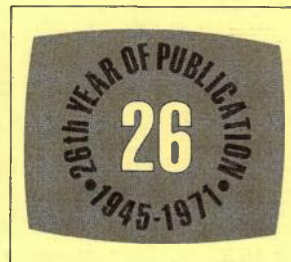


WEEKLY

# Television Digest®

with  
consumer  
electronics®



The authoritative service for executives in broadcasting, consumer electronics & allied fields

JANUARY 4, 1971

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**1971 CLIMATE—FAIRER, WARMER:** Television Digest's annual predictions include: Eased govt.-industry tensions on news; consumerism cutting into business gains; some loosening of CATV restrictions; TV-radio divestiture with long lead time; little legislation but much grilling of industry by Congress; NAB Board pressure on staff; FTC tougher (p. 1). Consumer electronics prospects (p. 7).

**FCC BLOCKS VIACOM; CBS TO COURT:** Commission says data on hand 'strongly' indicates common control, wants more detail by Jan. 20. Stanton 'astonished,' confident plan will go through, accuses FCC of taking action beyond its authority. Viacom trading to continue on 'when issued' basis (p. 4).

**VEILED CIGARET ADS WORRY BURCH:** Wasilewski & Kornegay called in by FCC chmn. to discuss charges that cigaret makers are using 'subterfuges' in promoting cigarets on TV. Burch promises prompt action against violators (p. 5).

**7 INCUMBENTS ON NAB BALLOT:** Morgan challenges Jerry Lee for Dist. 3 slot; 4 in race for Class A dir.; Samuels resigns from Radio Board (p. 6).

### Consumer Electronics

**1971—BETTER, NOT GREAT:** Sales & profits will be higher even with continued consumer resistance; color

**1971 CLIMATE FOR INDUSTRY—FAIRER, WARMER:** This being non-election year, things will ease a notch in broadcast journalism—industry's most vital function. Even Congress, though it will bark as much as ever, will bite less. Furthermore, broadcasters are learning a lot about handling extremists of left & right. On business front, broadcasters will continue to demonstrate that sales are really out there if you dig, and to cut fat without cutting muscle. But consumerism will grow unabated on all govt. fronts—national, state, local—almost offsetting sales gains & expense cuts in both broadcasting & consumer electronics. "Frustrating" will be mildest word to describe situation.

Foregoing is broad-brush picture of 1971 as editors of Television Digest see it, in this, our annual predictions issue, after 25 years of publication in this most dynamic of all industries. As you'll recall, it's our tradition to stick our necks out in this wrap-up, to make some pretty brash estimates, often based on little more than hunch flowing from experience. But it's stimulating—and we invite you to test your intuition against ours. For our judgments in consumer electronics, see p. 7. For our impressions in major broadcast areas, here you are:

**Federal Communications Commission:** Tremendous amount depends on 7th commissioner. If it's Houser, we think he'll line up more on "liberal" than "conservative" front. Next question: How long will he last? We think only until July 1, when Rep. Reid (R-ILL.) takes over—and she'll be "conserva-

sales to rise to about 5.4 million domestic-brand, nearly 6 million total market, color imports increasing only 3%; market conditions, not dumping penalties, will determine TV import prices, quantities; good 4th qtr. likely (p. 7).

**JAPAN-TO-U.S.** exports skidded in Nov., color off 19.5%, b&w down 13% from 1969 month; Japan's goal of million color set shipments from 1970 now out of reach; most other consumer electronics joined in Nov. dip but remain ahead of '69 for 11-month period (pp. 9 & 11).

**FIRST-QUARTER BARGAINS** showing up, Sylvania reducing prices up to \$150 on 84 items for 'Once-a-Year Sale,' Sears' winter sale book featuring moderate reductions, GE repeating 'Red Tag Event' (p. 10).

**ZENITH 1972 COLOR PREVIEW**—all-solid-state modular 25V" color set quietly dropped into line; 5 Dura-Modules contain much of circuitry, including 4 ICs, plug-in transistors; new Zenith prices detailed (p. 10).

**TAPE, PHONO UNIT SALES** for last 5 years, compiled by Tariff Commission, provide first look at domestic 8-track player production (p. 11).

**EUROPEAN MARKET** for electronic end-products seen growing 14% in 1971; Electronics magazine forecasts consumer electronics sales there will rise 9.1%, with color leading way (p. 12).

**RCA NET DOWN 45%** in 1970, Sarnoff says, but sales only slightly below 1969 record; increased color market share claimed; 'gradual recovery' seen in 1971 (p. 12).



tive." Meanwhile, with that kind of schizophrenia, no one will have any idea what the voting score is until near end of year. On specific issues, we see for 1971:

(1) Some easing of CATV restrictions (see p. 3). (2) In one-to-a-market, TV will be ordered split from radio, but people will be allowed to keep both AM & FM in same market. TV-radio divestiture will be ordered—but 5 years will be allowed, and easy swapping with out-of-market facilities will be order of the day. Newspaper-broadcasting split will not be voted, will still be hanging fire by year's end—no direction apparent. (3) Conglomerate study will still be chugging along next Christmas, will begin to get some serious attention from commissioners. Some major mergers will be hung up unless parties are willing to go through hearing. At least one such hearing is likely, but there'll be no decision on it by year's end. In 1972, merger will be okayed, and Commission's decision will show that approval of big mergers won't be mere formality again for years. (4) Commission will talk a lot about kid programs & their commercials, won't finalize anything—will be satisfied with greater attention shown by industry. (5) Domestic satellite decision will be issued, generally favorable to broadcasters. (6) Small-market TV stations will satisfy Commission that they're being hurt by prime-time-access rule—and rule will be eased. (7) Clay Whitehead, dir. of Administration's OTP, will get in FCC's hair, recommending actions latter is reluctant to take. Someone in industry will try to use OTP to pull chestnuts out of Commission fire, will achieve moderate success, prompting demand in some quarters for Whitehead's scalp.

There will be customary & endless speculation that one FCC member or another will leave, and there's good chance Chmn. Burch will do so. He may not intend to—but he's man of action, impatient, never intended to be govt. career official—and frustrations of bureaucracy usually impel such people out of chairman's slot after couple years. Houser will get recess appointment this week. And Wells, if there's reasonable growth of support back in Kan., will be ready, by end of year, to bow out and run for governor.

**Congress:** While enactment of new campaign spending bill is strong possibility in 1971—probably including repeal of Sec. 315 for Presidential & Vice Presidential candidates only, with over-all spending limit & full disclosure—tough TV spending limit threatened by some congressmen after veto of S-3637 (Vol. 10:48 p2) just isn't in cards. Also, campaign spending recommendations made last week by House Ethics Committee, which included an endorsement of free TV time for candidates (see p. 5), will be largely ignored. There also will be more talk of banning liquor ads, restricting news & network regulations, but no new laws. CATV copyright is dead for another year; pay TV will be left to FCC, and there will be no serious attempt to follow up House Investigations Subcommittee report by reversing Commission's renewal policy.

Despite lack of any crippling new laws, 1971 promises to be rough year for industry on Capitol Hill. Release next Sept. of Surgeon General's report on how TV effects social behavior, particularly among children, is certain to spark lengthy hearings in both houses and add to broadcasters' tensions. Campaign spending hearings will come first, immediately after Administration proposes its alternative to vetoed political bill. NAB's strenuous lobbying in support of veto and against pay TV have used up many of broadcasters' Brownie points among ranking committee members.

House committees will be open to broadcasting this year for first time since 1953-54, but attempts to give Congress more TV exposure by mandatory time for its spokesmen or admitting media into chambers won't get far.

**National Assn. of Broadcasters:** "If we can't change the NAB, then nobody can." That was statement to us last week by active & influential member of NAB Board who is determined to effectuate change during 1971. To back his conviction, he cited names of dozen other Board members who have similar views. Added another director: "The lethargy will end at NAB."

Year ago, we said 1970 would be "year of critical self-evaluation & reappraisal of goals—but no drastic shake-ups" at NAB, and that's about way it turned out. Board led that self-evaluation, and it is determined to make 1971 year of action, will force shake-ups if that's deemed necessary. Majority of Exec. Committee is critical of Pres. Wasilewski for moving too slowly in reorganization forged in Oct. (Vol. 10:41 p2). (However, at Exec. Committee meeting in Houston this week, he is expected to present names for 2 of 3 new exec. vice presidencies. Though Wasilewski has been interviewing prospects for PR job, special subcommittee established to pick man hasn't interviewed anybody yet.)

This past year, Board emerged as dominant force at NAB; through Exec. Committee, it can be expected to keep close tab on progress of reorganization, once 3 key men are installed. Board will press for greater liaison & cooperation among Wasilewski & key staff members.

Look for govt. affairs head Paul Comstock to leave NAB by end of year, return to Fla. Couple of other executives will take their leave well before then. Budgets of several departments will be trimmed, with money going to beefed-up PR & govt. affairs.

TV Code will receive new teeth to cut back on clutter & commercial interruptions. Prime time will be more strictly defined, and about a minute will be lopped off permissible commercial time per hour. Code won't try to regulate content of political commercials because of pitfalls involved. New push will be made within Code Board to put spotlight on Code violators. Move will fail.

**Cable Television:** It's up to FCC. Commission will ease restrictions somewhat, probably on "footnote 69"—allowing new systems in overlap areas, giving industry fair lift. Situation will then reverse in Congress, with anti-CATV broadcasters seeking to reverse Commission with legislation. Since it's 100 times more difficult to promote legislation than to block it, anti-cable move will fail in Congress. Move in courts will also fail—because courts are reluctant to overrule FCC in such matters. CATV operators will try to persuade FCC to raise floor of mandatory originations from 3,500 subscribers, won't win—but Commission will be liberal about case-by-case waivers. Originations will still be peanuts by year's end—in program quality & quantity & ad revenues. Technical innovations will be substantial, as some big guns unveil what their researchers have been doing; few of these will see widescale use during year, however. Joint govt.-industry technical committee will be formed. NCTA will add people & budget, spend heavily in matters congressional, regulatory, legal, PR, technical, membership, research, etc. Growth in number of systems & subscribers will continue only at modest rate, because FCC easing won't have full impact during year.

**Federal Trade Commission:** No longer "the little old lady of Pennsylvania Ave.," FTC will continue to flex newly-found triceps. In fraudulent advertising, truth in packaging, and other areas designed to protect consumers, Commission will move into new areas formerly considered outside its jurisdiction. Agency will seek (and find) carefully tailored case designed for favorable court decision.

Trade Commission's new Consumer Protection Bureau will make presence felt increasingly in broadcasting & advertising. New & tough penalties—such as proposed outright ban of sale of Zerex or required statement in commercials that product had been deceptively advertised in past—will be meted out with frequency.

**Consumerism & pressure groups:** Their influence will continue to grow. NCCB will make bigger impact on moving to Washington, will tone down its incessant criticism of TV. ACT, BEST, other groups will oppose appointments to FCC, other agencies. Public opposition to renewals will increase.

**Business prospects:** By end of 2nd quarter, TV stations particularly—and networks to lesser degree—will have recovered from lackluster 1970. It will take networks longer for 2 reasons: (1) Loss of cigaret money hurts them much more than it does stations. (2) Growing practice of networks of selling "distressed merchandise" at drastic price reductions. National spot will increase about 8% over 1970, local spot even more.

Many stations will fill half-hour of time under FCC prime-time rule with barter deals, free programming. About dozen shows are being offered now in exchange for 2 spots per half hour; there'll be many more as stations begin to accept such deals. Most aren't high quality, don't offer much diversity; they'll help defeat major Commission goal in adopting rule.

**Public Broadcasting:** CPB Pres. Macy's \$1 billion goal in next decade for public TV & radio won't get much help this year from Administration or Congress. White House isn't buying permanent CPB financing plans proposed by FCC or CPB, and won't propose new taxes for public broadcasting. Thus, stage is set for confrontation between House Communications Subcommittee members who say they won't even consider another one-or 2-year appropriation, and HEW, which must defend Administration's request.

Remember that \$11 million Congress appropriated 6 months ago for ETV-radio facilities matching funds? HEW has been sitting on that, likely won't give out more than \$4 million despite strong



congressional & NAEB arm twisting. Meanwhile, public station owners will continue to look at rising \$35 million facilities backlog and listen to Congress & FCC cry out for bolder programming, political involvement, etc.

**New Stations:** There will be 25 new starters, of which 17 will be commercial (15 uhf, 2 vhf), 8 ETV (5 uhf, 3 vhf).

**FCC BLOCKS VIACOM; CBS RUSHES TO COURT:** Stating it was "astonished," CBS hustled immediately to court to challenge FCC's action of Dec. 31, ordering CBS not to distribute Viacom shares until & unless Commission is satisfied that network will have no control over the new company. Viacom was formed by CBS to receive its CATV & syndication activities—under divestment of those arms ordered by Commission (Vol. 10:52 p4). Appeal was filed in 2nd Circuit, N. Y.

Particularly upsetting to CBS & financial community was fact FCC released decision just one hour before Viacom shares were to be mailed. Further aggravating them was Commission's action in releasing decision at 3 p.m. rather than waiting until stock market closed at 3:30—as FCC usually does when it's probable that market will be affected. As result, N. Y. Exchange suspended trading at 3:10, until CBS issued statement. It's expected Viacom trading will resume Jan. 4 on "when issued" basis—same as it has been since Dec. 3. Some 560,000 shares have been traded to date. In addition, some 385,000 CBS shares have been traded since Dec. 11 on an "ex-Viacom" basis—meaning on assumption CBS no longer owned CATV & syndication businesses. On Dec. 31, Viacom dropped from 17-3/8 to 16 while CBS slipped from 31-1/4 to 30-5/8.

CBS Pres. Frank Stanton's statement asserted that Commission action was "totally unnecessary," not "proper or valid," exceeded agency's authority. He said that CBS is confident spin-off complies with all security laws & FCC rules; that plan would go through as intended; that CBS is doing utmost to get it through quickly.

FCC decision was unanimous (Wells listed as "concurring"), constituted pretty brisk crack on CBS knuckles. Commission asked network, by Jan. 20, to submit details of Viacom changes not included in statement filed with SEC Nov. 20, details of trust agreements involving CBS officials and their Viacom stock, texts of any contracts between CBS & Viacom and anything else CBS finds relevant. The 2 outfits opposing CBS before FCC (film producers & San Francisco cable system) can respond by Feb. 10, and CBS may file reply within another week. (Last week, meanwhile, San Francisco court declined to enjoin Viacom distribution, rejecting request of cable system.)

CBS did give FCC its amendment to SEC filing at 4 p.m. Dec. 30, but Commission said it was too late for consideration by opposing parties & Commission in time available. CBS had expanded Viacom board with non-CBS members, as promised, adding: Najeib E. Halaby, Pan Am pres. & former FAA chief; John F. White, Cooper Union pres. & former NET pres.; Richard L. Schall, pres. of Josten's, Minneapolis dept. store, & ex-MGM exec. vp.

FCC officials told us there's nothing wrong with spin-off technique of divestiture to comply with rules, if genuine—but decision said data on hand "is strongly indicative of continued common control of CBS & Viacom." Further, Commission said acidly, CBS "failed to keep the Commission adequately advised of its Viacom plans, despite requests to its counsel" and "it has also failed to make any substantial response on the merits in the face of the pleadings filed by the petitioners." Commission said it's "unrealistic" to wait until Aug. 10, 1973, when CATV-divestment rule is effective, to judge whether divorce is complete. Suppose, FCC asked, that Viacom wanted to acquire more cable systems before 1973? It would be hard to unscramble the egg, it stated. If spin-off didn't comply with rules, then, Commission said, "we would then have to consider such drastic remedies as divestiture of substantial stock interests, possible changes in Viacom's board... and rescission of partially performed agreements between CBS & Viacom." Commission also rejected affidavit of CBS Vp Robert Rice, who said delay would cause "enormous damage to CBS, its stockholders & other persons." FCC said such expenses weren't detailed—and it believes they don't outweigh factors supporting delay.

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**Educational film series**, "Pop-Up," is being added to NBC-TV's Sat. morning schedule beginning Jan. 23. The one-minute films, designed to help children learn reading skills, are based on "words-in-color" system, successfully tested in Harlem.

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**Broadcast Pioneers** have started construction of industry reference library in NAB building in Washington with completion expected this spring. Contributions of historical material & funds: Broadcast Pioneers Educational Fund, 589 Fifth Ave., N. Y. 10017.



**VEILED CIGARET ADS WORRY BURCH:** "Disturbed by reports that some cigaret manufacturers may possibly be preparing to take steps to circumvent the law," FCC Chmn. Burch has called in NAB Pres. Wasilewski & Tobacco Institute Pres. Horace Kornegay to discuss issue. They're expected to get together Jan. 8 so that, as Burch put it, FCC "may take any necessary action to prevent the emergence of abuses."

In letters to Wasilewski & Kornegay, FCC chmn. noted that cigaret commercials on TV & radio became illegal Jan. 2, and cited charges of Sen. Moss (D-Utah) that cigaret companies were using subterfuges to get around law. Alleged examples: R. J. Reynolds (makers of Winstons & Salems) will sponsor "Winston-Salem Golf Classic"; American Tobacco Co. will advertise "Pall Mall" & "Silver Thin" pipe tobaccos "in a package virtually identical in design & color with their namesake cigaret packs putting those packages on TV in a not very subtle indirect promotion of the cigarettes."

Burch said that Commission would take prompt remedial action when such abuses take place. Wasilewski & Kornegay agreed to meet with Burch. Kornegay said that no cigaret manufacturers have "any plans or ideas to circumvent the law... We are well aware of what the law is and will abide by it."

**President Nixon** has scheduled his 2nd live TV "conversation" with network reporters Jan. 4 at White House. For first time since conversations began under President Kennedy, public broadcasting will be represented by former NBC news correspondent Nancy Dickerson. CPB Pres. Macy complained when ETV representative was excluded from last interview. Other correspondents: Eric Sevareid, CBS; John Chancellor, NBC; Howard K. Smith, ABC. Following press complaints that Nixon doesn't hold news conferences more often, his Communications Dir. Herbert Klein wrote in Dec. 29 N. Y. Times: "Have the Sunday televised press programs influenced reporters more to a format of showmanship than to inquiry into news subjects? Is the effort to throw the tricky question interfering with the legitimate pursuit of information?... Lets face it: A Presidential news conference—with 300 reporters clamoring for their moment on camera and with 50 million viewers watching—is not the ideal format to reveal policy to world powers or to explain it in depth to the nation."

**"Radio... The Greatest Sound on Earth"** is theme for 1971 National Radio Month in May. Slogan "reflects the ever-widening range of radio's program fare... and suggests the reason for radio's increasing popularity," according to Don Dailey, chmn. of NAB PR Committee.

**Alaska may be first** state to use satellites for intra-state communications, if FCC gives RCA authority to build earth station near Juneau. It will cost about \$1.5 million, make possible first live TV between Juneau-Sitka area and other parts of Alaska and south 48 states.

**Monday night NFL football** on ABC-TV delivered average 18.5 rating, 31 share, for 13 games, according to Nielsen. For same 9-11 p.m. period in 1969, ABC entertainment programming had 12 rating, 20 share.

