supermarket chain, he held such comparisons are deceptive when usual prices are lower than list prices—even though advertising makes clear that list prices are used only to identify products.

Sylvania enters institutional TV field with new 19-in. set equipped with combination wired remote control & pillow speaker, available on lease plan only, through American Hospital Supply Corp., Evanston, Ill., which has been named exclusive sales & leasing agent for Sylvania hospital equipment. Sylvania marketing vp Robert E. Brockway estimates that today's 1.7 million hospital beds will double in next 10 years. "Less than 20% of our hospitals," he said, "now have satisfactory TV installations. While 70-80% have some provision for TV, most of the systems are inadequate from the standpoint of antennas, maintenance and operating convenience."

Philco stockholders will vote this week (Nov. 28) on the proposed acquisition by Ford Motor Co. (Vol. 1:1-A p5). The special meeting will be convened at Philco's Philadelphia hq.

U.S.-Japanese transistor race: EIA of Japan forecasts record output of 200 million transistors in 1961. Whether this will outstrip U.S. production (as the Japanese did last year) is debatable. For the first 6 months of the year, U.S. was running 5 million units ahead of Japan—88,683,000 to 83,500,000. Japanese transistor exports for first half of this year were valued at \$4 million and totaled about 20% of Japanese transistor production. Sidelight of transistor competition between U.S. & Japanese firms, and among U.S. firms, is sharp lowering of prices. During first 7 months of this year, average U.S. factory price of a transistor dropped to \$1.71 from \$2.51 same period last year, decline of 32%.

Thermoelectrics made news on 2 fronts recently. RCA announced development of alloy materials with which heat can be converted directly to electricity at efficiencies approximating those of the gasoline engine. RCA said its alloy—germanium laced with silicon and coated on 2 sides with copper—is the most efficient, high-temper device so far developed and the first thermoelectric power-producing material that is stable in a high vacuum • General Instrument Corp. reported that it has developed a new method of bonding thermoelectric materials that opens the way to mass production of thermoelectric devices. GI has applied for patents on its achievement, which embraces the creation of a new semi-metal bonding material, called Generalock, and a manufacturing process for fusing dissimilar thermoelectric materials.

New-product innovations: Promotional Christmas season remote control set, tied in with Dec. 11 Bing Crosby TV program which it is sponsoring, is being offered by Motorola. The 19-in. set has all-transistor remote-control receiver chassis which costs less than 6¢ a year to operate when left on 24 hours a day. List price is \$299.95 . . . New Philco "international" product is its new 9-transistor AM-FM table-portable radio, manufactured in Germany, with suggested U.S. retail price of \$85.

Jerrold's Audio-Trol system, demonstrated at recent National Hotel Exposition in N.Y. (Vol. 1:9 p6), has been priced at \$325. It is designed to replace audio distribution systems for hotels, motels & institutions, using TV distribution system to feed up to 5 channels of FM, AM, background music or public announcements through unused TV channels. Audio programs are fed through TV speaker.

"An increase of approximately 8% is expected in the TV-appliance industry's sales next year compared with an estimated 4-5% growth in the gross national product forecast by many economists." So said Admiral Pres. Ross D. Siragusa at a National Industrial Conference Board meeting in Detroit. He forecast sales of nearly 6.5 million TV sets in 1962.

Service contracts for out-of-warranty GE TV sets & appliances will be offered on national basis through GE dealers which do not have own servicing departments, and the company has offered to help servicing dealers set up their own plans. Non-servicing dealers will get 10% commission on service contracts they sell.

Emerson color TV console (Model H1812), announced last week at \$750, features aluminized, bonded-shield color picture tube, full-power transformer chassis and lowboy cabinet in Walnut or Mahogany. A vhf/uhf version (Model J1812) also is available, at higher price.

Admiral's color TV is "now on a profitable basis and will continue to represent an increasing segment of [the] company's business in the years ahead," notes Pres. Ross D. Siragusa in his quarterly report to stockholders.

Raytheon broadened its foreign activities in 2 directions last week. It concluded a 5-year sales agreement under which newly-formed Visorama, S.A. of Argentina will purchase \$15 million of tubes & other components for assembly into TV sets. The TVs, incidentally, will contain printed circuits and other parts fabricated by Warwick Mfg. Raytheon also teamed with Tokyo-based Japan Radio Co. to form a new electronics company, New Japan Radio Co., to engineer & produce a complete line of microwave tubes. The new firm will commence operations early in 1962 in a 30,000-sq.-ft. plant owned by Japan Radio in a Tokyo suburb. The products will be marketed in Japan and throughout the Far East.