**Video cassette** hardware & software sales will be \$1 billion annual industry by 1980, according to newsletter "Edubusiness." The 150-page report is available at \$250, 110 E. 31st St., N. Y. 10016.

In **surprising move** last week, House Ethics Committee recommended reforms in campaign spending practices, including free TV time for all federal candidates and full disclosure on contributions & expenses. Committee headed by Rep. Price (D-La.) held open hearings last month, wasn't expected to make recommendations until new Congress started. Report isn't in form of legislation, didn't get any help from House Commerce Committee or its Communications Subcommittee (both will have major roles in drafting any new bill). Most observers doubt Ethics Committee will have much say-so over specific legislation, and Senate hearings are expected right after Administration introduces its alternative to vetoed political bill. Report said that while providing candidates free TV time is "fraught with complexities of administration," the plan is "potentially desirable." However, while Committee supports establishment of "equitable & enforceable" spending limits, it was unable to say "just how such a measure might be devised." In addition to some form of free mailing, report said \$5,000 limit might apply to contributions to a candidate or his committees and recommended amount candidate or his family spends be limited to about \$15,000 in each election.

**TvB & BAR report** Jan.-Nov. network advertising rose 3.3% over same 1969 period to \$1,576,267,800. Nov. figures declined 2.6% over last year's, from \$183,196,400 to \$178,425,900. Jan.-Nov. totals by networks: CBS \$600,774,900; NBC \$547,050,300; ABC \$428,442,600. Spot TV value totaled \$313,509,400 during 3rd 1970 quarter. Leaders: Procter & Gamble, \$13.2 million; Colgate-Palmolive, \$12.5 million; General Foods, \$11.2 million; American Home Products, \$7.9 million; Bristol-Myers, \$6.8 million.

**National Football League** is complaining that TV "leaks" are penetrating city when team is playing at home, costing team money in empty seats. NFL Bcstg. Dir. Bob Cochran said total blackout policy is likely next season in aftermath of Dec. 26-27 games in Baltimore & Minnesota which failed to sell out. "We are not in business to have empty seats," he said. "If we have to extend our blackout to maintain attendance we are going to do it."

**Subscription TV Inc. (STV)**, South Pasadena, Cal. & its subsidiary Leach Corp., have filed with SEC to offer 735,544 shares of stock each at \$7.50. STV hopes to earn \$4 million from sale, Leach \$1.5 million. STV experienced significant 1969-70 losses, said its financial condition is serious.

**Expanding into CATV**, Youth Marketing Inc., L. A., has formed subsidiary corporation, Center for Communications, which it says will own CATV systems in West; it is negotiating for 3 Cal. systems. Center recently presented CATV Advertising/Programming Seminar, has completed CATV market analysis for Whittaker Corp.

**Rust Craft Bcstg.** has changed name of CATV subsidiary to Rust Craft Cable Communications Inc. Harri-scope Transmission changed name to Cypress Cable TV Inc.

**LVO Cable** has filed with SEC to offer \$2,386,875 in debentures & limited partnership in 3 CATV systems under construction. Underwriter is CBWL-Hayden, Stone Inc.

**Downe Communications** has completed purchase of CATVs in Canton & Louisville, O., price undisclosed. Systems have 11,500 subscribers.



## Personals

**Robert M. McGredy** resigns as chmn. of U.S. Communications & pres. of subsidiary Telejockey Inc. to become dir. of Dyco Institute (media sales training programs); McGredy & accounting consultant **Arthur A. Shaw** purchased all rights to Dyco programs.

**Sidney J. Sheinberg**, MCA vp, promoted from vp to pres. of Universal TV, MCA's program production arm... **Robert Murray**, ex-CBS-TV, named special projects dir., 20th Century Fox TV, succeeding **David Gerber**, now independent producer.

**Thomas McGoldrick**, ex-Brooks Bros., named TvB retail sales dir.; **James Frost**, local sales dir... **Bruce Abrams**, vp & PR dir., Continental Insurance, elected ANA treas.

**George Bartlett**, NAB engineering vp, elected pres., Audio Engineering Society, first time in AES 25-year-old history that broadcast industry representative was elected an officer.

**Ronald Frederick**, ex-Lincoln-Mercury advertising, named account exec., CBS-TV sales, Detroit... **Everett D. Johnston** opens own law offices, 1150 Connecticut Ave. NW, Washington (202-296-9103), leaving **McInnis**, **Munson**, **Muzzall & Tansill**... **George Norford**, vp-gen. exec., elected a Group W dir.

**E. Grey Hodges**, ex-Reeves Telecom, named mgr., Jefferson Productions, Charlotte... **Seymour Yanoff** promoted to gen. mgr., WBZ-AM-FM Boston... **William Allott**, management consultant, named pres., Communications Properties' newly formed CPI Telecommunications, Dallas.

**ASCAP doesn't have** to issue NBC license for only 2,200 specific songs, U.S. District Court Judge **Sylvester Ryan** has ruled in N. Y. NBC had contended ASCAP violates consent order by requiring network to pay for music it doesn't want or use. Not so, said Ryan, who ruled limited license sought by NBC would be unworkable. "Broadcasting live parades, sporting events and similar programs... would make a license of some 2,200 of the tens of thousands of available musical works completely illusory," he said. Pending before another judge is CBS request that it be permitted to pay ASCAP only for music it actually uses.

**KRON-TV-FM San Francisco case**, in which licensee is accused of using facilities to promote its CATV interests, plus other questionable practices, shouldn't result in loss of licenses, FCC Broadcast Bureau concluded in proposed findings. "However," BB said, "the broadcast of certain programs by KRON-TV was motivated, at least in part, by a desire to advance the CATV interests of Chronicle Publishing Co.," and, therefore, licensee should be required to divest itself of CATV interests within its Grade B contour within a year.

**NBC revenue was down** in 1970, but RCA Pres.-Chmn. **Robert Sarnoff**'s year-end statement was optimistic about 1971 performance of broadcast subsidiary. Sarnoff said NBC has attracted enough new business to offset most of loss in cigaret advertising revenue this year. Over-all performance of NBC will depend on general economy, he said. Parent RCA net was down 45% in 1970, while sales were "slightly below" record \$3.4 billion in 1969 (for details on RCA performance, see p. 12).

**7 INCUMBENTS ON NAB BALLOT:** Re-run of hotly contested election in 1969 and 7 incumbents seeking 2nd terms on NAB Radio Board feature list of 28 nominees for 13 seats released last week. Some incumbents don't face serious opposition, in instances where 2 or more states rotate directorships under gentlemen's agreement, but NAB by-laws require that at least 2 be on ballot for each post. Only in Class A contest—where there's 4 candidates—have more than 2 been nominated.

New category, Class D, replaces FM directorship being relinquished by **Julian Haas**, KAGH-FM Crossett, Ark. Ballots will be mailed to NAB members next week, must be returned to NAB by Feb. 1.

In Dist. 3, **Roy Morgan**, WILK Wilkes-Barre, is challenging **Jerry Lee**, WDVR(FM) Philadelphia. Lee defeated then-incumbent Morgan in upset 2 years ago. Other candidates (\* signifies incumbent): Dist. 1—**Frank A. Balch\***, WJOY Burlington, Vt.; **Leonard Patricelli**, WTIC Hartford. Dist. 5—**Joseph S. Field\***, WIRK W. Palm Beach; **Elmo Ellis**, WSB Atlanta. Dist. 7—**Allan Land\***, WHIZ Zanesville, O.; **Jay Wagner**, WLEC Sandusky, O. Dist. 9—**R. Karl Baker**, WKTS Sheboygan, Wis.; **Richard Dudley**, WSAU Wausau, Wis. Dist. 11—**Ross Case**, KWAT Watertown, S.D.; **Eugene Clark**, KSTP St. Paul.

Dist. 13—**Wendell Mayes\***, KNOW Austin; **David Morris**, KNUZ Houston. Dist. 15—**James Gabbert**, KIOI(FM) San Francisco; **William Shaw**, KSFO San Francisco. Dist. 17—**Carl Fisher\***, KUGN Eugene, Ore.; **Gordon Capps**, KSRV Ontario, Ore. Class A—**Andrew Ockershausen\***, WMAL Washington; **Edmund Bunker**, KFI L.A.; **E. Brandt Gustavson**, WMBI Chicago; **Dean Osmundson**, WMC Memphis. Class B—**Harry Hoth**, WRDO Colorado Springs; **Daniel Kops**, WAVZ New Haven. Class C—**Roger Coleman**, WGIL Galesburg, Ill.; **Charles Dickoff**, WEAQ Eau Claire, Wis. Class D—**John Hurlbut\***, WVMC Mt. Carmel, Ill.; **Donald Thurston**, WMNB N. Adams, Mass.

NAB has another vacancy in Class A, following formal resignation last week of **Perry Samuels**, ex-Avco Bcstg. (Vol. 10:52 p5). His seat is expected to be filled in special election.

**British sets-in-use** split between black-&-white & color is showing same trend as U.S.—b&w total going down as color goes up, combined total rising. On Oct. 15, 1969, BBC told us United Kingdom had 16,010,000 b&w, 170,000 color. BBC now estimates March 1, 1971 figures will be 16 million b&w, 750,000 color. BBC also says that more than a million homes evade license fee, a loss of 6 million pounds. Net income from such fees last year was .93.8 million pounds. Average English viewer, BBC states, watches 14 hours & 5 min. weekly—BBC getting 51% of time, ITV 49%.

**Firestone Communications Inc.** has been formed to acquire broadcast stations in major markets and to "expand into other communications-oriented businesses." Principals include Exec. Committee Chmn. **Bertram R. Firestone**, head of real estate development firm; Board Chmn. **William N. Farlie**, ex-administration vp of RKO General; Pres. **James R. Lightfoot**, ex-WBZ-AM Boston gen. mgr.; Secy. **John G. McGoldrick**, attorney. Hq, 375 Park Ave., N. Y. 10022 (phone 838-8246).

**CBS has bought** Vale Technical Institute (automotive servicing & insurance estimating), Blairsville, Pa. It's 4th technical school acquired by CBS in 1970.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label only), from EIA, for week ended Dec. 18 (50th week of 1970):

	Dec. 12-18	1969 week	% change	Dec. 5-11	1970 to date	1969 to date	% change
Total TV. . . . .	228,340	218,070	4.7	242,796	8,989,331	10,208,718	-11.9
color . . . . .	122,787	117,103	4.9	134,109	4,607,144	5,369,118	-14.2
monochrome . . . . .	105,553	100,967	4.5	108,687	4,382,187	4,839,600	-9.5
Total radio . . . . .	388,208	382,071	1.6	409,086	15,553,615	19,439,543	-20.0
home, portable . . . . .	191,336	194,183	-1.5	223,633	7,722,904	9,508,870	-18.8
AM-only . . . . .	104,992	109,994	-4.6	124,170	4,651,152	5,756,702	-19.2
FM & FM-AM . . . . .	86,344	84,189	2.6	99,463	3,071,752	3,752,168	-18.1
auto . . . . .	196,872	187,888	4.8	185,453	7,830,711	9,930,673	-21.2
Total phono . . . . .	137,116	133,813	2.5	172,446	3,936,035	4,901,592	-19.7
portable-table . . . . .	107,002	95,376	12.2	130,695	2,902,032	3,598,138	-19.4
console . . . . .	30,114	38,437	-21.7	41,751	1,034,003	1,303,454	-20.7

**Color TV 4-week moving average:** 1970—119,123; 1969—116,226 (up 2.4%)

**LOOKING AT 1971—BETTER BUT NOT GREAT:** Dreams of a vintage year for consumer electronics in 1971 have now gone by the boards. Sales—and profits—will be better than in gone-but-not-lamented 1970, but total rise in sales will be relatively slight, with first substantial signs of real recovery coming as pre-Christmas present in 4th quarter.

That's how we size up 1971, as we continue our annual custom in year's first issue of attempting to predict what we think lies ahead in next twelvemonth. In this space just year ago, our accuracy slipped a cog; even so, exactly 2/3 of our specific predictions were borne out by year's events, if you eliminate those which were neither wholly true nor wholly wrong. This was real come-down from our 85%-accuracy record in calling 1969.

So here are our detailed forecasts for this somewhat happier new year: For most of period it will be another year in which consumer electronics—especially color TV—is victim of economic conditions beyond its control. A steel strike could be this year's version of 1970's GM walkout. But even if over-all retail business is no better than in 1970, factory & distributor sales should improve, because of considerably lower inventories at all levels. Here are our forecasts of domestic-label distributor-to-dealer sales:

## DOMESTIC-LABEL SALES

Product	1971 (forecast)	1970 (est.)	% chg.	1969
Total TV. . . . .	9,600,000	9,300,000	3.2	10,498,745
color . . . . .	5,400,000	4,750,000	13.7	5,523,752
monochrome . . . . .	4,200,000	4,550,000	-7.7	4,974,993
Home radio . . . . .	8,800,000	7,900,000	11.4	9,712,699
Total phono . . . . .	4,500,000	4,100,000	9.8	5,069,366
portable-table* . . . . .	3,500,000	3,000,000	16.7	3,711,792
console . . . . .	1,000,000	1,100,000	-9.1	1,357,574
Tape instruments . . . . .	2,930,000	2,760,000	6.2	2,290,000
recorders . . . . .	2,130,000	2,010,000	6.0	1,500,000
play-only . . . . .	800,000	750,000	6.7	790,000

\*Includes some compacts.

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Our numerical forecasts differ somewhat from industry consensus printed here last week (Vol. 10:52 p6). We see somewhat sharper pickup in color, bigger decline in monochrome TV, and strongest climb of all in portable-table phono category. This latter increase would be even greater than indicated if all compacts, modulars & component ensembles were included—which they're not, since we've tried to stick to EIA statistical wavelength. We also see continued decline in consoles, which will be more than compensated by increase in higher-priced audio components.

Truer picture can be found in total-market figures—U.S. production, plus imports, with duplication removed. Here are our forecasts of total U.S. consumption, along with total imports:

Product	Total Market			Total Imports		
	1971	1970	% chg.	1971	1970	% chg.
Total TV. . . . .	13,085,000	12,180,000	7.4	5,150,000	4,420,000	16.6
color . . . . .	5,985,000	5,330,000	12.3	950,000	920,000	3.2
monochrome . . .	7,100,000	6,850,000	3.6	4,100,000	3,500,000	17.1
Home radio . . . .	35,800,000	34,360,000	4.2	33,000,000	31,000,000	6.5
Tape inst. . . . .	16,900,000	15,350,000	10.1	15,800,000	14,350,000	10.1
recorders . . . .	9,100,000	8,250,000	10.3	8,500,000	7,800,000	9.0
play-only . . . .	7,800,000	7,100,000	9.9	7,300,000	6,550,000	11.5

We see very little increase in color TV imports, but monochrome imports jumping to some 58% of total market—many of these sets made in U.S. plants abroad. Many minor import TV brands just won't survive, and Japanese manufacturers will find themselves sharing private-label market with U.S. makers for first time in 3 years—as result of big push by those firms here with overseas plants. Japanese, in fact, won't be substantial beneficiaries of many of those import increases shown above.

**Foreign trade:** Three major issues will dominate picture in 1971: (1) Japan TV dumping case. (2) Import control legislation. (3) Continued overseas expansion by U.S. manufacturers.

Dumping case will be closed when Tariff Commission finds injury to domestic producers. Treasury Dept. then will start laborious process of establishing "fair values" for each TV model exported by each Japanese manufacturer. While some importers will face stiff cumulative penalties for handful of models, over-all "dumping margins" will be minimal and Japanese TVs will continue to flow here relatively unhindered, with quantities & prices determined by market conditions. Any substantial dumping penalties levied will be challenged swiftly by Japanese in U.S. courts.

Real significance of TV & other dumping cases will be seen late in year when Congress turns deaf ear to renewed pleas of parts manufacturers & labor leaders for import protection. Legislators will bluntly refuse to consider import quotas on electronics, explaining that present strict enforcement of dumping code precludes unfair import competition.

TV imports from Taiwan will take sizable jump, as more U.S.-owned plants there go on stream and Japanese, too, start using that island to supply American market. U.S. glass manufacturer will launch picture-tube bulb venture in Taiwan. Domestic component production decline will continue as manufacturers here rush to set up more facilities near their prime customers—in Far East.

**Costs & prices:** Particularly in color TV, prices will continue to be upwards, although hot specials, liquidations & promotions will sometimes make it appear otherwise. But on comparable-model basis, big-screen sets will be up at least \$20 in lush middle-of-line area. Cost squeeze will hit Japanese as well as domestic manufacturers, preserving current price relationships.

**Color TV:** Biggest-selling screen size will be 25V", taking over from 23V", but 23V"-&-up share of domestic-label color market will sink below 50% for first time, probably only by percentage point or so. The new 19V" tube will run neck-&-neck with 18V". While 110-degree version of 19V" will be introduced, manufacturers won't break their necks to use it because of high costs, circuit problems.

Biggest color news of 1971 may well be intensified use of solid-state, ICs & modular circuitry—Zenith's sneak introduction of solid-state 25V" (see p. 10) being preview. As color TVs go modular solid-state, labor warranties will lengthen to full year.

**Technology & innovation:** Some of those "breakthroughs" shelved last year will stay on shelf. Except for color's evolution to modular solid-state design, it won't be banner year for innovation.



Tuners, of necessity, will get some attention—industry as whole will have no difficulty meeting FCC's July 1 deadline for vhf-uhf comparability in 10% of models. There'll be more electronically-tuned sets, but still confined to very-high-end models. Electronic numerical display devices will find way into consumer electronics, including Nixie tubes as TV channel indicators.

**Home videoplayers:** Another year of frenzied wheel-spinning. Lots of talk about hardware licensees, non-exclusive program packages, standards—and multi-billion-dollar potential—but little more than talk. Norelco will demonstrate NTSC version of Dutch Philips' half-inch cartridge unit; RCA will show prototype of color-sound Selecta Vision—and, to counter CBS, announce that home camera is feasible. CBS EVR licensees in Japan will get rights to market player in U.S. starting in 1972. Test-marketing of Cartrivision—still the only complete home system in 1971—will be limited by production snags & program distribution problems, leaving consumer-acceptance question up in air.

No standardized tape cartridge system will be adopted in 1971, either in U.S. or in Japan, for consumer or industrial use, but Europe will standardize on Philips' VCR. Videoplayer software firms will go public, providing Wall St. with field day comparable to color TV, computer, franchise & CATV booms. At least one firm will announce that super-8 video film system Kodak wants so badly, priced comparably with sound projector and billed as home-movie display device.

**Congress:** It will be year of heavy push for consumer legislation, and 4 bills bottled up in last Congress will burst on scene with strong pressure behind them: Independent consumer affairs agency, warranty bill, govt. product safety agency, class-action bill. Recognizing near-certainty of passage of some such legislation in next 2 years, industry will adopt attitude on most measures similar to its stance on X-ray bill: It will generally favor consumer legislation—or at least won't fight it—but will work hard to remove objectionable parts.

**Industry won't endorse bill** permitting consumers to bring class-action suits against manufacturers, however, and will fight this one all the way. It may urge Congress to combine product safety agency with consumer affairs bureau, and will wince at very prospect of new congressional hearings on product safety. Pressure for excise tax on TVs & radios to finance public broadcasting will grow. Passage is unlikely in 1971, but will be bigger-than-ever threat in 1972.

**Govt. agencies:** Revitalized FTC will continue close scrutiny of industry's business practices. Magnavox & FTC will reach negotiated settlement of complaint against company's business practices, which once appeared headed for Supreme Court. Other manufacturers will carefully examine own practices to bring them into conformity with terms. There will be pressure on FCC to require set makers to produce only CATV-ready receivers (75-ohm input, etc.), but manufacturers will forestall any action by agreeing to voluntary compliance.

**Tape Instruments:** Another year of unit sales gains, but not on scale of past. Big story will be cassette takeover of hi-fi market, as better quality manufacturers introduce Dolbyized units. Open-reel recorders will disappear except in over-\$300 audiophile class. Despite growing consumer acceptance, cassettes will make only minor inroads in auto players.

**Quad Sound:** Four-channel 8-track tape systems will enjoy moderately good introductory year, with many brands, few units. Consumers generally will be hard to convince, and in-store demonstration will be real problem. Audio industry will withhold endorsement while continuing search for new approach. Record companies will insist on compatible broadcast disc system but be unable to agree on standard. Some discs, using different compatible systems, will be released. Experimental broadcasting, both one- & 2-station, will help spark public interest.

**Business prospects:** Hangover from 1970 will last well into 1971, but most companies now have cut back waste, increased efficiency, and are in fighting trim. Those which survived 1971 will show relatively good increase in profits. In TV business, shakeout is largely complete—for a while—but one smaller company could be forced to call it quits. First-quarter sales will be good, sparked by bargains & specials, with more-than-usual listlessness appearing in 2nd & 3rd quarters, followed by definite pickup in 4th quarter. Most signs are encouraging—personal savings high, housing starts up, personal & disposable income still rising, credit easing. Industry will agree that all the economy needs is heavy dose of confidence.

**JAPAN TV EXPORTS DIP IN NOV.:** Japanese TV exports to U.S.—both color & monochrome—dropped in Nov. behind level of same year-earlier month, Finance Ministry reports, putting targeted million-set color TV export goal for all of 1970 well beyond reach and even leaving 900,000-set mark doubtful. Last year, 935,000 color receivers were exported to U.S. Indications are that Japan topped

total 1969 b&w exports of 2.3 million by about 10% in 1970.

Shipped to U.S. in month were 270,277 complete TVs, down 14.6% from Nov. 1969, including 62,504 color sets (off 19.5%) & 207,773 monochrome (off 13%). For 1970's first 11 months, exports of complete TVs approached 3.1 million, up 4.2% from Jan.-Nov. 1969, with color off 7.5% to 814,590, while b&w rose 9.2% to 2.28 million. Also exported in full period were 21,000 b&w chassis & kits, off nearly 50%.

Nov. was lackluster month for Japanese exports of most other consumer electronics items, with radio-recorders, phonos & transceivers providing only notable exceptions to general decline. For details on month's results, see p. 11.

**SYLVANIA, SEARS SALES:** First-quarter bargain-sale time is here again. Sylvania's "Once-a-Year Sale" runs from today (Jan. 4) through Feb. 15, with reductions up to \$150 on 84 items.

Biggest reduction is \$150 on 25V" color combo at sale price of \$1,049.88. Some 27 super-screen 25V" color consoles are featured, starting at \$559.88 & \$569.88 (down \$30), with model at \$579.88 down \$40, five sets at \$599.88 (down \$50), group at \$624.88 & \$649.88 down \$75, models at \$724.88-\$874.88 down \$50, and two at \$849.88 down \$100. Remote-control versions have similar reductions. Sales prices of 23V" consoles start at \$449.95 (down \$30), with \$479.95 step-up (down \$20), 3 others to \$559.95 all down \$30. Two 21V" consoles are down \$20 to \$459.88, with three 21V" table models down \$20 to \$419.88 & \$429.88 (2). Two 19V" portables are cut \$30 to \$399.88, with \$20 off 14V" portables, bringing them to \$259.88 & \$279.88.

Ten monochrome TVs are reduced—9V" AC-battery unit \$5 to \$84.88, two 12V" to \$84.88 (down \$5) & \$89.88, (down \$10), four 19V" all down \$15 and now \$119.88-\$144.88, two 22V" consoles down \$20 to \$189.88. Stereo consoles are reduced \$10-\$110 in 17 models, low-end series running \$189.88 (down \$10) to \$299.88 (down \$80), intermediate group \$349.88-\$499.88 (down \$50), top-of-line \$594.88 (down \$80) to \$774.88 (down \$100). Four portable stereos are cut \$5-\$20, two modular systems \$10-\$20, three component ensembles \$25-\$70. Five radios were reduced \$5-\$10.

Sears' winter sale book features new \$10 cut in "world's best-selling color portable"—18V", now \$327.88, with 15V" portable down \$10 to \$239.88. B&w deluxe 19V" portable is down \$10 to \$132.88, with similar reductions on 16V" (now \$87.88) & 22V" console (\$179.88).

GE is featuring 12V" & 18V" monochrome portables & 18V" color in "Red Tag Event" promotion, plugged in magazines & newspaper color ads. This month GE will add 3 new 25V" color consoles, one 10V" Porta Color.

**GTE Sylvania Inc.** is new name for former Sylvania Electric Products Inc. as part of parent General Telephone & Electronics' new corporate identification program, which has introduced new initials & symbol "GTE" as prefix for all subsidiary names. "GTE" symbol will replace "GEN" as company's identification on NYSE Feb. 1. Sylvania thus joins trend of adding corporate parent to name, as have Philco-Ford & Teledyne Packard Bell in past.

**Fine-arts promotion** by Teledyne Packard Bell: Company is offering signed original graphics by 10 young artists as giveaways with purchase of selected stereo consoles & color combos.

**ZENITH SOLID-STATE COLOR:** Without fanfare, Zenith has quietly introduced first color set with its deluxe 1972 chassis, which it calls "Titan 110." New chassis is all-solid-state, utilizing 5 Dura-Modules vs. one in current "Titan 100" high-end hybrid chassis. Modules, as well as transistors and 3 of 4 ICs mounted on modules, are plug-ins for easy servicing. The 4 ICs contain equivalent of 94 transistors, 24 diodes, 133 resistors. New set, to be available in limited quantities before 1972-model introduction date, is open-listed to sell in \$800 range. It may or may not be significant that it's called the "Wright."

Except for new solid-state set and 3 lower-priced 25V" sets reported last week (Vol. 10:52 p9), Zenith's line is virtually unchanged (couple of 20V" table models were dropped) and shows fewest winter changes in history—far cry from relatively recent past when Zenith featured 2 model-changes annually.

Zenith's Nov. 1 color TV price increases (Vol. 10:44 p7), never spelled out in detail, work out like this: 14V"—16V" models, unchanged; 18V", apparently unchanged, at least in N.Y. market; 19V", up \$10 & \$20, now \$439.95 & \$479.95; 20V" & up, nearly all sets up \$20; high-end 25V" combinations up \$25 & \$30 to \$775 & \$825; combinations up \$30, except for top-end remote combo, up \$55 to \$1,650.

Toshiba, meanwhile, joined other Japanese manufacturers, as forecast here (Vol. 10:51 p12), in increasing U.S. prices, raising its color sets \$10-\$20 Dec. 28.

**New sets** from Teledyne Packard Bell: Two 23V" color consoles at \$499.95, portable 18V" color \$389.95, monochrome 12V" at \$114.95 and 12V" & 19V" at \$139.95 & \$149.95. New stereo offerings include roll-about "stereo tower" more than 55 in. high, with room to accommodate TV portable, at \$429.95; three-piece "modular stereo cube" ensemble \$379.95, two consoles \$499.95. Also introduced was "Space Age 4," drop-in system to convert TPB stereo consoles to 4-channel cartridge stereo, at \$249.95, including 2 speakers. TPB revealed that 25V" color table model is now \$539.95 (down \$10 from original) and 25V" console line starts at \$579.95 (apparently down \$20 since last announcement).

**Consumers Union** has filed expected petition urging FTC to outlaw spiffs to dealer salesmen from manufacturers (Vol. 10:52 p9), specifically citing practice in audio field by Sony, British Industries, Fairfax Industries, Marantz & McIntosh, but stating that practice is widespread in other industries. CU asked FTC to reverse 1962 ruling which permits spiffs as long as they don't give one dealer advantage over another, don't lead to monopoly and are made with knowledge of salesman's employer.



**TAPE, PHONO SALES:** First comparison of unit sales, over past 5 years, for trio of competing consumer electronics items—tape players, tape recorders & phonos—is contained in Tariff Commission's report to President Nixon which ruled Lear Jet Stereo's Detroit plant employees ineligible for import adjustment assistance (Vol. 10:50 p9).

In turning down aid request, Commission said import growth had not been "major factor" leading to halt in 8-track tape player production in Detroit and shift to twin-plant Mexican border operation. Major causes cited: (1) Wide difference in cost between Lear's Detroit-made players and those imported. (2) "Many & serious" problems at plant, including poor location in high-crime area, lack of technical worker pool and Lear's difficulties competing with established auto industry for employees & material. As result, Commission found, Lear couldn't "compete successfully even with its domestic rivals."

Commission said 3 U.S. firms were major producers of 8-track players when industry started in 1965, five in 1966-7, four in 1968, five in 1969 and four in 1970. Companies assembling from imported components are considered to be manufacturers. Table below, derived from Commission figures, shows 5-year sales of U.S.-made & imported tape players, recorders & phonos. All U.S.-made players are 8-track. Tape-player imports were all 8-track in 1966; 8-track accounted for 341,000 player imports in 1967, rising to 1,825,000 in 1968 and 3,624,000 in 1969. Phono totals include separate record changers.

#### U.S. SALES IN UNITS

(add 000)

	Tape Players	Recorders	Phonographs
1965 total	na	3,500	7,245
U.S.-made	na	653	4,224
Imports	—	2,847	3,021
1966 total	269	4,273	8,993
U.S.-made	269	868	4,904
Imports	—	3,405	4,089
1967 total	893	5,117	7,248
U.S.-made	461	782	4,417
Imports	432	4,335	2,831
1968 total	3,112	5,573	8,497
U.S.-made	577	659	4,677
Imports	2,535	4,914	3,820
1969 total	5,760	6,929	9,273
U.S.-made	583	675	5,013
Imports	5,177	6,254	4,260

Commission said sales of U.S.-made tape players in first 9 months of 1970 were down from 430,000 sold in same 1969 period, but withheld actual totals. Imports of 8-track units in same period nearly doubled from 2.2 million to 4.1 million, report said.

**Motorola distribution** in St. Louis area has been taken over by principals of Yeomans Distributing Co., Peoria (Murray M. Yeomans, pres.). New firm will continue name of Motorola's 40-year distributor, Disco Distributing Co., whose Chmn. Ralph W. Morrison is retiring.

**Matsushita will buy large-scale ICs** for new desktop calculator from National Semiconductor under 2-year contract. Matsushita will begin marketing calculators here next year.

**JAPAN NOV. EXPORTS:** Tape recorders & players, home & auto radios and radio-phonos joined TV (see p. 9) on downside in Japanese Nov. exports-to-U.S., compared with same 1969 month, though all but home radios still showed improvement for full 11-month period, according to Finance Ministry totals.

Month's exports left transistor tape instruments off 16.1% to 668,416, home radios (including portables) down 18.7% to 806,497, radio-phonos off 15.2%, auto radios down 11.6%. Year-through-Nov. totals put tape units up 4.9% to 7.6 million, radio-phonos up 114% to 3.3 million, auto radios up 12.2% to 948,720. Home radio volume was off 19.8% to 10.2 million.

Following are Nov. Japanese exports-to-U.S. of selected consumer electronics products, with year-earlier results:

#### JAPANESE EXPORTS TO U.S.

	Nov. 1970		Nov. 1969	
	Units	Value (\$)	Units	Value (\$)
Total TV. . . . .	272,617	21,148,272	319,079	24,083,259
color . . . . .	62,504	10,162,528	77,630	12,294,770
b&w . . . . .	207,773	10,904,933	238,820	11,683,433
b&w chassis . . . . .	2,340	80,811	2,629	105,056
Radio-phono . . . . .	89,097	3,184,142	105,077	2,680,297
Radio-recorders . . . . .	295,902	12,285,028	156,980	6,537,350
Auto radio. . . . .	99,067	1,742,556	112,063	1,660,942
Tr. radio, port., w/FM. . . . .	181,964	3,011,078	416,802	5,386,578
Tr. radio, port., other*. . . . .	201,376	1,134,381	—	—
Tr. radio, home, w/FM. . . . .	312,985	9,098,425	574,517	10,559,247
Tr. radio, home, other*. . . . .	110,172	866,878	—	—
Tr. radio, ch. & kits . . . . .	58,321	904,316	118,582	1,865,750
Transceivers, under 100 mw. . . . .	161,185	573,983	159,758	611,219
Transceivers, other. . . . .	32,353	1,269,689	23,377	844,619
Phonographs . . . . .	37,086	506,267	35,287	655,317
Tube recorders . . . . .	54	2,817	17	2,036
Tr. rec., rim drive . . . . .	11,120	60,433	52,314	347,633
Tr. rec., cassette . . . . .	424,205	8,947,856	438,542	9,040,078
Tr. rec., capstan. . . . .	28,364	1,749,358	37,332	1,559,453
Tape players, auto. . . . .	204,727	4,069,928	268,745	5,888,572

**Sony plans boost** in color TV exports to U.S., even though many other Japanese manufacturers are scheduling cutbacks and casting eyes on European markets (Vol. 10:50 p10 et seq.). Firm expects to ship 110,000 color TVs—including new 18V"—to U.S. in 6 months ending in April, compared with 85,000 exported in preceding half year. At same time, Sanyo said it intends to export more than 1,000 b&w TVs monthly to U.S. from Taiwan subsidiary, with additional sets to come from joint venture in South Korea. Sanyo also plans export push for b&w VTRs, expects to ship 70% of 2,000-monthly output to U.S. Crown Radio is moving all monochrome production to Korea, where its plant will be on stream by March; company says new plant will produce up to 20,000 sets monthly, mostly for export to U.S.

**Consumer Electronics Show Daily** will be published at this year's Consumer Electronics Show, June 27-30 in Chicago, by Audio Times under license from Television Digest Inc. Specially augmented staff will be assisted by editorial staff of Television Digest with Consumer Electronics. For ad rates, deadlines, specs, etc., write Consumer Electronics Show Daily, 145 E. 52nd St., N.Y., or call 212-421-4620.

**TV leasing service,** Japan's first, is planned by Hitachi. Firm expects to lease 16V" b&w at \$5.50 monthly under 3-year contract. Stereos & refrigerators also will be available when program starts next year.



## Trade Personals

**Joseph B. Elliott**, one-time RCA Radio & TV Div. vp-gen. mgr. and more recently pres.-chmn. of Borg-Warner's York Div., forms Elliott-Stull Corp. to distribute Zenith products in Richmond, Va. area... **C. Robert Castor**, former vp-gen. mgr. of Sylvania's discontinued Semiconductor Div., named pres. & chief operating officer of Nytronics, succeeding **Bernard M. Goldsmith**, who continues as chmn. & chief exec... **William Keepin** resigns as pres. of Grundig Electronic Sales, N. Y., his duties assumed by other company executives, reporting to parent firm in Germany.

**Peter Keane**, ex-Columbia Pictures, joins Sony Videocassettes, recently formed N. Y. research & mktg. planning organization, as asst. to **Shigemi Nakano**, Sony of America vp, who heads activity... **Mark Simmons**, ex-CBS Labs, named Electro-Voice distributor mktg. mgr... **Eric Chow**, ex-ITT, joins Tenna Corp. as Far East operations vp, with hq in Tokyo.

**William F. Garmon** appointed pres. of new Altec Div. of LTV Ling Altec, which combines top management of Altec Lansing, University Sound & Intercommunication Divs.; Garmon is former University Sound Pres.; others named to new div. include: **W. H. Johnson**, exec. vp; **James J. Noble**, senior engineering vp; **Don Davis**, industrial products mktg. vp; **Don Palmquist**, consumer & distributor products mktg. vp; **C. E. Van Liew**, mfg. vp.; **H. S. Morris**, former Altec Lansing pres., will serve as consultant until retirement later this year.

**Robert Reid** advanced at Channel Master to chief engineer for TV picture tube operations; **Larry Kleinberg** appointed Empire Tube Div. plant mgr... **Edmund Larabee** promoted at Cornell-Dubilier from distributor mktg. mgr. to distribution operations gen. mgr., succeeding **John Adams**, resigned... **John M. Grant** advanced from dir. to gen. mgr. of ITT Electron Tube Div.'s Advanced Electro-Optical Labs.

**Stephen Cudlitz**, ex-EMI & former Silicon Transistor pres., becomes pres. & chmn. of American Power Devices, diode producer... **Russell Hamm**, ex-Fine Recording Inc. and independent record producer, joins Audiodata (Scheiber 4-channel stereo system) as partner... **Kurt Brokaw**, ex-Grey Adv., joins RCA Records as creative ad & sales promotion mgr., responsible for new in-house ad group.

All 70 uhf channels must continue to be covered in receivers, FCC told Motorola, which had asked if it could cut down to Ch. 14-69 because Ch. 70-83 are going into land-mobile use. Commission Acting Chief Engineer Raymond Spence said full coverage must be provided as long as translators operate on Ch. 70-83. Motorola had said it could improve tuners if range were cut.

World's largest color TV manufacturer title appears to belong to Matsushita, which claims sale of 1.76 million sets in year ending last Nov. 30. Firm's half-year financial report shows profits down 14.1% from preceding 6-month period to \$59 million on sales of \$1.047 billion, up 4.2%. Matsushita said 900,000 color TVs were sold in fiscal 2nd half, up 40,000 from first half.

Japan Electronics Show will be held this year in Osaka, Oct. 1-7. Information & exhibit space applications from Japan Light Machinery Information Center, Electronics Div., 437 5th Ave., N. Y.

**EUROPE'S MARKET:** West Europe's market for electronic end products will jump nearly 14% in 1971 from 1970 levels, with consumer electronics segment showing more modest growth, accounting for decreased percentage of sales, according to Electronics magazine annual survey. Totals all represent factory dollar sales.

Consumer-military-industrial consumption of electronic equipment this year will have \$9.8-billion value, publication estimates, up from \$8.6 billion this year. Value of 1971 component consumption was placed at \$3.1 billion, up 10%. Europe's consumer electronics market this year was seen rising 9.1% to nearly \$2.7 billion, accounting for 27.4% of complete equipment sales, down from 28.6% share in 1970.

Fastest-growing consumer market is estimated to be U.K., where sales are seen rising 16.3% to \$491.9 million. Norway is lone nation where consumer volume is predicted to decline—off 5.3% to \$24.9 million. Indicated 1971 consumer sales (in millions) for other countries, and gain from 1970, are: Belgium-Luxemburg \$62.3, 13.3%; Denmark \$50.9, 13.9%; France \$465.2, 13.3%; Italy \$228.7, 0.7%; Netherlands \$111.3, 13.2%; Spain \$124.8, 4.4%; Sweden \$230.6, 15%; Switzerland \$69.7, 14.8%; West Germany \$824, 3.6%.