**TV-RADIO PRODUCTION:** EIA statistics for week ending Nov. 17 (46th week of 1961):

	Nov. 11-17	Preceding wk.	1960 wk.	'61 cumulative	'60 cumulative
TV .....	142,227	152,058	118,019	5,474,191	5,212,181
Total radio .....	292,060	458,324	367,048	10,381,849	9,515,476
auto radio .....	151,111	146,800	123,098	4,772,061	5,813,267

**Shifting Retail Patterns:** TV-radio-phono business is gradually drifting away from appliance stores to a wide variety of other types of retail outlets. This was indicated in National Appliance Audit figures released by Audits & Surveys Co., a marketing research organization. Highlights of the survey, which compares 1961 with 1958 retailing patterns:

TV-radio-appliance stores decreased by 10% from 33,540 to 30,320 while total number of stores carrying TVs, radios & phonos increased 6% from 111,450 to 118,390. Appliance stores, which formerly constituted 30% of all outlets handling consumer electronic products, thus have dropped to 26%. Furniture stores & dept.-general merchandise stores have been beneficiaries, each category increasing by 4%. Furniture stores carrying TVs, radios & phonos now number 17,781, up from 16,512, and dept.-general merchandise stores increased from 14,706 to 15,343. Greatest gain, however, came in "all other stores" category, which increased its outlets for TV-radio-phono by 20% (46,692 to 55,546).

Here is lineup now of types of outlets selling consumer electronic merchandise: TV-radio-appliance stores constitute 26% of outlets for these items (down from 30% in 1958), furniture stores 14%, dept.-general merchandise 13%, "all other stores" 47%.

Slightly fewer TV sets will be bought in 6-month period ending next April than were purchased in year-earlier period, Federal Reserve Board predicts. FRB's quarterly survey of consumer buying intentions shows that as of October, 4.5% of families queried planned to invest in TV vs. 4.9% in Oct. 1960. Similar decline (2.5% vs. 2.7%) in family purchases of radios & phono equipment costing \$100 or more is indicated by survey.

**Add TV set census:** More returns in 1960 state-by-state & county-by-county counts of appliances in U.S. households (Vol. 1:10 p8) have been released by Census Bureau. Following are state TV statistics:

State	Occupied Homes	One-Set Homes	Multiple-Set Homes	No Set
Del. ....	123,582	100,906	15,251	12,425
Utah .....	241,532	192,795	19,888	28,849
Vt. ....	110,732	90,019	7,325	13,388

**Banking by TV** at drive-in windows is new closed-circuit application. Mosler Safe Co., using IT&T equipment, and Diebold Inc., working with RCA, have made test installations in Wis. towns where drive-in bank transactions are handled via inside-&-outside sets, 2-way radio and pneumatic tubes. Windows cost \$20,000-\$30,000 apiece.

Electronic product exports from U.S. in first 9 months of 1961 increased 33% above figure for corresponding 1960 period—up to \$437.4 million from \$329.8 million, Commerce Dept.'s BDSA electronics div. reported. Increased sales of computers & test equipment to Japan & Western Europe were responsible for much of advance. "Substantial gains" in exports of components also were noted. Exports of TV picture tubes went from \$13.9 million to \$15.7 million, Argentina accounting for \$4.9 million.

Stereo sales are up at Motorola, Consumer Products Div. Pres. Edward R. Taylor announced recently. Since

last summer's introduction of the 1962 line, he said, sales are running more than 10% ahead of same period last year, and—he added—"we felt that the performance of our stereo line last year was outstanding."

VOA mobile relay station will be built by Collins Radio's Alpha div. at Richardson, Tex. under \$1.3-million contract. Radio unit is scheduled to be used first near Monrovia, Liberia.

3M opens new tape plant: Minnesota Mining & Mfg. has opened a 100,000-sq.-ft. production plant for magnetic tape at Freehold, N.J. The new facility ultimately will increase 3M's capacity by 150%. The Freehold plant is expected to be operating at capacity by mid-1964.

**Trade Personals**

Robert G. Urban, Philco Consumer Products Div. mktg. vp, resigns to become pres., American Safety Razor Co.

William W. Wright named exec. vp, Beckman Instruments; Robert M. Ward appointed vp in charge of planning & supervision of corporate operating staff.