European industry sources are cited as expecting German's color TV receiver sales to pass 1-million unit mark in 1971, compared with 650,000 in 1970; U.K. will sell 750,000 color TVs, 1.5 million b&w, compared with 1970's 450,000 & 1.75 million; France's color sales will climb from 190,000 to 275,000 while b&w holds at present 1.2 million.

**RCA NET DOWN 45%:** Although its 4th-quarter results were year's best, RCA's 1970 earnings will be about 45% below 1969's \$160 million and sales will fall "slightly" from record \$3.4 billion, Chmn.-Pres. Robert W. Sarnoff said last week in year-end statement. The 1969 figures have been restated to include major acquisitions.

"While certain favorable signs appeared in the 4th quarter," said Sarnoff, "there was no general indication by year's end of any significant upturn in economic activity." Projecting "gradual recovery" for 1971, he forecast it was "unlikely to have a substantial effect upon RCA's performance until the 2nd half."

Although color TV reflected weakness of all consumer durables, RCA "strengthened its leadership in the color set market by increasing its share of domestic-brand sales." Sarnoff predicted 1971 industry sales of about 6.1 million color TV units in 1971, including some 800,000 imports, increase of 15% over estimated 5.3 million sold in 1970. "By carrying our greater share into this reviving market, we anticipate substantially improved results from color" in coming year.

Sarnoff reported RCA computer shipments up more than 50%, nearly doubling share of market. Although company's recent expansion has been in service sector of economy, he said "RCA remains basically a communications enterprise in the broadest sense," pointing out that "more than 75% of our products & services still relate to the company's traditional functions of communicating & processing information."

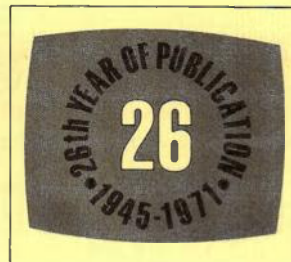
Zenith receives annual Industrial Science Award of American Assn. for Advancement of Science in recognition of "significant contributions to science & technology."



WEEKLY

# Television Digest®

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The authoritative service for executives in broadcasting, consumer electronics & allied fields

JANUARY 11, 1971

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**FCC MULLS 'TIME-EXCLUSIVITY':** Staff urges rule-making to consider curbing power of strong vhs to corral non-network material. Aim is to help independent uhfs & CATVs get popular audience-builders; comments on eliminating exclusivity, reducing contract length, etc. (p. 1).

**NAB NAMES COBB, COMSTOCK & HANEY** exec. vps in reorganization sought by Board. Ex-NAB Chmn. Cobb heads stations relations; ex-voice of Astronauts Haney to PR; Comstock for govt. & legal (p. 2).

**TV CODE ATTACKS CLUTTER:** Shapiro proposes 9 min. of commercials in prime time, limit of 2 interruptions of 90 sec. each per 30 min., count public service & promotions as 'commercial'. Time standards subcommittee and TV Code Board meet in N. Y. this week (p. 2).

**HOUSER PLANS LONG TENURE,** hopes to stay as FCC commissioner 'beyond June' as he & Wells get recess appointments. Newest commissioner 'bemused' by prediction his votes will be on 'liberal' side (p. 3).

**EXPLORING CABLE CAPABILITIES:** Moves toward standards by NCTA, JTAC, EIA. A.D. Little's 'BCN' project probing technology, costs, demand; first interviews find modest interest among high-income groups (p. 3).

**NO COVERT CIGARET ADS** will be permitted on TV, Burch says. He's convinced after meeting with Wasilewski & Kornegay. FCC plans no action now. News conference ends in Burch-Banzhaf shouting match (p. 5).

**FCC MULLS 'TIME-EXCLUSIVITY' INQUIRY:** Deeper look into program "exclusivity" is under consideration at FCC, at urging of staff. Objective is to beef up programming capacity of uhfs (primarily independents) & cable systems—by reducing ability of strong vhs to sew up most popular film packages & series for long periods.

Commission has had rulemaking pending since 1968 on geographical exclusivity, but staff is now urging that "time exclusivity" be subject of further rulemaking. Staff notes that film packages are often sold with exclusivity lasting 5-6 years—stations allowed to run them several times during period. Syndicated rights usually run about 2 years.

Staff members state that if copyright owners must use present system to get fair compensation—leave system alone. But they question whether any exclusivity is needed, and they urge FCC to solicit comments. No specific rules are proposed, so far, but staff would like to get industry reaction to ideas such as: Eliminate all exclusivity; reduce time-exclusivity drastically, to 1-2 years or so; eliminate exclusivity against independent uhfs or CATVs; require mandatory offering of programs to uhfs & CATVs at prices tailored to size of their audiences. There's no indication yet whether Commission will go for the rulemaking look-see.

### Consumer Electronics

**KODAK DEVELOPING VIDEOPLAYER** for super-8 color film, but has 'no commitment' for production; Sony & Matsushita build new cartridge VTR prototypes, both 3/4-in. but incompatible with one another, casting doubt on meaning of 'standards' agreement (p. 7).

**J. C. PENNEY TV DUMPING** case back in court on appeal, retailer again seeking access to Treasury's probe reports & deliberations; Tariff Commission rules on 2 import-aid requests; Congress readies for new foreign-trade bill battle (p. 8).

**E-V QUAD STEREO SYSTEM** goes to market, with \$50 decoder scheduled for early Feb. sale in 7 cities; 6 FM stations claimed ready to use matrix system; 2 record labels to issue E-V quad recordings; OEM decoder promised for \$3 or less (p. 9).

**FREE LICENSE OFFER** for Cartrivision hardware production extended by Avco's Cartridge TV Inc. to U.S. manufacturers willing to adopt system; company officials say industry holdouts are blocking development of new medium (p. 10).

**ANNUAL BARGAIN SALES** by Zenith, Philco-Ford & Magnavox, latter posting reductions up to \$150 (p. 11).

**JAPAN'S 1970 COLOR SALES** fall short of targeted 6 million, preliminary full-year totals indicating factory shipments of 5.9 million; firms reduce hiring plans (p. 11).

**NAB EXEC. VP's--COBB, COMSTOCK, HANEY:** Three men who will lead reorganization of NAB—under direction of Pres. Wasilewski & Board—were picked last week: Grover Cobb, broadcast vp of Gannett Co.; Paul Comstock, NAB govt. relations vp & gen. counsel; Paul Haney, vp for public affairs of Houston Astros (baseball) & Astrodome. They will have titles of exec. vp, be paid in \$45,000-\$50,000 range.

"I'm very pleased with these selections and I believe they will provide depth & strength and ensure a strong NAB for many years in the future," Wasilewski told NAB Exec. Committee last week in Houston when selections were disclosed. Comstock, of course, already is at NAB; Cobb & Haney are expected to join in mid-Feb. As immediate past chmn. of NAB, Cobb also is member of Exec. Committee; all 3 men will be present for NAB Board meetings in LaQuinta, Cal. Jan. 19-22. Their selection is outgrowth of recommendations of special Ad Hoc PR Committee (Vol. 10:41 p2) established by Board year ago (Vol. 10:4 p1).

Most NAB executives who now report directly to Wasilewski will report to one of new exec. vps. Cobb, as exec. vp for station relations, will have responsibility for most of staff, including vps for TV, radio & engineering, plus heads of broadcast management, member services, regional managers & related activities. Cobb was NAB chmn. June 1967-June 1969. Prior to that, he served 4 years on Radio Board, including terms as chmn. & vice chmn. At that time, he was president & principal owner of KGVB(AM) Great Bend, Kan., which was sold to Forward Communications in summer 1969 when he joined Gannett. Cobb is required to sell minority interests in KINA(AM) Salina, Kan. & 3 Kan. CATV systems under NAB prohibition against such ownership.

Comstock will head legal & govt. affairs. Under him will be gen. counsel (expected to be present Chief Counsel John Summers) & vp for govt. affairs (post is said to be wide open). Comstock joined NAB in 1962 as vp-govt. affairs, added legal duties in Oct. 1969. Under his stewardship, govt. affairs has grown from 2-man operation to 5 fulltime, plus outside consultants such as Roy Ellison, Fred Weaver & Phil Dean.

Haney, 42, is a former reporter (Washington Evening Star, Memphis Commercial-Appeal, Akron Beacon-Journal) who joined NASA in Dec. 1958. He switched to Manned Spacecraft Center in 1963 as public affairs officer, became well known as "the voice of the Astronauts." He moved to Astros 15 months ago. Haney will have authority to hire 4 high-level assistants: Broadcast Bureau "staffed with specialists who will have full knowledge of radio & TV requirements for news material about our industry"; Press Bureau "geared to meet the requirements & deadlines of newspapers, press wires, trade papers & consumer magazines"; Publications Dept.; Promotion Dept.

**TV CODE ATTACKS CLUTTER:** Reduction in number of program interruptions and cutback in commercial time are prime goals of NAB TV Code Board which has special meeting Jan. 13 in N. Y. Board session will be preceded by 2 meetings (Jan. 8 & 12) of special time standards subcommittee to consider several proposals. Principal one was submitted by subcommittee member Mike Shapiro, WFAA-TV Dallas, providing:

(1) Include all public service & promotion announcements as "non-program." (2) Reduce non-program material in prime time from 10 min. & 20 sec. per hour to 9 min. (3) Reduce non-program material in non-prime time from 16 min. & 20 sec. to 15 min. (4) Allow only 2 program interruptions per 30 min. in prime time; each no more than 90 sec. Commercials between billboards & programs would be counted as interruption. (5) Eliminate multi-product spot concept, counting each product mentioned as separate commercial message. (6) Allow only 18 such commercial messages per hour.

In memo outlining his plan to subcommittee (Vol. 10:50 p1), Shapiro said end result to viewer would be very noticeable reduction of clutter. He said that TV must sacrifice many current practices for good of industry, that Code must drop "subterfuges" it has used in past. Code must start measuring "appeals" & "products" advertised rather than placing concern on total commercial time, he said.

Fate of Shapiro proposal—or any other to cut back clutter & commercial time—is uncertain. Some Code Board members cite current business climate and fear of losing TV Code subscribers as reasons for not strengthening standards now. "We should wait 2 or 3 months before recommending any changes, now that we have a direction to go," one said. Plan to count public service spots against commercial time ("vitally important," Shapiro said) is attracting strong opposition. On prime-time commercials, there's considerable talk about compromising on 9 1/2 min. per hour. But Code directors are serious about their efforts—so much so that they've agreed to pay own expenses for 3 meetings in N. Y.



**HOUSER PLANS LONG TENURE:** "I hope that I can stay on the FCC beyond July, and I shall conduct myself and my affairs as though I were staying longer... I'm gratified that I got a second chance to serve in govt." Speaker was Thomas J. Houser immediately after he had been sworn in as 7th member of Commission. Houser's term ends June 30, and speculation has been that he will be replaced this summer by Rep. Charlotte Reid (R-Ill.). Newest commissioner also says that White House hasn't discussed future possibilities with him beyond June 30.

As expected, Houser & Comr. Robert Wells received recess appointments Jan. 5, were sworn in next morning by Chief Examiner Arthur Gladstone. Houser attended Commission meeting immediately thereafter as observer. Wells moves into 6 1/2-year term—in seat formerly occupied by Kenneth Cox. Houser takes 6 months remaining of Wells' old seat, said he has no one in mind for personal staff. Under recess appointments, President must resubmit their names within 40 days after 92nd Congress convenes Jan. 21.

Houser said he was "bemused" by prediction in Television Digest that he would "line up more on liberal than conservative front" (Vol. 11:1 p1). He said he'd never been tagged with either label, added: "I would hope that I could be successful in being reasonable." To which FCC Chmn. Burch quipped: "We will worry about whether you're liberal or conservative at a later time."

**EXPLORING CABLE CAPABILITIES:** If cable equipment manufacturers had a few spare dollars—which they certainly don't, right now—there would be continuous stream of substantial developments coming out of labs. Industry has long strained at leash to throw energies into developing potential of those broadband facilities. Nonetheless, despite sales doldrums & overcapacity, there are continuing efforts to upgrade & expand capabilities of systems. Among more recent, for example:

(1) NCTA has submitted to FCC its comments on proposed standards, based on studies of receiver characteristics by Malarkey, Taylor & Assoc. Latter has also submitted its own comments.

(2) Prestigious Joint Technical Advisory Council (JTAC), sponsored by IEEE & EIA, has asked FCC to approve establishment of a National Cable TV Systems Committee (NCTSC) to help form standards for cable—as did NTSC for both b&w and color TV.

(3) That "broadband consortium" of big industrial guns mobilized by Arthur D. Little Inc. (Vol. 10:40 p2 et seq.) is moving right along in its studies of potential of cable (& uhf) for providing all kinds of in-home services beyond straight entertainment TV.

NCTA's recommendations to FCC on technical standards came from study of receivers considered typical—near-low-end old & new models of RCA, Silvertone, Zenith, Motorola, Panasonic, Sony, & GE. Recommendations include: (1) Up to 250 kHz separation between adjacent channels should be permitted, instead of 25 kHz proposed by FCC. (2) Visual carrier levels on adjacent channels should be maintained within 3 db. (3) Terminal isolation should be 18 or 20 db minimum. (4) "Set-top converters have different performance requirements than the cable distribution system, and should be considered separately in rulemaking." Converters "significantly improve" performance of many receivers in handling adjacent-channel problems. (5) The 0 dbmv minimum terminal signal level proposed by Commission is confirmed.

Archer Taylor's recommendations to Commission urge that 75-ohm coaxial lead from cable input to tuner input be required. "This single change, when accomplished," he said, "will make 24-channel capacity almost universally feasible by any of the dual cable techniques." (Some set manufacturers are now providing 75-ohm.) Taylor urged that it's too early to establish standards for 2-way service—that it's unwise to set standards until marketplace determines what kinds of services public will buy.

Since TV receiver is so fundamental in cable standards, NCTA is expected to petition FCC, within a few months, to require "cable compatibility" in receiver manufacture, just as it ordered all-channel receivers and uhf-vhf tuner "comparability."

JTAC's request for FCC approval of an NCTSC hasn't received action yet, but parties are hopeful. Meanwhile, EIA's Industrial Electronics Div. (John Sodolski, staff vp) is setting up a Broadband Communications Section, headed by TelePrompTer's Hubert Schlafly; it will hold first meeting by mid-Feb. Sodolski says he expects "it will be a very active group." IEEE was so pleased with last year's cable session at annual convention—it had largest attendance of any, some 700—that it has asked NCTA Engineering Dir. G. Norman Penwell to put another one together this year. March 22 session will

feature: Earl Hickman, Ameco, on DISCADE; Schlafly, on 2-way system in Los Gatos, Cal.; Michael Jeffers, Jerrold, on distortion components; Archer Taylor, on envelope delay.

\* \* \* \*

Arthur D. Little's "BCN" project (Broadband Communications Network) is really digging into all aspects of technology, costs & possible consumer demand. As we understand it, ADL says there's still no clear view of demand, because market studies are in early stages. One project involved interviews with 45 high-income (34% over \$25,000) and high-education (48% with graduate school education) respondents in Mass. towns of Lexington, Lincoln, Weston & Wellesley. Interviewees were quizzed about their interest in "still-frame" concept—meaning non-moving displays (as contrasted with "narrative," or display with movement). Among reactions to still-frame:

(1) Some 30% were "very favorable," 28% "somewhat favorable." Shopping information seems most in demand—36 people interested. Next was education & references (18 interested). (2) Only 25% were intrigued with actual buying via BCN. (3) For display device, TV screen is slightly preferred to hard-copy printout. (4) Respondents' estimates of monthly cost averaged \$7.70. Range was zero to \$30. Asked for reaction to \$22.50 price, 50% were very unfavorable, 22% somewhat unfavorable. (5) Most interviewees were in their 30's or 50's.

Another study—2 panel discussions involving 10 high-income couples—seemed to indicate rather limited appeal of still-frame to such people, stronger appeal for narrative. Most in panels seemed to believe that still-frame would give them little they can't get with newspapers, TV, telephone, radio, etc. Asked if they'd pay \$150 a year for still-frame service, most blanched at idea. They also thought "picturephone" might run \$7-\$8 a month, liked idea but cooled quickly when told it might cost \$70 monthly by 1980. Narrative concept had stronger appeal—particularly to those who watch a lot of TV. Quite a few on panels were concerned about social effects—"intrusion," passivity in front of device, "not getting out of the house," etc.

Discussions with retailers generated some enthusiasm when talking about BCN potential as "talking catalog" using "narrative" concept—but they were left pretty cold by "still frame," considering it only possible minor supplement to catalogs. Report states: "In effect, the use of BCN's narrative features for retailing becomes a variation on its general advertising capabilities rather than direct in-home selling." Evidently, retailers think BCN has to be better and/or cheaper than conventional TV commercials.

Project is under John P. Thompson of ADL. Roger Hearne has day-to-day responsibility. Kipton C. Kumler handles hardware, Brian Layng software.

Senate Democrats are offering "a few pointers" to Administration on what any comprehensive campaign spending bill ought to contain. Legislation is now being drafted by Senate GOP Leader Scott (Pa.) for White House approval as alternative to vetoed political broadcast bill. Other bill introduced in dying moments of 91st Congress by Majority Leader Mansfield (Mont.), Communications Subcommittee Chmn. Pastore (R.I.) & Elections Subcommittee Chmn. Cannon (Nev.) resubmits vetoed bill, but also puts spending limits on other media, rewrites Corrupt Practices Act to close loopholes in unrecorded donations & campaign committees, limits campaign donations to \$5,000, offers tax credits. Non-broadcast spending for federal & gubernatorial candidates is limited to 14¢ times number who voted in last general election, or \$40,000, whichever is greater. Primary spending is 50% of general elections. (TV-radio expenditures are 7¢ or \$20,000; primaries, 50%.) Also, non-broadcast space donated to candidate is considered cash contribution. All campaign committees must be registered, and candidate must certify that any expenditure won't put him over limit. Bill is one of dozens to be introduced in both houses next Congress, but hearings before several committees (and they'll be long) aren't expected until Administration's bill is introduced.

"Early resolution" of issues in renewal of Star stations (Donald Burden) is necessary, FCC said last week in denying request that hearing be stayed (Vol. 10:52 p3). Private interests of licensee "are not sufficient to outweigh the public interest considerations opposing any delay," Commission said. Of Star contention that commissioners are disqualified to decide case because of ex-parte contacts with House Commerce Committee, FCC said from preliminary examination "petitioners had not demonstrated...any reasonable likelihood of prevailing on the merits."

CATV systems owned by GTE Communications are up for sale, in compliance with FCC order barring such ownership by phone companies (Vol. 10:5 p1). Firm owns 20 systems serving 32 communities in Cal. (3), Ga. (8), Ill. (2), Ind. (2), Mich. (2), Pa. (1), Wash. (2). Inquiries to Vp Wenton F. Stewart, 730 3rd Ave., N.Y.

Much to joy of TV stations & networks, comparison of Nov. 1970 Nielsen local market sweeps with 1969 shows that homes using TV were up 4.8%, according to analysis of 85 markets by NAB Research Vp John Dimling. Comparison from ARB figures isn't available.



**NO COVERT CIGARET ADS ON TV:** Following Jan. 8 meeting with NAB Pres. Wasilewski & Tobacco Institute Pres. Kornegay, FCC Chmn. Burch told news conference he is satisfied that both groups are "committed to adhering to the spirit as well as the letter of the law. Cigaretts will not be advertised on the air."

Burch said he called meeting because of "certain allegations... indicating the possibility of attempts to circumvent the law [Vol. 11:1 p5]. Based on my conversations today, I feel that any further action by my office would be premature... The 3 of us have agreed to continue these meetings at such time & places as they may become necessary."

News conference ended in shouting match when ASH Exec. Dir. John Banzhaf objected to Burch's closed meeting with Wasilewski & Kornegay. Burch assured him no secret deals were made. Banzhaf said public doesn't know that to be fact, that Burch shouldn't be meeting privately with those he regulates. "Do you want to suggest that I'm lying?" Burch asked. He emphasized that he meets privately with broadcasters constantly, would continue.

At time of news conference, law students were picketing FCC, hidden in black-garbed 10-ft. frames topped with cardboard skulls. They called themselves "RIP" (Representatives for the Interests of the People), protested "a secret closed meeting between the tobacco industry and the FCC. We may never know what 'accommodations' were made behind those closed doors... RIP demands an end to 'smoke-filled' Commission meeting rooms." Burch called RIP pickets "ludicrous."

In other cigaret developments: (1) R.J. Reynolds denied it's sponsoring "Winston 500" car race and other sporting events to circumvent ban against TV-radio commercials. (2) In London, Royal College of Physicians demanded govt. ban all cigaret advertising (off TV since 1965) and smoking in public places, require health warnings on packages. (3) National Institute of Radio & TV, which regulates TV-radio in Colombia, has banned TV cigaret commercials before 9:30 p.m.

**Objection to sale of Triangle stations to Capital Cities** Bcstg. was withdrawn by Citizens Communications Center (CCC) after CapCities amended applications to show plans for aiding minorities (Vol. 10:52 p5). CapCities said it will allocate \$1 million over 3 years for at least 6 hours of minority programs yearly, at least 50% in prime time, for Philadelphia (\$135,000 a year), New Haven (\$110,000), Fresno (\$88,333). Application said programs would be "persuasive, hard-hitting & polemic, fulfilling the role of an advocate in behalf of the various minority groups, if necessary to convey adequately the problems & interests involved." If programs are sponsored, earnings will go to community. Stations also will create advisory committees including minority representatives, pay their expenses. Minority talent will be hired, and goal is to have 10-15% of employees from minority groups within 3 years. Withdrawing, CCC called project an "imaginative venture in community participation in station affairs." CapCities also argued that selling off AMs & FMs to different parties increases diversity of ownership. In St. Louis, black groups asked renewal denials for KTVI-TV & WIL(AM), asserting stations virtually ignore minorities' needs. For example, groups said, KTVI-TV interviewed 95 community leaders regarding program needs—and only 7 were black, although city is about 50% black.

**Bizarre development in WHDH-TV Boston case:** Pres. Harold Clancy, in recent long interview in "AdEast" magazine, attacked FCC decision on every front. Included was attack on former Comr. Wadsworth, who had voted against WHDH-TV, noting that Wadsworth's legal asst. Joseph Kessler (now deceased) had once worked for law firm serving winning applicant Boston Bcstrs. Inc. Then, Broadcasting magazine quoted Wadsworth's response to Clancy's charges—former commissioner saying Kessler kept out of case, didn't advise him. But Wadsworth is further quoted as saying that he voted against WHDH-TV because he believed station had attempted "ex parte" influence to get channel; that he didn't vote against WHDH-TV for same reasons colleagues did—i.e., concentration of mass media. Last week, WHDH-TV recited foregoing, asked FCC to request Appeals Court to remand case to Commission. Station said there should be evidentiary hearing to decide whether original vote against WHDH-TV was invalid, because it represented decision by only 2 members—Bartley & Johnson. Station said "concentration" issue was sole basis for decision, as far as text shows—decision specifically saying it didn't get into "ex parte" question. If Wadsworth's statements are true, petition said, FCC's decision was "a fraud on WHDH."

**Subpoena against WTEV** Providence newsman Paul Pappas, ordering him to reveal Black Panther activities during disturbances last July in New Bedford, has been appealed to Mass. Supreme Court. Ordering Pappas to testify, Bristol Superior Court Judge Frank Smith said; "No pledge of privacy or oath of security can avail against demands for the truth in the court of justice." "We all live on confidences in this business," Pappas said. "So long as you're willing to accept them you should have the courage of your own convictions." Similar case involving N.Y. Times reporter James Caldwell is pending before U.S. Supreme Court. When 9th Circuit Appeals Court in San Francisco ruled that Caldwell couldn't be forced to testify unless "compelling need" were shown (Vol. 10:47 p5), Justice Dept. appealed.

**Much to surprise** of petitioners, FCC has extended deadline for comments in one-to-a-market and newspaper-CATV cross-ownership rulemakings from Jan. 15 to April 16—giving NAB & ANPA full 90 days they sought. NAB said additional time was needed because of delays in obtaining material for extensive research underway. ANPA & NAB must file April 16, all other parties have until May 17 so that they can comment on research findings of 2 associations. Reply comments for all parties are now due June 18.

**AM-FM stations** in markets just under or just over 100,000—based on 1970 census—should get guidance soon on rule which prohibits duplication over 50% of time in markets over 100,000. FCC is expected to grant waiver of rule until Sept. 1 for stations in cities which went over 100,000 for first time. Stations in markets which drop below magic figure (final city-by-city figures are due shortly from Census Bureau) will be allowed to begin full-time duplication immediately if they choose.

**NAFMB plans first** of several regional conferences Jan. 26 in Philadelphia's Marriott Hotel. NAFMB Pres. John Richer (WFIL-FM Philadelphia) said conferences are designed to "bring FM operators into closer, continuing contact with each other through emphasis on greater activity & involvement."



## Personals

**James Allen**, exec. vp & gen. mgr., WPLG-TV Miami, promoted to Post-Newsweek stations exec. vp., Washington hq; **James Lynagh**, vp & gen. mgr., WJXT Jacksonville, succeeds Allen; **Robert Schellenberg**, WJXT gen. sales mgr., succeeds Lynagh; **William Grove**, WJXT news dir., moves up to news & public affairs vp.

**Jett Jamison** promoted to station mgr., WBAP-TV Ft. Worth-Dallas; **Hal Chesnut** upped to WBAP-AM-FM station mgr., **Larry Cole** to asst. TV sales mgr. . . **Philip von Ladau**, promoted to a vp, Metromedia TV. . . **Leonard Soglio** promoted to gen. sales mgr., WBTV Charlotte; **W.H. Coggins** to asst. gen. sales mgr., succeeding Soglio.

**Robert Kipperman** promoted to account exec., CBS-TV sales. . . **Dick Stockton**, ex-KDKA-TV Pittsburgh, named sports dir., WBZ-TV Boston. . . **Ron Franklin**, ex-KVOO-TV Tulsa, named sports dir., KHOU-TV Houston.

**Richard Freeman**, Kaiser Bcstg. area vp and former vp & gen. mgr., WKBD-TV Detroit, resigns. . . **John De Prospe** retires as executive officer of N. Y. Municipal Bcstg. System (WNYC-TV-AM-FM) Jan. 23, after 52 years in various city depts., last 36 with stations.

FCC Comr. **H. Rex Lee** returns next week from 2-week tour inspecting Commission field offices in West. . . **Clay Whitehead** addresses FCBA luncheon Jan. 28, Army-Navy Club, Washington. . . **Herbert Schlosser**, NBC-TV West Coast programs vp, named chmn., International Bcstg. Awards dinner, March 23, Century Plaza Hotel, L.A.

**Stuart Krane**, ex-H-R, joins Avery-Knodel. . . **Marc Stashower**, ex-Adam Young, joins Savalli/Gates. . . **Robert Belzer** joins law firm of Kirkland, Ellis, Hodson, Chaffetz, Masters & Rowe, Washington.

**Gene Harris**, ex-WSBK-TV Boston, named eastern div. cablecasting dir., Storer CATV. . . **Zelda Cini** promoted to creative services dir., National Telesystems, Hollywood. . . **Charles Clements**, ex-pres., Tele-Vue Services, Seattle, named general engineer, TCI's Community Tele-Communications, Denver.

**Arthur Sulzburgh** promoted to national sales mgr., ABC Radio; **Gary Seslar** to eastern sales mgr.; **Steve Van Ophuijsen**, to Detroit sales mgr.; **Mike Penzell** to central sales mgr.

**Sales approved by FCC:** WTWO-TV Terre Haute to Booth Newspapers, for \$5 million; uhf WAJA-TV Miami to Spanish International, for \$1.44 million; WSLA Selma, Ala. (off air) to Central Ala. Bcstrs., for \$100,000. Newhouse Bcstg. reports it has bought remaining 50% of KOIN-TV-AM-FM Portland, Ore.; price will be disclosed when filed with FCC.

**TelePrompter** buys cable systems in Newport Beach & Seal Beach, Cal. from Foote, Cone & Belding, price undisclosed. Television Factbook shows former with 6,000 subscribers last year, latter with 2,000. FCB said properties hadn't developed as expected, and sale would be recorded as significant loss.

**Rep appointments:** WBTW Florence, S. C. names Avery-Knodel; WAVY-TV Portsmouth-Norfolk names Blair; KTEW (formerly KVOO-TV) Tulsa appoints Blair TV; WHP-TV to Savalli/Gates.

**JD OPPOSES COMSAT-CARRIER TIES:** Justice Dept. gave qualified support last week to legislation proposed by Sen. Gravel (D-Alaska) barring common carriers from any ownership in Comsat or membership on its board. But JD's antitrust chief Richard McLaren warned that such legislation "is not likely to enhance" Comsat's competitive potential "unless combined with at least some reversal of the FCC's decisions protecting existing carriers from satellite competition."

Gravel's bill is aimed primarily at AT&T, which holds 3 seats on Comsat's 15-member board and owns about 29% (2.9 million) of its 10 million shares. Most other major carriers have sold their interests (Vol. 10:52 p3), but ITT still holds about 100,000. AT&T declined immediate comment.

McLaren said 1962 Act creating Comsat with 50% common carrier ownership & 6 board members was "contrary to the normal antitrust prohibitions against anti-competitive stock acquisitions and director interlocks." He said FCC's authorized user and earth station ownership decisions in 1966 made Comsat a "carrier's carrier." While he also gave impression that White House supported his views, OTP Dir. Clay Whitehead disagreed, saying: "The Administration has formulated no specific views regarding this policy area and hasn't any plans for the submission of legislation on this subject."

Whitehead also announced plan to use satellites in air traffic control in overseas flights. Experiments in uhf band with Pacific flights are expected by 1973, Atlantic by 1975.

"Middle ground" between FCC & cities should be occupied by states in regulating CATV, N. Y. Public Service Commission advised Gov. Rockefeller in 280-page report. Written by PSC Comr. William K. Jones, report recommends: Cities issue franchises by negotiating with applicants, but PSC should set minimum standards—technical, financial, character, operations; existing systems would be grandfathered; cities should set rates, but PSC would act if there are charges of discrimination or if cities & CATVs can't agree on renegotiated rates; PSC would regulate rates if systems become common carriers; cities would have primary responsibilities for day-by-day system operation, but PSC would be "backstop" if service deteriorates; PSC could limit concentration of media "subject to FCC limitations"; PSC would specify rules on insurance, inspection, reports, accounting; PSC could require interconnection, resolve disputes among cities; landlords shouldn't be permitted to interfere with CATV desires of tenants.

**Complying with order** of Federal Judge Morris Lasker, BMI has issued license for use of its music to CBS. Order also required CBS to pay BMI \$1.6 million interim fee for 1970. BMI had refused to grant network license all of last year, and several copyright infringement suits were filed against CBS.

## Obituary

**William H. Watkins**, 53, FCC chief engineer since 1968, died Jan. 3 of cancer. Watkins, also an attorney, joined Commission in 1946, was member of IEEE Vehicular Technology Group, served on several International Telecommunications Union committees. Wife, son, & daughter survive.



# Consumer Electronics®

*A Section of Television Digest with Consumer Electronics*

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

## STATE OF THE INDUSTRY

Sales to dealers (domestic-label only), from EIA, for week ended Dec. 25 (51st week of 1970):

	Dec. 19-25	1969 week	% change	Dec. 12-18	1970 to date	1969 to date	% change
Total TV.....	189,443	154,125	22.9	228,340	9,178,774	10,362,843	-11.4
color.....	101,873	80,333	26.8	122,787	4,709,017	5,449,451	-13.6
monochrome.....	87,570	73,792	18.7	105,553	4,469,757	4,913,392	-9.0
Total radio.....	314,103	200,876	56.4	388,208	15,867,718	19,640,419	-19.2
home, portable...	146,268	113,678	28.7	191,336	7,869,172	9,622,548	-18.2
AM-only.....	80,038	58,745	36.2	104,992	4,731,190	5,815,447	-18.6
FM & FM-AM...	66,230	54,933	20.6	86,344	3,137,982	3,807,101	-17.6
auto.....	167,835	87,198	92.5	196,872	7,998,546	10,017,871	-20.2
Total phono.....	103,009	103,467	-0.4	137,116	4,039,044	5,005,059	-19.3
portable-table....	79,883	76,508	4.4	107,002	2,981,915	3,674,646	-18.9
console.....	23,126	26,959	-14.2	30,114	1,057,129	1,330,413	-20.5

**Color TV 4-week moving average:** 1970-115,690; 1969-106,079 (up 9.1%)

**VIDEOPLAYERS—KODAK, SONY, MATSUSHITA:** Despite recently announced "agreement" on cartridge VTR standards by Sony & Matsushita (Vol. 10:51 p7), both companies have developed new prototype designs—which are incompatible with one another. Meanwhile, Eastman Kodak, which has been pushing super-8 color as ideal TV storage medium, conceded it is developing own prototype videoplayer.

"We are exploring this market as is everyone else," we were told last week by Eric Yavitz, dir. of Motion Picture & Education Products Div. Administrative Services. "We have made no commitment whether to go ahead," he added. "We're looking at super-8 as a concept. It's not proprietary. We don't know whether there is a market in this." He indicated that Kodak feels concept is attractive for commercial-institutional audio-visual market, but is undecided about consumer potential—not of super-8 system but of whole videoplayer concept.

Kodak is planning to talk with consumer electronics manufacturers, and Yavitz indicated this is as much for Kodak's education & information as it is to sell them on super-8 idea. However, there was intimation that Kodak probably would be happier to see one or 2 major TV manufacturers offer super-8 videoplayers than it would be to enter field itself. "We're in this thing for the long run," said Yavitz. "We don't want to be premature, and we're frank to admit we don't know everything. We don't want to join the parade of guys who promise everything."

Matsushita, meanwhile, has completed whirlwind 2-week tour of U.S. with prototype home VTR, which it demonstrated to major TV manufacturers—notably Magnavox, RCA & Zenith. Machine uses 3/4-in. magnetic tape, but differs sharply from Sony system in that it employs single-reel self-threading cartridge, which may be 3/4-in. version of system developed by Matsushita subsidiary Japan Victor (Vol. 10:44 p9), which was 3rd signatory of recent "standards" agreement. Mechanical specs of Matsushita system are believed to have been developed in cooperation with Fuji Photo.

Sony's new-design tape videoplayer is sharply different in mechanics from its predecessor, which it once called "production model." Even cartridge size has been changed slightly. It's still 2-reel cassette-type cartridge, but tape is now completely enclosed. Machine's tape winding & threading mechanism has been replaced—eliminating the 3 "fickle fingers" which removed tape from cartridge and wrapped it around head drum in earlier version. Cassette now is inserted horizontally, then

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automatically lowered onto spindle, where guide rollers pull tape out in Omega-100 wrap. New system is said to be far simpler, more foolproof than predecessor, has extremely fast loading & release, with blanking circuit to eliminate "hash" from screen during threading.

Fact remains that Sony's machine still uses 2-reel cassette, Matsushita's prototype, a single-reel cartridge. Then what was meaning of Sony's Dec. announcement that the firms had "reached complete agreement on the final specifications of color videocassette standardization?" Fact is, according to Alvin Barshop, who heads Matsushita's Panasonic VTR operation, "an agreement to discuss, develop & arrive at standardization—nothing more—and nobody's machine has been accepted. We certainly have not finalized on Sony specs or anyone else's."

One official of Sony of America concurred with this interpretation, although formal Sony line still is that "final specs" (presumably Sony's) have been agreed upon. Best guess is that neither new machine now being shown is final pre-production prototype.

**PENNEY DUMPING SUIT BACK IN COURT:** Flurry of activity in TV dumping and other foreign trade matters marked first week of new year which saw these developments: (1) J.C. Penney was back in court challenging Treasury's actions in Japan TV dumping case. (2) Tariff Commission ruled on pair of electronics import adjustment petitions. (3) Japanese firms here received summonses from National Union Electric (NUE). (4) Congress started preparing for 1971 foreign trade legislative battle.

Seeking reversal of lower court ruling, Penney went to U.S. Appeals Court in N.Y. to argue that procedures Treasury followed in TV dumping case were unconstitutional and should be challengeable in Federal courts. Last month, District Court Judge Weinfeld refused jurisdiction (Vol. 10:49 p6).

Key issue, Penney attorney Craig Matthews indicated in presentation, is that Treasury's basic dumping finding—which leaves all importers of Japanese TVs liable to assessment of dumping duties—can't now be attacked in any court. Court challenges—and those only in Customs Court—Matthews said, are limited to actions brought by importers seeking refunds of extra duties paid on specific TV import shipments. In such cases, he said, importers must prove that sets were not undervalued.

To avoid stigma they associate with dumping, Matthews said, Japanese may simply increase export pricing, eliminating any possible dumping margins. This would result, he said, in blocking even Customs Court cases, because no dumping duties would be levied, leaving importers stuck with higher prices.

Inability to refute Treasury's finding has left Japanese open to attack outside dumping area, Matthews said. He pointed to \$360-million damage suit filed by Emerson parent NUE (Vol. 10:52 p8) against Japanese, noting that "factual basis for the case" is Treasury's determination. He called on court to accept jurisdiction and order hearing at which Treasury would be required to produce investigation records and defend dumping determination.

In counter-argument, Justice Dept. attorney Andrew Vance admitted secretive nature of Treasury probe, but said that dumping verdict was simply "a quasi-legislative policy decision," and therefore not open to court action. "This was not a proceeding against Penney or involving Penney," he said, adding that verdict applied only to Japanese manufacturers as group. Importers, he said, should obtain relief by demonstrating to Customs that TVs they buy are fairly valued.

Impact of dumping finding on Penney is shown in supporting affidavit filed in original court case by Penney Vp Robert B. Gill. Last year, Penney imported from Japan about 40,000 color & 75,000 b&w TVs, worth some \$12 million, he said. Using present 9% dumping-duty bond which Customs now requires be posted by importers as base, Gill said Penney is open to extra TV costs of more than \$1 million per year.