Wilfred E. Blanchard, Sylvania senior engineer, named coordinator-distributor sales, Electronic Tube Div. . . . Norman R. Lewis becomes sales rep in 11 Western states for Sylvania Chemical & Metallurgical Div., succeeding John S. Kratz, advanced to product sales mgr.-metallurgical products.

Larry R. Swiney & Carl Jennings promoted to Southern & Northern sales mgrs. respectively of Packard Bell's home products div. . . . Dr. Jacob Shekel, from Israel Defense Ministry's electronics div., joins Spencer-Kennedy Labs, Boston, as instrument development dir.

Benjamin Adler, Adler Electronics pres., named Fellow of the IRE for his "contributions toward effective utilization of the uhf spectrum" . . . James P. Ambrose, ex-Clevite Transistor Products, joins National Transistor Mfg. as production mgr.

William F. O'Boyle resigns as Symphonic Radio & Electronic gen. sales mgr.

Thomas K. Fox, asst. to pres., and David Westermann, gen. counsel, elected Hazeltine vps . . . Lloyd R. Everingham, ex-Ryan Aeronautical, elected pres. of Teletronics.

J. Stanford Smith elected a GE vp . . . McLain B. Smith, IBM vp & group exec., named corporate staff dir., succeeded by Orland M. Scott, formerly pres. of General Products Div.; John W. Haanstra, Div. vp., succeeds Scott.

**Obituary**

Isidor Goldberg, 68, founder & pres. of Pilot Radio Corp., died Nov. 23 in Northern Westchester Hospital, Mt. Kisco, N.Y. He had been in the industry for 50 years, began manufacturing wireless equipment while in his teens. In 1922 he founded Pilot Electric Mfg. Co., one of the first companies to make low-price shortwave sets for the home and do-it-yourself radio kits. Pilot also was one of the first manufacturers to enter the TV field. It subsequently left the field, is now a leader in hi-fi components and component consoles. Goldberg is survived by his wife, 2 daughters and a son.

## Financial Reports of TV-Electronics Companies

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

Company	Period	Sales	Pre-Tax Earnings	Net Earnings	Per Common Share	Common Shares
Andrea Radio	1961—9 mo. to Sept. 30	\$ 4,623,972	—	\$ 199,781	\$0.80	251,036
	1960—9 mo. to Sept. 30	5,408,838	—	202,006	.81	250,700
Columbia Pictures	1961—year to July 1	130,349,529	85,375	(1,405,223) <sup>5</sup>	—	1,449,030
	1960—year to July 1	118,560,481	3,368,989	1,904,587 <sup>6</sup>	1.31 <sup>1</sup>	1,287,109
Consolidated Electronics Ind.	1961—9 mo. to Sept. 30	101,702,509	—	3,043,620	.96	3,157,002
	1960—9 mo. to Sept. 30	69,558,327	—	3,118,149	1.10	2,835,400
Daystrom	1961—6 mo. to Sept. 30	41,324,064	\$ 431,457	326,457	.26	1,255,640
	1960—6 mo. to Sept. 30	44,576,000	1,610,000	873,000	.70	915,503
Four Star Television	1961—qtr. to Sept. 30	3,000,778	—	181,675	.30	600,000
	1960—qtr. to Sept. 30	3,581,221	—	147,266	.25	600,000
Litton Industries	1961—qtr. to Sept. 30	73,000,000	6,425,000	3,425,000	.72 <sup>1</sup>	4,700,893
	1960—qtr. to Sept. 30	52,111,000	4,286,000	2,150,000	.49 <sup>1</sup>	4,372,056
NAFI Corp.	1961—9 mo. to Sept. 30	50,172,290	3,176,705	1,926,705	1.58	1,215,755
	1960—9 mo. to Sept. 30	40,729,635	2,264,302	1,329,302	1.08	1,230,755
	1961—qtr. to Sept. 30	12,255,457	41,648	291,648 <sup>7</sup>	.24	1,215,755
	1960—qtr. to Sept. 30	12,920,513	(629,455)	(243,445) <sup>8</sup>	—	1,230,755
Pacific Mercury Electronics	1961—year to June 30	18,644,509	(1,053,400)	(615,742) <sup>2</sup>	—	698,500
	1960—year to June 30	21,512,931	618,834	196,855	.28	700,000
Paramount Pictures	1961—9 mo. to Sept. 30	—	—	5,310,000 <sup>3</sup>	3.15 <sup>3</sup>	1,686,956
	1960—9 mo. to Sept. 30	—	—	6,137,000	3.67	1,673,231
	1961—qtr. to Sept. 30	—	—	890,000 <sup>4</sup>	.53 <sup>4</sup>	1,686,956
	1960—qtr. to Sept. 30	—	—	2,405,000	1.44	1,673,231
N. V. Phillips Gloeilampenfabrieken	1961—9 mo. to Sept. 30	918,771,500	—	61,270,000	—	—
	1960—9 mo. to Sept. 30	904,846,500	—	75,473,000	—	—
Sangamo Electric	1961—9 mo. to Sept. 30	35,571,000	—	1,171,000	.72	1,635,600
	1960—9 mo. to Sept. 30	38,629,000	—	1,086,000	.67	1,621,803
Sonotone	1961—9 mo. to Sept. 30	16,396,000	—	(148,402)	—	1,158,745
	1960—9 mo. to Sept. 30	16,079,000	—	351,174	.29	1,148,287
Varian Associates	1961—year to Sept. 30	57,987,817	—	2,803,866	.73	3,831,745
	1960—year to Sept. 30	46,482,031	—	2,861,886	.85	3,369,875