Tariff Commission issued no-finding report on investigation into whether hi-fi producer H.H. Scott is eligible to request import adjustment assistance. Commission agreed that firm has suffered from import competition but split 2-2 on necessary finding that trade concessions granted by U.S. resulted in increased import quantities. President Nixon has right to cast deciding vote when such ties occur, as he did in declaring General Instrument's F.W. Sickles Div. employees eligible. By 2-1 vote, Commission found workers at C.P. Electronics' Columbus, Ind. transformer plant eligible to apply for aid.

U.S. sales subsidiaries of Japanese producers named in NUE suit—Hitachi, Matsushita, Mit-



subishi, Sanyo, Sharp, Sony & Toshiba—received summonses by registered mail. Firms, all charged with conspiring to fix home-market TV prices to permit dumping here and causing injury to U.S. industry, have 35 days to respond. Case has been assigned to U.S. District Judge Robert Shaw in Newark, N. J.

On legislative front, Congress is already shaping up for foreign-trade battle. House Ways & Means Chmn. Mills (D-Ark.) said he would not repeat his 1970 push for import quotas, expressed opinion that voluntary restrictions negotiated with other govts. appear now to offer best solution to import problems. Senate Finance Committee is forming special foreign trade panel. To be headed by Sen. Talmadge (D-Ga.), panel is expected to start developing legislation early, avoid last-minute rush which led to death of trade bill last year. Congressional leaders express doubt any major steps will be taken until late in year, when 2 studies ordered by President should be complete. Special committee is developing recommendations on long-term foreign trade policy, due at midyear, while Tariff Commission is investigating over-all impact of imports on U.S. industries, with no reporting deadline. Commission has just been increased to 5 members, with addition of J. Banks Young, former lobbyist for National Cotton Council; 6th member should be named shortly.

**E-V QUAD STEREO SYSTEM GOES TO MARKET:** Electro-Voice is moving ahead on all fronts to make its compatible 2-4-channel stereo matrix system (Vol. 10:42 p10) the standard for records, FM, and—hopefully—tape. In past 8 weeks, company has held almost continuous meetings with major & minor record companies, stereo manufacturers, dealers & distributors. Results so far have been encouraging, according to Pres. Larry LeKashman:

(1) First add-on decoders for component systems will be available end of this month or early next month, with marketing starting in 7 areas, including N. Y., Boston, Washington, San Francisco & L. A. Thick-film hybrid decoder will sell for about \$50. Purchaser will also have to add 2nd stereo amplifier, 2 more speakers—needed for any quad sound approach.

(2) Two record companies have already announced they'll market discs encoded for E-V system—Ovation Records, which will encode entire catalog, and Enoch Light's Command label. Some other record firms—but no majors—are also believed to have made commitments.

(3) "Half-dozen" FM stations, presumably in E-V's introductory markets, will broadcast E-V's compatible 2-4-channel sound. LeKashman says he has received FCC assurance that no special permission is required, since basic 2-channel stereo signal isn't affected.

(4) Dynavox Electronics Corp. will introduce first complete 4-channel system employing E-V decoder, BSR changer, 4-channel amplifier & 4 speakers at around \$399.95 this week at housewares show in Chicago.

(5) Tooling will begin shortly on monolithic single-chip IC decoder for sale to OEMs at no more than \$3—possibly "substantially less." Except for Dynavox, no OEMs are yet committed, but LeKashman says interest has been strong. Costs will be so low, he says, that he expects many manufacturers to adopt "quad-ready" approach.

(6) Already being delivered—by Audio Development Corp., Detroit recording console maker—is encoder for use by recording studios & FM stations. Price: \$795.

E-V system is one of 3 major "matrix" or "4-2-4" systems, in which 4-channel source is encoded down to 2 channels, put on disc or broadcast, decoded back to 4 channels at listening point. Other 2 are Scheiber & CBS (StereoQUAD) systems. LeKashman concedes Scheiber system produces excellent results, but scores it as being too complex & "incompatible." Incompatibility charge stems from LeKashman's feeling that truly compatible system should require no switching between 2-&-4 channel positions when 2-&-4 channel discs are intermixed on record changer.

LeKashman concedes that E-V system has been called incompatible in mono playback because of attenuation of low frequencies. However, he doubts this is significant disadvantage since "few people with good equipment would play back a record monophonically, and those with cheap equipment couldn't notice the difference—besides, anyone can always use the tone control." LeKashman sums up qualities of E-V system this way: "It works. It's inexpensive. It has no disadvantages."

Owner of Scheiber system, Audiodata, meanwhile, has issued technical report and comparison of own system with all others. Company currently is negotiating to license or commission recording



console equipment, based on final Scheiber designs. Scheiber report says all other matrix systems fail to locate sounds accurately around entire listening area.

A 4th matrixing system has been introduced in Japan by Sansui Electric, which is said to offer same advantages as those developed here—mono, 2- & -4 channel compatibility, ability to put on disc, tape or broadcast.

RCA Records has started quad sound promotion—for its Quad 8 tapes—issuing booklet answering "most frequently-asked questions about this remarkable achievement from RCA" and listing 55 Quad 8 cartridges now available.

**CARTRIVISION LICENSES OFFERED FREE:** Cartridge TV Inc. will give away equipment licenses to U.S. manufacturers willing to adopt Cartrivision (CV) home video tape player-recorder system, according to CTV Pres. Frank Stanton, who said announcement on new licensees may come within next 90 days. Admiral is already signed up. (Stanton isn't related to CBS pres. of same name.)

We talked with Stanton & Sam Gelfman, programming & production vp, after seeing updated CV prototype—our first look since system was unveiled at last Consumer Electronics Show (Vol. 10:27 p9). Major changes since then: (1) Tape head replacement is now in-home job, rather than shop job, and can be done by handy consumer. (2) In combination deck-color TV unit, pressing of tape stop button automatically switches operation mode from deck to receiver. (3) Added to optional camera is 5-to-1 zoom lens. In addition, we learned, deck will be offered in 2 versions—playback-only, as originally announced, plus record-playback unit with built-in tuner to permit off-air recording without tying up TV set. Price hasn't been established. Performance of system; specifications and general pricing plans are all about same as June. Introduction has been pushed back from spring to fall 1971.

Free licenses will apply to hardware, not software—the area in which CTV expects its money to be made, said Stanton. Sign-up pitch now is being made exclusively to U.S. firms; license terms & timing to Far East producers will depend largely on how well CV is accepted by American manufacturers, Stanton indicated. He sees CV as offering U.S. producers chance to recapture American consumer electronics market—"Ross Siragusa [Admiral chmn.] saw that right away."

Gelfman feels manufacturers "who are holding back on [home videoplayer] commitment are foolish. They are holding up development of an industry" which will be experimental for next 2-3 years. Stanton agrees "it's time to stop inventing." Videoplayer is "multi-million dollar gamble," and "you've got to have the entrepreneurial guts to get in and go."

CV is best home system, Stanton thinks, "because we've got the lowest-priced cartridge of any 3-way system"—record-play-TV. CTV won't go to market by excluding anybody, he emphasized; all will be free to buy or make own hardware. Electronics for deck will be produced in Huntsville, Ala. plant of CTV parent Avco, with transport production & assembly at Avco Richmond, Ind. facility.

Big question mark for CTV as well as other potential entrants in home videoplayer race is software—both content & marketing. Hardware will move easily through traditional consumer electronics channels, as will blank & recorded cartridges offered for sale, Gelfman believes. But rental concept, which has enabled CTV to obtain rights from hesitant owners of feature films and other major programs, will require new distribution process, he says. Rental poses host of problems, "and I've heard them all." "You can punch a million holes in it, but it's basically sound," Stanton said. He claims mass merchandisers love idea "because they can make money with it." If market & money are there, argues Stanton, "retailers will solve those problems."

Likening cartridge market to book publishing rather than phono record business, Gelfman says pricing should vary depending on content, not playing time. Flat rate for recorded cartridges doesn't take royalty payment variations into account, he said, adding he sees nothing wrong in subsidizing cartridges by inserting ads—just as magazine & paperback book publishers do.

What will people watch? CTV is banking heavily on movies—200-300 will make up initial library along with similar number of "how-to" and other entertainment & instructional programs. But, Stanton admits, "we won't learn what the public wants until we're on the market." While consumer is main CV target, commercial & education cartridges may also be produced. "How far we spill over," say Gelfman, "depends on the market."

Stanton expects quick initial acceptance of CV in hotel-motel rental business—room service pro-



viding entertainment along with booze & ice. Presumably cartridge rental would be charged to room tab, and positive return system would prevent cartridge theft.

Low-volume profitability is another advantage claimed for CV by Stanton. He says minimum commercial run of 25 copies is practical using firm's bifilar-wind contact-duplicating process. CTV also plans to transfer home 8-mm movies to cartridge for individual consumers, a service on which Stanton expects to break even.

**MAGNAVOX, OTHER SALES:** Three more first-quarter bargain-sale promotions: Zenith, Philco and—grand-daddy of them all—Magnavox's annual sale.

Magnavox sale advertising starts Jan. 31, but dealers may schedule "courtesy days" for invited customers Jan. 22-30. Manufacturer is issuing customary sale catalog, but with a difference this year—no prices are listed in book distributed in non-fair-trade states, in accordance with new policies (Vol. 10:50 p8). Fair-trade-state sale book carries notation: "Savings based on minimum fair-trade prices."

In 25V" color, Magnavox price reductions run \$30-\$150. Armoire stereo combo is down \$150 to \$1,345, other combos down \$100 to \$1,150 & \$950. Series of vertical combos is cut \$50 to \$848.50. Lowest-priced 25V" combo in sale promotion is \$528.50 (down \$70)—same model which had previously been promotionally reduced to \$498.50 (Vol. 10:52 p9). Other 25V" console series are \$549.50 & \$599.50 (all down \$80). Two 23V" models are cut \$70—console to \$499.50, table model with legs to \$399.50. One 21V" console is \$429.50 (down \$30). Furniture-styled 19V" table model is \$399.50 (down \$30). Table 18V" sets are \$329.90 (down \$20) and \$299.90 (down \$30); 14V" at \$259.90 (down \$20).

In monochrome, 12V" is down \$10 to \$89.90, AC-battery 9V" down \$15 to \$109.90, 18V" portable down \$10 to \$129.90, 19V" down \$10 to \$159.90 and 22V" console down \$20 to \$199.90. Stereo console reductions are \$20-\$100 with sale prices \$149.50-\$598.50. Component ensembles are down \$15-\$100, now \$159.95-\$499.90. Cassette & stereo-8 decks are \$49.90 (down \$10), with cassette recorders down \$5 & \$10 to \$34.90, \$44.90 & \$49.90. There are reductions on selected radios, portable & compact phonos.

**Philco-Ford** is now advertising its "first factory-authorized sale," featuring 18V" color cut \$30 to \$369.95 and 23V" console down \$40 to \$479.95 plus selection of 25V" consoles & b&w sets without list prices. Stereo consoles have been reduced \$50 & \$60 to \$269.95 & \$199.95.

**Zenith** is launching 3rd annual "Value Spectacular" through March, keyed to major ad campaign on network TV and in magazines.

"Video Magnetic Recording" is topic of annual SMPTE winter TV conference Jan. 22-23, St. Francis Hotel, San Francisco. Four sessions, covered by 29 papers, will be devoted to helical scan & disc records, quadruplex records, high-speed tape duplication, color cameras. Chmn. is Werner H. Ruhl, ABC technical dir., San Francisco. Other committee members: Charles E. Anderson & Howard W. Town, Ampex; R. A. Isberg, consultant; Louis L. Pourciau, IVC; Joseph Roizen, Graduated Education Network.

**JFD Electronics Components** ad account switched from Delphi to Mohr & Co., N. Y.

**JAPAN OFF TARGET:** Japanese color TV manufacturers failed to meet 6-million-set sales goal last year, preliminary figures show, ending year with shipments of about 5.9 million, a 22% gain from 1969.

Shipped in Nov. were about 585,000 color TVs, up just 0.4% from Nov. 1969, with domestic sales up 0.9% to about 503,000 and exports off 2.5% to 82,000. Unofficial Dec. figures indicate total shipments will about equal the 689,000 of Dec. 1969. Manufacturers blamed poor showing on decline in exports to U.S.—off nearly a million from projection (Vol. 11:1 p9)—and Japanese consumer boycott, launched last Aug. after U.S. announced that Japan-made color TVs were being sold here at dumping (less-than-home-market) prices.

Sales slump is forcing more Japanese color set manufacturers to reduce spring 1971 hiring plans; Toshiba & Nippon Columbia previously revealed such cutback plans. Mitsubishi said it has halted hiring in Kyoto, was transferring some employees from Nagano to other factories which produce electric power & telecommunication gear. Hitachi reported that only 300 new workers would be added in Yokohama, compared with 600 last year. Sanyo said it would sign on just 1,000 more this year vs. 3,000 hired in 1970.

**Retailers' gross margins** on all consumer electronic products except tape recorders increased in Nov. 1970 over year earlier, with total sales up in audio products & monochrome TV, according to latest NARDA figures on member TV-appliance dealers. For 1970's first 11 months, retail sales of all products except radios showed declines. Nov. gross margin figures (1969 equivalent in parentheses): Radio 28% (24.9%), stereo 30% (27.8%), tape recorders 29.1% (30.7%), b&w portables 24.3% (21.6%), color consoles 24.9% (21.9%), color portables 26.8% (22.4%), color combos 27.8% (24%). Nov. retail sales index figures (100 equals average 1966 monthly sales): Radio 133 (140 in Nov. '69), stereo 158 (141), recorders 101 (85), b&w portables 240 (224), color consoles 169 (188), color portables 156 (160), color combos 164 (153).

**U.S. -brand ICs** are being offered to Japanese manufacturers at prices 50% below levels of last spring, sources in Japan report. Kits of 4 or 5 large-scale circuits, needed to produce one desk top calculator, reportedly are being quoted at \$40 by such firms as National Semiconductor, Fairchild, General Instrument & Signetics. Bulk of imported LSIs are coming from U.S. -owned Far East assembly plants, where production costs are lower than in Japan.

**Sales to dealers** for 1970's 51st week showed record advances over 1969 in color, monochrome & total TV and auto radio—latter up 92.5% (see State of the Industry). But there's a catch: 1970 week, ended Dec. 25, had 3 business days; same 1969 week ended Fri. Dec. 26. and, in effect, contained only 2 working days.

## Trade Personals

**Stephen Solot**, ex-Craig & Vivitar, joins Sanyo (U.S.) Consumer Electronics Div. as national sales mgr.; **Harvey Silverman**, ex-Sony, named national sales mgr., Office Equipment Div.; **Akiyoshi Takano** appointed Office Equipment Div. sales coordinator... **William C. Sullivan** promoted to Sylvania product mktg. mgr., stereo-audio products... **Irwin M. Koenigsberg**, former Emerson purchasing dir., forms Kay Sales Engineering Co., rep firm, 365 Pleasant La., Hayworth, N.J. (201-384-3261).

**Sam Hershman**, Automatic Radio, promoted to national sales mgr... **Raymond L. Jacobs** appointed head of new Superscope Audio-Visual Div... **Hal Rothberg** joins Akai America as creative services dir.; **Stanley M. Harris**, ex-Capehart & American Tape Duplicating, appointed sales dir... **K. White Sonner**, ex-Heublein, appointed GRT Music Tapes Group mktg. vp, succeeding **Chris Coburn**, resigned.

**W. Michael Blumenthal** advanced at Bendix from vice chmn. & pres. of international unit to corporate pres. & chief operating officer, succeeding **A.P. Fontaine**, who continues as chmn. & chief exec. officer... **Basil S. Turner**, who retired last July as exec. committee chmn. & treas., returns to CTS as chmn., succeeding late **John G. Best**... **Jay Shapson** promoted at Blonder-Tongue Labs to NE sales mgr.

**Sanford Sussman**, ex-Computer Diode Corp., named exec. asst. to General Instrument Semiconductor Products Group Vp **Rein Narma**... **Stephen Kelly**, ex-Motorola Semiconductor, joins Harris Semiconductor as mktg. vp, succeeding **William Weir**, now with Weston Instruments... **William R. Graham**, ex-Whirlpool, joins Shure as special asst. to mktg. & mfg. senior vp.

**Taiwan will become** one large export assembly zone if recommendations of Economic Cooperation & Development Council are adopted. In report, Council said foreign investors now have no trouble obtaining suitable plant sites, making it unnecessary for govt. to create additions to present 3 assembly zones. Investment inducements now offered inside zones, such as tax holidays & low cost loans, Council said, should be made available on island-wide basis to foreign-owned export processing ventures. Council also recommended that stiffer conditions be met by such ventures, including setting minimum percentage of Taiwan-made parts to be used in exports, establishing mandatory ratio of foreign-exchange earnings to total exports and requiring that specific share of sales volume be budgeted for R&D in Taiwan.

**European parts & labor** must account for 45% of value of consumer electronics item if product is to qualify for duty-free treatment within EEC. New ruling, instituted at request of France, is intended to hinder intra-EEC shipments of products assembled in member countries from foreign-made parts.

**IHF will sponsor** 3rd hi-fi show in Palo Alto, Cal. April 1-4, following successful shows in suburban N. Y. & Boston.

## Obituary

**Dr. Wilfred W. Wetzel**, 67, retired (1964) vp of 3M's Magnetic Products Div. and pioneer in development of audio tape, died recently in Scottsdale, Ariz. following long illness. His wife survives.

## Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Chris-Craft Industries			
1970-qtr. to Nov. 30	14,899,000	(449,000)	--
1969-qtr. to Nov. 30	22,758,000	618,000	.09
Dero Research & Development			
1970-year to Aug. 31	44,669,000	1,578,665 <sup>a</sup>	1.65
1969-year to Aug. 31	23,633,000	1,554,108 <sup>a</sup>	1.88
Walt Disney Productions			
1971-13 wk. to Jan. 2	37,500,000	5,183,000	.85
1970-14 wk. to Jan. 3	35,438,000	4,095,000	.77
A.C. Nielsen			
1970-qtr. to Nov. 30	27,293,161 <sup>b</sup>	1,920,430 <sup>b</sup>	.36
1969-qtr. to Nov. 30	25,634,036	1,634,578	.31
Rust Craft Greeting Cards			
1970-9 mo. to Nov. 29	37,223,000	1,722,000	1.49
1969-9 mo. to Nov. 30	36,346,000	1,531,000	1.32
TMA			
1970-qtr. to Nov. 30	1,805,529	(122,911) <sup>c</sup>	--
1969-qtr. to Nov. 30	2,175,706	(228,719)	--

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Record. <sup>c</sup>After extraordinary gain..

**Mergers & acquisitions:** CTS has acquired 3 Mexican parts producers for undisclosed sum. They're 2 CTS licensees, Coypo S.A. (resistors) & Vatio S.A. (switches, etc.) along with former Bunker-Ramo subsidiary Amphenol S.A. (speakers & components). All are in Mexico City, will be consolidated into Coypo, which markets under CTS brand... **England's Plessey** acquired Arco Societa per l'Industria Elettrotecnica of Milan, Italy (wound components & capacitors) for about \$5 million... **Carter Group**, Amityville, N.Y., has acquired assets of GTE Sylvania semiconductor operation in Hong Kong for undisclosed sum. Carter also has plants in Philippines & Malaysia.