Notes: <sup>1</sup>After preferred dividends. <sup>2</sup>After \$366,000 tax credit. <sup>3</sup>Before special capitals gains of \$980,000 (58¢ a share). <sup>4</sup>Before special capital gains of \$558,000 (33¢). <sup>5</sup> Before \$1,616,979 profit on sale of studio

properties. <sup>6</sup>Before \$202,153 profit on sale of studio properties. <sup>7</sup>After \$250,000 tax credit. <sup>8</sup>After \$386,000 tax credit.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Acme Electric	Q	\$0.07	Dec. 20	Dec. 6
American Bosch Arma.	Q (Omitted)	—	—	—
Electronic Instrument	Q	.06 <sup>1</sup> / <sub>4</sub>	Jan. 5	Dec. 15
Electronic Instrument B	Q	.001	Jan. 5	Dec. 15
Federal Pacific Elec.	Q (Omitted)	—	—	—
GE	Q	.50	Jan. 25	Dec. 22
Globe-Union	Q	.25	Dec. 9	Dec. 1
Globe-Union	Ex.	.20	Dec. 9	Dec. 1
Sprague Electric	Q	.30	Dec. 14	Nov. 28
Sprague Electric	Stk.	2%	Dec. 14	Nov. 28
Standard Kollsman	Stk.	3%	Dec. 29	Dec. 15

Emerson profit & sales in the fiscal year ended Oct. 31 rose about 10% from a net of \$1,686,568 (80¢ a share) on \$63,776,658 sales in fiscal 1960, Pres. Benjamin Abrams estimated. He said Emerson's Oct. sales set a monthly record, termed the outlook for fiscal-1962 profit & sales gains "optimistic." Abrams also reported that Emerson has purchased 150,000 shares of Granco Products, exercising its Aug.-1960 option to purchase 540,986 of Granco's one million authorized shares (Vol. 16:33 p13). In conjunction with the option, Emerson has appointed 3 of its executives to the Granco board: exec. vp Dorman D. Israel, asst. to pres. Morton E. Ornitz, Emertron Pres. Morton P. Rome.

Medical Video Corp., organized in Studio City, Cal. in 1960 to make & lease hospital closed-circuit TV equipment, plans public sale of 250,000 common stock shares at \$10 per share through Financial Equity Corp. An SEC registration statement (File 2-19285) said \$1.4 million of \$2.2 million estimated proceeds would be used in manufacturing operations.

Pentron Electronics 30% ahead: Sales and earning of the Chicago maker of tape recorders in the current quarter are running about 30% ahead of a year ago, Chmn. Osborn Andreas said recently. In the quarter to Sept. 30, the company earned \$125,000 (6¢ a share) on \$2.1-million sales, vs. a \$55,000 loss on \$615,000 sales in 1960's July-Sept. period. For fiscal-1962's first half, ending Dec. 31, Pentron expects to earn \$290,000 (14¢), compared with the year-earlier loss of \$250,000.

Texas Instruments sees good '62: Senior vp C. J. Thomsen told the St. Louis Society of Financial Analysts recently that 1962 will be "a better year" than 1961, forecast 1961 earnings of \$2.15-2.40 a share on sales of \$230-234 million. TI in 1960 earned \$15.5 million, or \$3.91 a share, on \$233-million sales.

Philco becomes Helios: For legal reasons involved with its forthcoming acquisition by Ford Motor Co., Philco will be renamed Helios for several hours on Nov. 30. Helios was Philco's original name, in 1892 (Vol. 1:1-A p5).