**Color tube price** increase of 3%-7% was announced last week to OEM customers by Westinghouse following similar move by RCA (Vol. 10:52 p7). Hikes effective March 1, were attributed to rising labor & material costs, affect 19V" & larger sizes. Sylvania is expected to announce price increases this week. One effect of tube price raises may be brief period of heavy demand, as TV manufacturers rush to get as many tubes as possible before March 1 deadline, when prices will rise as much as \$5.53 (on 25V").

**Teletronics Inc.**, manufacturer of solid-state color sets for lease, with plants in Mesquite, Tex. & Matamoros, Mexico, has received patents covering solid-state circuit providing automatic frequency & phase control of color oscillator for stability of color reproduction.

**RCA's purchase** of Alaska Communication System from U.S. Air Force is effective Jan. 10. Price: \$31,460,519.



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**IN THIS ISSUE:** Full text of FTC's proposed Trade Regulation Rule on amplifier power.

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**TV CODE ADDS SPICE TO NAB** Board session in LaQuinta, as Code directors want to require NAB members to subscribe to TV Code, recommend time standard reductions. Debate due on NAB reorganization, tight budget, fall conferences. Quaal favored for DSA (p. 1).

**BROADBAND CABLE SYSTEM COSTS:** A.D. Little's tentative estimates for consortium breaks down capital & annual figures for head end, cable, local terminal—for still-frame & moving displays. Compares capabilities of manufacturers' offerings (p. 2).

**'TIME-EXCLUSIVITY' PROPOSED BY FCC:** Further rulemaking gets 3-2 vote, Commission questioning whether current practice 'markedly' favors vhs over independent uhfs & CATV (p. 3).

**ETV GETS \$11 MILLION** appropriated by Congress for facilities; HEW bows to pressure, starts grants this week. Marquis says back burner days for public broadcasting are over (p. 4).

**JACOBS SEES PRIME-TIME RULE** as 'unqualified opportunity' for TV stations to be prepared to face 'known eventuality of a wired nation'; predicts networks will all program 8-11 p.m. (p. 4).

**WOMEN SCORN TV 'IMAGE':** Women's lib groups protest job discrimination & degrading commercials in petitions to FCC (p. 5).

**TV CODE ADDS SPICE TO NAB SESSIONS:** There'll be plenty to talk about when NAB Boards meet this week in LaQuinta, Cal. —and as usual govt. actions, threats of action, and lack of action, likely will get major attention, though strictly industry matters won't be shunted aside. TV Code Board recommendations, approved at special meeting in N.Y. last week, on tightening up of time standards (see below) is one example. Another is NAB reorganization now underway with appointment of 3 exec. vps 10 days ago (Vol. 11:2 p2)—sure to get lengthy discussion and provoke some controversy. Then there's the problem of an over-taxed NAB budget of about \$3.25 million.

Though there'll undoubtedly be a radio vs. TV confrontation or 2 (cigaretts, for example), NAB hierarchy is encouraged because there have been no threats by dissident radio operators to form separate trade association as there were before last 3-4 semiannual Board meetings. "That one is buried for a long, long time, if not forever," Radio Board director—who year ago was sympathetic to complaints of separatists—told us last week.

TV Code Board has placed several controversial proposals before parent TV Board for ratification this week. One—which is likely to be defeated because of fear it would cost NAB several dozen TV members—would make it mandatory for TV stations which belong to NAB also to subscribe

### Consumer Electronics

**FULL 1970 SALES FIGURES** show color at 4,821,505 domestic-label sets, down 12.7% from 1969, monochrome down 8.6%; year-end recovery saw brightest month in Dec. (p. 8).

**RCA, EMERSON WORKERS** seek aid to offset job losses attributed to increased TV imports; IUE petition covering RCA Memphis employees to be filed this week; Nov. imports put 11-month TV total past 4-million mark (pp. 8 & 13).

**MAGNAVOX TV MARKET SHARE** in dollars—color & monochrome—rose from 8.5% in 1967 to 10.5% in 1969, new figures indicate, showing gain of 24% in TV sales from 1967 to 1968 (p. 9).

**FTC SCHEDULES HEARING** on amplifier power rules, prescribing RMS power output in watts per channel as standard (pp. 10 & 12).

**MUTER TALKS MERGER** with Potter-Englewood; Castagna Electronics buys interest in developer of home sound movie system; other mergers (p. 11).

**MCCORMICK PLACE STEALS SHOW** from housewares; new hall ruled success despite shakedown woes; Panasonic unveils first 16V" Japan color portable (p. 11).

**LOWER COLOR PRICES** in home market ordered by Japan's MITI; powerful agency demands sharp reduction in domestic marketing expenses in move which could effect dumping case here (p. 14).



to Code. NAB has 542 TV members; Code has 404 subscribers (including some—such as Taft stations—which don't belong to NAB); thus, proposed requirement would have impact on about 150 TV stations—including several large groups—which represent about 20% of NAB's TV income. "This is hardly the time to take such an action, when our next budget already is overspent and spending restrictions have been placed on the staff," TV director told us.

Countered member of Code Board: "The recommendation was unanimous. We don't expect it to go through next week, but if the Code is ever to mean anything, NAB & Code membership must become synonymous. We know the NAB would lose a lot of members, but the step must be made eventually to give the Code some authority."

Among changes proposed in time standards—with ABC opposing on every vote, and CBS or NBC abstaining several times: (1) Extend prime time from 3 to 3-1/2 hours. Vote was 6-2 (ABC & NBC), CBS abstaining. (2) Reduce commercial time in prime time from 10 min. & 20 sec. to 9-1/2 min. (ABC no, CBS abstained). Motion to allow only 9 min. commercial time was defeated 5-3 with Code Dirs. Mike Shapiro, Thad Sandstrom & Charles Batson in favor. (3) Restrict consecutive commercial announcements to 4 (3 during station breaks) passed 7-1-1 (NBC abstained). (4) Approved counting billboards & promotions (except for programs in which they appear) as commercial time; public service spots wouldn't count. (5) Approved limiting credits to 40 sec., and all credit time over 30 sec. would count as commercial.

Task force of Code Board will be continued to study feasibility of placing limit on number of commercial "messages" (as distinguished from minutes) per hour and a novel "prime time 2" concept. It would consist of the 2-1/2 hours between 6 p. m. & midnight not designated as prime time by Code subscriber. Plan is to permit commercials in this period somewhere between 9-1/2 min. and 16 min. & 20 sec. allowed in all other time periods.

TV Board also faces sticky issue of what to do about continuing problem of Preparation H commercials, now banned on Code stations. At Dec. meeting, Code Board split 4-4 on issue and instructed Chmn. Robert Ferguson to refer matter to big Board.

NAB Joint Board meets Jan. 19 & 22; TV Board Jan. 20; Radio Board Jan. 21—and they'll be operating for first time under resolution passed in June which requires that record votes be kept and made available to NAB members upon request. In past, minutes haven't included record of how individual directors voted unless member requested that his vote be recorded.

Convention Committee meets Tues.—prior to Joint Board session—to pick Distinguished Service Award recipient at 1971 convention. Favorite is Ward Quaal, WGN-TV-AM Chicago. Others considered by some to be serious nominees are CBS's Walter Cronkite, KLZ-TV's Hugh Terry, recently-retired Group W Washington Vp Joseph Baudino, ex-NAB Pres. Neville Miller, ex-NAB Chmn. William Quarton, entertainer Jack Benny. Among others before Convention Committee: Spiro T. Agnew, Vincent Wasilewski, Joan Cooney, Roone Aldredge, Robert D. Wood, Gordon McLendon, Pauline Frederick, Captain Kangaroo. Committee & Board are expected to ratify Houston as site for 1974 convention. Exec. Committee looked over facilities 2 weeks ago, was impressed.

Considering whether fall conferences should be continued, Exec. Committee is badly split. Last year's conferences were something less than rousing success, and Exec. Committee in Nov. directed staff to re-evaluate need (Vol. 10:45 p5). Staff recommended they be continued at least this year, but Committee couldn't make up collective mind, will throw matter to Board.

**ESTIMATING COSTS OF BROADBAND CABLE SYSTEM:** That Broadband Communications Network (BCN) project put together by A.D. Little Inc. (ADL) (Vol. 11:1 p4) keeps throwing off facts & figures like sparks off an emery wheel—though project is still in first phase of 3. (Phase I is determination of marketing demand, software availability, cost estimates. Phase II is planning for operation of pilot system, probably involving 10,000 homes. Phase III is actual operation.)

We presented a few preliminary marketing-survey findings last week. This week, we've learned about some tentative cost estimates, offer them below. By the way, some sponsors of project are trying to keep wraps on project, while others are eager to show rest of industry what's going on—in belief whole concept will get lift from broader knowledge & participation. Some 20-plus outfits have



put up \$12,500 each for Phase I. We've reported 17 of them, but ADL won't confirm whether we're right: Magnavox, N.Y. Times, L.A. Times-Mirror, TV Communications, ATC, Control Data, Honeywell, Harriscope, IBM, Merrill Lynch, Dow Jones, American Express, Canadian Pacific, Eastman, Motorola, Sylvania, Vikoa.

One table of costs put together by ADL—and it's emphasized these are preliminary and come with a lot of explanatory notes outlining limitations—covers estimated capital & annual operating costs of head-end & cable distribution systems of various kinds. Table below is aimed at 1972-75 time period, assumes 10,000-subscriber, 24-channel system. It offers cost per subscriber for still-frame-system only, for "narrative" (moving display) system and for combination of the 2:

	Head End		Cable		Local Terminal		Total	
	Capital	Ann.	Capital	Ann.	Capital	Ann.	Capital	Ann.
<b>Still-Frame Only</b>								
A. Without hard copy.								
With silicone image storage.	\$25-63	\$7-9	\$330	—	\$250-400	\$20-40	\$610-790	\$50
B. With hard copy.								
With alphanumeric storage.	25-63	7-9	330	—	490-525	40	850-1020	60
<b>Narrative Only</b>								
A. Without VTR	300	210	230	25	—	—	530	25
B. With VTR	300	210	230	25	—	—	1030	290
<b>Narrative and Still-Frame</b>								
A. With hard copy, alphanumeric storage & VTR.	330-360	220	330	25	590-1025	100	1250-1720	350

Another interesting summary is the estimated investment for local cable distribution network alone—comparing 3 kinds of systems: Frequency Division Multiplex (FDM), which is conventional CATV; Space Division Multiplex (SDM), which is system such as Rediffusion's "Dial-a-Program"; Hybrid (HYB) combination of FDM & SDM. Table below shows cost per subscriber for each technique, for systems with channel capacity of 24, 48, 120 & 240—with penetration assumptions of 100%, 75%, 50% & 25%:

Penetration NO. CH.	100%			75%			50%			25%		
	FDM	SDM	HYB	FDM	SDM	HYB	FDM	SDM	HYB	FDM	SDM	HYB
24	\$215	\$221	\$279	\$234	\$255	\$333	\$273	\$323	\$440	\$390	\$524	\$759
48	264	253	365	292	296	445	349	382	606	520	639	1087
120	408	345	609	463	416	768	576	558	1087	909	982	2040
240	650	513	1031	751	632	1323	953	870	1905	1559	1581	3653

ADL work also includes extensive analysis of capabilities & costs of all kinds of origination & display gear—still-frame & narrative, permanent & transient: RCA, TeleMation, Ampex, EVR, Telefunken, Decca, California Computer, Data Products, IBM, Marshall Data, Memorex, Peripheral General, Potter Instrument, Telex, Bell & Howell, Eastman, Keuffel & Esser, 3M, Stromberg, Data-graphix, HF Image Systems, Fotomem, Varian Adco, Teletype, Mite, Kleinschmidt, Repco, Motorola, Texas Instrument, NCR, Princeton Electronic, Bell System, Data Disc.

**'TIME-EXCLUSIVITY' PROPOSED BY FCC:** To see whether uhf & CATV are getting fair shake under exclusivity practices, FCC decided to look into "time-exclusivity" in further rulemaking—as forecast in last week's Digest (Vol. 11:2 p1). Vote was close, 3-2, Burch, R.E. Lee & Johnson for, Bartley & Wells against, Houser not participating, H.R. Lee absent.

Commission said it wants to find out whether current exclusivity practices render desirable programs "unduly or inordinately unavailable to other stations and their potential audiences over a long period, and, indeed, unavailable to any viewers while the first station is 'resting' them." It said

present system is "markedly" in favor of vhfs, against uhfs, and it says practice may be "unnecessary for the well-being of the copyright owner, broadcaster or advertiser, and markedly inhibits the development of the origination capabilities of CATV."

No specific rules are proposed, and Commission emphasizes it hasn't reached final or tentative conclusions. It said it wants comments on ideas such as: No exclusivity, short periods, no exclusivity against uhfs or CATVs, tailoring program prices to audience size, etc. It's understood prime mover behind proposal is Henry Geller, asst. to chmn., former gen. counsel. Comments are due March 3, replies April 5.

**ETV GETS FULL \$11 MILLION:** All those cards & letters from irate congressmen & educational broadcasters finally paid off, and HEW announced last week it's now processing applications for ETV-radio facilities grants, will spend full \$11 million matching funds appropriated by Congress. While NABE Pres. Chalmers Marquis called appropriation "respectable" (\$15 million was authorized and application backlog is about \$43 million), he thinks days of watching public broadcasting simmer on back burner are over at HEW—thanks to new personnel with better understanding of industry's problems.

"I'm convinced this is the real thing," Marquis said. Previously there had been little contact between HEW & Budget Bureau concerning public broadcasting, resulting in budgets "carried over" from one year to next. "Now there are staff members [at HEW] who really know what the facts are," he said. "Before, these people just didn't exist... There was no one to tell anyone about the gap, about what the world really looked like."

Announcement that full \$11 million would be spent came in telegram from Asst. Secy. James Cardwell to several congressmen, many of whom had brought unprecedented pressure to dissuade HEW from limiting spending to \$4 million. Cardwell said money will start to roll "in the very near future." We're told grants will start this week, total to be spent in 6 months.

**CBS expects "difficult year"** in 1971, but "better than most expect," while over long term "things are very rosy." That was consensus of about 80 executives from CBS Bcstg. Group after "think-tank" meeting at Miami Beach's Doral Country Club Jan. 9-10. Group Pres. Richard Jencks said meeting was held to "bring us closer together as people," to get to know & understand problems & assets of Group. Similar meeting was held in N.J. in early '60s; more are planned. CBS executives spent much time repudiating "doom & gloom" predictions about networks in print, particularly recent 2-part article in TV Guide (see p. 5). Jencks pledged that CBS is in radio ownership and network operation to stay. CBS Inc. Pres. Frank Stanton spoke informally to group at Jan. 9 dinner.

**Major reorganization** of Executive Branch of govt., which President Nixon will ask 92nd Congress to approve, will result in "practically no change at the FCC or the way it does business," White House source told us last week. But, he said, Nixon definitely will push for major changes affecting several Cabinet-level depts.

"Cable TV—Birth of a New Giant?" titles article in Kiplinger's Changing Times magazine for Nov., 3rd in series on growth industries. Article is mostly descriptive of industry, includes upbeat interview with Richard Kershner of investment firm Drexel Harriman Ripley.

**FCC's prime-time access rule** provides "an unequalled opportunity for the TV stations of this country to prepare themselves to meet the known eventuality of a wired nation," TeleCom Chmn. Herb Jacobs told Harvard Club Radio-TV Research Council in N.Y. last week. "It is a recognition of the industry's need to expand & service the public's insatiable program appetite... It is the weaning of America from its bland pabulum diet... To fulfill these demands the TV set must & will be made to perform at its full capacity as a total home communications center." Jacobs said announcements by networks of what half-hour they plan to return to affiliates (CBS has said 10:30-11 p.m.; NBC & ABC 7:30-8 p.m.) "are no more than preliminary pussy-footing to try and ascertain the other guy's thinking, and to allay any suspicions that the FCC or Dept. of Justice may have regarding... collusion along Black Rock Row. We expect everyone to start & finish together, and feel the 8-11 p.m. period will get the call. Not because the networks favor it, but because the largest contingent of their affiliates, located in the Central Time Zone, are already having loud & clear fits about the prospect of twiddling their thumbs at 9:30 p.m." with end of network service.

**Only last-minute intervention** by White House & FCC officials persuaded networks to make radio coverage of recent "Conversation with President" available to independent stations. Pooled networks had insisted on hour delay by independents, claiming program was network production. Westinghouse Bcstg. Pres. Donald McGannon protested to White House aides Ronald Ziegler & Herbert Klein, finally got clearance for Group W radio stations to carry it live only couple hours before it was aired.

**Candidates for FCC chief engineer**, to succeed late William Watkins, include following—self-propelled and/or pushed by friends: Raymond Spence, acting chief engineer; Curtis Plummer, chief of Field Engineering Bureau and former chief engineer; A. Prose Walker, consulting engineer; Harold Kassens, chief, Rules & Standards Div.; Phyll Horne, asst. to chmn.

**Schering-Plough merger**, involving latter's AM-FM stations in Boston, Chicago, Memphis & Atlanta, should carry transfer fee of \$145,000, according to FCC staff recommendations. It's based on fair value of stations and the 60.7% held by Schering stockholders in merged company.

**Cable originations log-keeping**, almost identical with station requirements, is proposed by FCC in rule-making, as expected, comments due Feb. 22, replies March 4. Generally speaking, it's expected CATVs will gradually be subjected to same rules applicable to stations whenever systems perform similar functions.



**WOMEN SCORN TV 'IMAGE':** Women's lib groups are zeroing in on FCC, demanding it end "invidious discrimination" against women in programming & hiring. Principal group leading fight is National Organization of Women (NOW), which has been monitoring network programs and will hand over findings of discrimination to Commission.

NOW is demanding Commission amend non-discrimination rule by adding women to "categories of persons deserving affirmative protection" in hiring, promotions, training, wages, etc. About 10 organizations have filed petitions backing NOW, including: ACLU, ADA, NCCB, YWCA, Church of Christ, National Council of Jewish Women, Commission on Human Rights, women's rights branch of American Newspaper Guild, Columbia Women's Liberation and many student groups.

TV ads most offensive to NOW are those for cars, cigarettes & deodorants. "The men always appear in some kind of uniform or suit to tell women what to take or use," said NOW spokeswoman. Particularly irritating are deodorant ads that imply "there's something nasty about the way women smell," while men's deodorants emphasize appeal of "the truly rugged man."

(Note: Washington's National Press Club, men-only since start in 1908, voted 227-56 Jan. 15 to admit women. Right after vote, 4 women reporters were escorted into bar and served beer. Grumped veteran club bartender: "Here you are, and I hope you choke on it.")

**NAEB is conducting** "the most far-reaching" program it has ever attempted—to train educational broadcasters in professional development. Management course in supervision (\$175 for tuition & living expenses, \$95 tuition only) is offered April 2-5 in New Orleans, April 12-15 in San Francisco. Legal Issues for Management (\$55 or \$25): Feb. 11, Washington; Feb. 22, San Diego. Instructional Design (\$270 or \$145): Jan. 10-15, Jacksonville; Jan. 24-29, Seattle; Feb. 14-19, Washington; March 14-19, San Antonio; March 28-April 2, Des Moines; April 18-23, Sacramento. Operation & Maintenance of Helical Scan Video Tape Recorders (\$165 or \$85): Jan. 17-20 Atlanta; April 12-15, San Francisco. Remote Lighting Procedures for TV (\$155 or \$75): "On demand." Details: NAEB, 1346 Connecticut Ave. NW, Washington 20036.

**Return to TV advertising patterns of 1950's**—where sponsors favored full & partial program sponsorship over 30-60 sec. participations—is predicted by NBC-TV Pres. Donald Durgin. "The advertiser who is clearly identified with a program that entertains or informs people has a running headstart on the competition," he told Chicago Bcst. Ad Club. Fragmentation of advertisers' messages through emphasis on 30s makes it "harder & harder" to have impact on viewers, he said, emphasizing NBC "would remain responsive to the demands of the marketplace [by offering] 30s as long as they are wanted."

**Tulsa Cable TV was selected** unanimously for city CATV franchise by Board of Commissioners, subject to finalization of ordinance by City Commission. Selectee comprises 3 general partners—LVO Cable, Williams Bros. (pipeline engineering) & William D. Swanson—plus 6 individuals who are limited partners. LVO Pres. Wayne Swearingen said system will cost \$10 million, have 27-channel potential and 2-way capability at key points in city.

**WHDH-TV Boston case**—last week's round (Vol. 11:2 p5): Boston Bcstrs. Inc. (BBI), which won Ch. 5 from WHDH-TV in FCC decision, cited U.S. Supreme Court precedents to argue that it's illegal to probe Comr. Wadsworth's reason for voting against WHDH and for BBI unless there's evidence of fraud or bias—and BBI said there's none in case. BBI also stated that Wadsworth consistently voted against concentration of control in previous comparative cases—even though he said he voted against WHDH solely because of ex parte reasons, according to magazine report. BBI cited several Supreme Court pronouncements, including: "A judgment is a solemn record. It should not lightly be disturbed, and ought never to be overthrown or limited by the oral testimony of a judge or juror of what he had in mind at the time of the decision." BBI stated: "To permit WHDH to use Mr. Wadsworth's instinctive response to its slanderous attack as a springboard to engage in an illegal search of the reasoning processes of participating commissioners would be outrageous, and would constitute an invitation to every disgruntled losing applicant to attack the integrity of participating commissioners until they are forced to defend themselves with a public statement." Charles River Civic TV, a loser in Ch. 5 decision, also has petitioned FCC to investigate Wadsworth aspect of case.

**"Most noteworthy"** developments of fall 1970 TV season were "ABC's emergence as a full-fledged competitor and the increasing reliance by all networks on the individual viewer, rather than household, ratings for both scheduling & selling time." This is conclusion of Foote, Cone & Belding in study of network performance—and mid-season program cancellations—based on Nielsen reports for Nov. 9-Dec. 6. ABC is very strong among younger viewers and "is not the '3rd network' any longer," FC&B states. Noting that ratings for 3 shows NBC dropped were as strong among young viewers as among older, agency concludes NBC's plan is "to attract to an even greater degree than at present the older viewers. [This] seems on the surface to be less than sensible since it runs counter to the universally popular appeal to youth. But with ABC carving out a secure niche among younger viewers and CBS trying to appeal to everyone, NBC can be in the number one position among the older viewers."

**Broadcast problems**—business & legal—are subject of seminars by Practising Law Institute, with cooperation of NAB: Feb 26-27, Shelburne Murray Hill Hotel, N. Y.; March 26-27, Water Tower Hyatt House, Chicago. Participants: Harry Olsson, John Appel & Donald Clancy, CBS; Corydon Dunham & Herminio Traviesas, NBC; Jerome Boros, Hyman Bucher, Robert Coll, Kenneth Cox & Richard Schmidt, attorneys. Details: 1133 Ave. of Americas, N. Y. 10036.

**Gloom-&-doom 2-part article** on TV networks in Jan. 9 & 16 TV Guide, by staffer Richard Doan, concludes: "Are the networks in their twilight? Answer: Certainly not yet—but they may be past high noon." Article examines programs, costs, sales, cigarettes, cable, cassettes, advertising effectiveness, govt. restraints, off-record & on-record comments of network officials, etc.

**Cable 10, manufacturers' rep,** takes on: Systems Engineering, Sylacauga, Ala.; Cable Spinning Equipment Co., Topeka; Communication Dynamics Corp., Yonkers; Electroline TV Equipment Corp., Montreal. All are for New England & N. Y., except Electroline which is New England only.



## Personals

**Curtis Messenger** promoted to vp & gen. mgr., Time-Life Bcst. . . **Robert Mace**, vp, secy. & gen. counsel, Avco Bcstg., elected a dir. . . **Murray Topham**, KTAR-TV Phoenix, and **Richard Fletcher**, named vps, parent Combined Communications. . . **William Orr** promoted to vp & engineering dir., WBNS-TV-AM-FM Columbus, O., succeeding **Lester Nafziger**, retired.

**George S. Smith**, legal aide to FCC Comr. R. E. Lee and ex-chief of Broadcast Bureau, also former FCBA pres. when in private practice, retires Jan. 31; he'll be succeeded as Lee's assistant by **Sidney Goldman** of Western Union, formerly in FCC Common Carrier Bureau. . . **Charles Tobin** promoted to FTC secy., succeeding **Joseph Shea**, retired.

**Edmund C. Bunker**, KFI(AM) L.A. pres., withdraws from 4-way contest for Class A dir. on NAB Radio Board, supports incumbent **Andrew Ockershausen**, WMAL-AM Washington. . . **Malcolm (Mac) Burleson**, Metromedia vp for engineering & facilities, resigns to form Burleson Assoc. Inc., engineering consultant for broadcasting & CATV, 5151 Wisconsin Ave., Washington 20016. Phone: 202-244-2345.

**Robert Owens** elevated to vp & mktg. dir. in realignment of ARB's exec. mktg. staff in N.Y.; **Norman Hecht**, to vp & market analysis dir.; **William Shafer**, broadcaster mktg. vp; **Alain Tessier**, vp/agency & advertiser mktg.; **Richard Glaspell**, promoted to mktg. services mgr., Beltsville, Md.

**Ronald Bain** promoted to CBS-TV sports dir., succeeding **Ira Beal**, now with Berger & Berger law firm, N.Y. . . **William Davis**, ex-United Planning Organization, Washington, named manpower training systems dir., CBS Schools. . . **Darrell Anderson**, ex-KGO-TV San Francisco, named N.Y. sales mgr., ABC-TV Spot Sales.

**Bart Schofield**, ex-Savalli/Gates, joins Avery-Knodel, N.Y. . . **Edward Zachary Jr.**, promoted to gen. sales mgr., WOW-TV Omaha. . . **Robert Fishman**, ex-WNHC-TV New Haven, named sales mgr., WPHL-TV Philadelphia. . . **George Johnson**, ex-gen. mgr., WKYT-TV Lexington, Ky., named gen. sales mgr., WDRB-TV Louisville, which has late Feb. air date.

**Weldon Donaldson** elevated to local sales mgr., KFMB-TV San Diego. . . **James Ford**, national sales mgr., WMAL-TV Washington, shifts to local sales mgr.; **Rich Livingston**, ex-Dave Herman Assoc. advertising, named sales promotion & development mgr., WMAL-TV-AM-FM.

**George Plous** promoted to client & sales development dir., CBS-TV stations National Sales. . . **Edward Whitney**, ex-Entron pres. & NCTA exec. dir. from 1957-61, named CATV div. vp, Hamilton-Landis; **Milton Ford**, ex-pres., WTID-AM-FM Norfolk, named northeast vp.

**Andrew Jaeger**, pres. & gen. sales mgr., Allied Artists TV, promoted to vp, parent Allied Artists Pictures. . . **Grant Tinker** resigns as programs vp, 20th Century Fox TV, to become independent producer. . . **Sid Weiner** elevated to syndication sales administration dir., Screen Gems; **Joe Abruscato**, to assoc. dir.

**Brian Doherty**, ex-Vikoa, named gen. mgr.,

Columbia Cable N.J. operations. . . **Bert Dann** promoted to video products engineering mgr., International Video.

Former Sen. **George Murphy** (R-Cal.) named special counselor to H&K Washington Consultants, affiliate of Hill & Knowlton. . . **William Lamb** promoted to senior vp & corporate affairs dir., newly formed Educational Bcstg. Corp. (EBC), N.Y. . . **Martin Votaw** elevated to asst. vp, Comsat.

**Ted Anderson** promoted to distributor sales & OEM Accounts mgr., TeleMation, succeeding **Ray Unrath**, resigned. . . **Tom LaFourcade** promoted to Southern Cal. mgr., Nation Wide Cablevision. . . **Richard Flore**, ex-Electromagnetic Radiation Labs pres., promoted to mgr., Ampex RF Systems dept., succeeding **George Townsend**, now dept. consultant.

**Herbert Winawer**, ex-NBC Radio sales, named account exec., Videorecord Corp. of America. . . **Irwin Rochman** upped to business & legal affairs vp, Columbia Pictures' educational films subsidiary, Learning Corp. of America.

**Children's programming**, network affiliations and role of advertiser in programming will be featured at National Assn. of TV Program Executives conference Feb. 17-19 in Houston. NATPE also plans "man of the year" award, will honor individual station efforts in 8 program categories. Formal speeches had been banned from last 3 conferences, but NATPE Pres. Herbert Victor, KGO-TV San Francisco, said they'll be resumed this year.

**Headliners at AAF** govt. affairs conference Feb. 1-2 in Washington Hilton include FCC Chmn. Dean Burch; FTC Chmn. Miles Kirkpatrick; Virginia Knauer, White House assistant for consumer affairs; AAF Chmn. Victor Etling; AAF Pres. Howard Bell; NBC correspondent John Chancellor; Rep. John Buchanan (R-Ala.). Panels are planned on political advertising, legal aspects of advertising, news, legislation.

**Rep appointments:** WXIX-TV Cincinnati names Metro TV Sales; KIRO-TV Seattle appoints Tacher Co. regional rep; Westinghouse Bcstg. selects Independent Communications Sales Ltd. (Bushnell Communications subsidiary) Canadian rep for its 5 TV stations.

**Detailed analysis** of how weather effects microwave signals is available from FCC research div. (No. R-7003). Study of precipitation & off-path scatter interference (POPSI) was conducted 1966-67 with Air Force, Coast Guard, FAA & NASA.

**First TelePrompter** CATV system to use new RCA color-origination equipment—part of \$1 million purchase by TPT—Eugene-Springfield, Ore. It has 2 PK-730 cameras in studio, 2 in mobile unit, started with one hour of origination daily.

## Obituary

**Albert L. Warner**, 67, pioneer radio newsman & retired editor of U.S. News & World Report, died Jan. 11 in Washington after long illness. His radio career began in 1939 as first Washington correspondent for CBS. He was a founder of Radio Correspondents Assn., helped open Congress to radio coverage. In 1940 he received first annual SDX radio news writing award. He later served with MBS, NBC & ABC before joining U.S. News in 1956. Wife, 2 sons survive.



**N. Y. state CATV regulation**, as recommended by PSC (Vol. 11:2 p6) provoked considerably less than enthusiasm from cable operators. For example, TV Communications Pres. Alfred Stern said: "No industry can function under 3 layers of regulation—local, state & federal. CATV cannot serve 3 masters and still adequately serve the public... Hopefully the [PSC proposal], the first by a major state, will prompt the FCC to... move forward with federal regulation." Said TelePrompTer Pres. Irving Kahn: "Totally inconsistent with the FCC's stated position. And when has PUC regulation done anything? In Connecticut, after about 10 years, there still isn't a foot of cable. In Rhode Island, all the systems together don't amount to one little system. In Nevada, there's been no growth since regulation started. It's an effort to stifle a jet airplane with a horse & buggy bridle. It's inconceivable that Rockefeller would buy the idea. The PSC was largely influenced by the status quo telephone industry."

**Vikoa is chalking off its trip** into entertainment field as bad dream, getting rid of Steve Krantz Productions, writing off its losses of \$3.2 million after taxes. Vikoa lost \$701,000 in 9 months to Sept. 1970. The write-off will bring total 1970 after-tax loss to about \$5 million (\$2.17 per share), company stated. Steve Krantz has resigned from Vikoa, and Entertainment Div. will be turned over to new company he's forming. Vikoa Pres. Ted Baum told us other divisions are operating profitably, "though manufacturing isn't up to snuff—what with price-cutting and copper prices." He said Telaction Div., which makes internal business communications systems, is "very profitable" and that CATV system operations are "somewhat profitable—but nothing to write home about." Prospects for this year, he said, depend largely on easing of restrictions on CATV by FCC—though "loosening of money could improve prospects."

**Status is quo on N. Y. transmitting-antenna front**, largely because of weather. There was some anticipation that N. Y. Port Authority (PA) would attempt to pull out of deal to relocate N. Y. TV transmitters & antennas to its 110-story World Trade Center Bldg. last week on grounds that predicted interference to transmissions from Empire State Bldg. hadn't shown up (Vol. 10:51 p5). However, vital construction on new building has been virtually stalled for last few weeks as result of cold weather. Aluminum skin on north tower remains at 73rd-floor (876-ft.) level; broadcasters expect serious interference to show up when it reaches 1,100-ft. level. Last week was considered crucial since today (Jan. 18) is one of graduated cancellation deadlines in PA's antenna-mast contract with RCA. Next deadline is Feb. 18. PA spokesman has said "re-evaluation" would occur when skin reached 1,100-ft. level.

**One of largest FCC fines** (\$20,000) has been levied against Howard W. Davis, owner & gen. mgr. of KMAC (AM) & KISS(FM) San Antonio, for "repeated technical violations." FCC said Davis has for years failed to employ competent engineers, noted faulty adjustment of DA, failure to operate with proper power. Commission voted 4-1 not to accept Dec. 1969 findings of Examiner Charles Frederick, who recommended \$2,000 fine. FCC extended both renewals until Aug. 1, 1971. Largest fine to date was \$30,000 against Bartell Media in Oct. 1969—\$10,000 each for AMs WOKY Milwaukee, WADO N. Y. & KCBQ San Diego—for unauthorized transfer of control in dealings with Downe Communications (Vol. 9:40 p5).

## WEEKLY Television Digest

with  
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**Biggest closed-circuit TV project in history** is planned for Frazier-Ali heavyweight championship fight March 8 by Management TV Systems Inc. (MTS), which has been named international network mgr. by Chartwell Artists, which holds ancillary rights to bout. MTS Chmn. E. William Henry, ex-FCC chmn., says CCTV network may include as many as 750 locations—"more outlets than all TV network affiliates combined." All available projection TV equipment will be rounded up for occasion. Origination will be in color, relayed by satellite all over world; some foreign countries will use CCTV, others delayed free broadcast. Fight will not be carried in U.S. on radio or delayed TV, according to Chartwell, which paid \$5 million for rights.

**European color set distribution**, as reported by European Bcstg. Union (totals are as of Nov. 1970 except where otherwise noted; figures in parentheses are totals as reported in Television Factbook No. 40, approximately a year ago): Austria 35,000 (4,500); Belgium 5,000 (zero); Denmark 35,000 (5,300); Finland 3,000 (zero); France 400,000 (80,000); W. Germany 1,500,000 (850,000); Ireland 2,000 (zero); Japan June 30, 1970, 4,646,856 (3,000,000); Netherlands 150,000-250,000 (110,000); Norway 3-4,000 (1,200); Spain 1,000 (zero); Sweden 150,000 (110,000); Switzerland June 30, 1970, 58,280 (30,000); Yugoslavia 5,000 (zero).

**NBC News** will take unusual step Jan. 22 by discussing major part of President Nixon's State of Union message just before he makes it. "The Welfare Plan: An Explanation" featuring interview with former Presidential aide Daniel Moynihan will be aired during half-hour preceeding Nixon's 9 p.m. telecast. NBC News Pres. Reuven Frank compared it to "program notes" explaining structure "without telling you whether you are supposed to like it or not. That's your business."

**Twice bombed KPFT(FM) Houston** has been given FCC emergency authorization to build & operate at new site.

# Consumer Electronics®

*A Section of Television Digest with Consumer Electronics*

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

**IT COULD HAVE BEEN WORSE:** Here are final domestic-label EIA distributor-to-dealer sales figures for 1970 compared with 1969 & 1968:

Product	1970	1969	% chg.	1968*
Total TV. . . . .	9,368,113	10,498,745	-10.8	11,377,936
color . . . . .	4,821,505	5,523,752	-12.7	5,827,063
monochrome . . . . .	4,546,608	4,974,993	- 8.6	5,550,873
Home radio . . . . .	7,982,897	9,712,699	-17.8	11,801,872
Total phono . . . . .	4,105,796	5,069,366	-19.0	5,508,420
portable-table . . . . .	3,019,245	3,711,792	-18.7	3,945,133
console . . . . .	1,086,551	1,357,574	-20.0	1,563,287

\*53 weeks

Virtually all product categories made some year-end recovery in comparison with 1969. Dec., in fact, was year's brightest month in increases over 1969—total TV up 13.4%, color up 17.5%, mono up 8.9%, total phonos up 6.2%, portable-table up 11.9%. Declines in Dec. were registered by home radio (down 0.4%) & console phonos (8.4%). Dec. was best month of year in sales of both portable & console phonos, 2nd best (to Sept.) for all other products.

Dec. itself ended with smashing final week—color TV up about 52% from year earlier, mono up close to 25%, home radio up 26%, console phonos up 8%, portable-table about even with last year. Color TV sales showed increases in 11 of year's final 15 weeks, monochrome in 10 of last 15, portable-table phonos in 8 of final 12.

Official release of final week's figures (included in tabulation above) has been held up for one week by EIA because of holiday delays. Full-year figures above are final & official; we'll print final Dec. week's sales next week in our State of the Industry box.

**RCA, EMERSON WORKERS SEEK IMPORT AID:** Import injury adjustment assistance is being sought for displaced workers at RCA & Emerson consumer electronics plants. Petitions asking that those employes be declared eligible for such aid are being filed by IUE (AFL-CIO) with Tariff Commission.

First union filing, expected later this week, will involve former employes at RCA's phased-out Memphis b&w TV plant. Modern 4-year-old facility was shut last year because, company said, RCA couldn't "justify economically the excess capacity" (Vol. 10:50 p11). Emerson's Jersey City plant halted operations after Emerson parent NUE contracted to have entire TV line supplied by Admiral. In \$360 million antitrust suit filed against Japanese TV manufacturers, NUE claims that unfair import competition forced shutdown (Vol. 10:52 p8). IUE spokesman said no date for Emerson employe filing has been set.

Cases are first involving domestic TV industry. To find workers eligible for aid in form of re-training & relocation allowances, extended unemployment benefits, etc., Commission must rule that concessions granted by U.S. negotiators resulted in increased imports and lost workers' jobs. In past cases involving consumer electronics firms, Commission: (1) Found workers at Lear Jet Stereo's Detroit plant ineligible for aid (Vol. 10:50 p9). (2) Deadlocked 2-2 on eligibility of hi-fi producer H. H. Scott, leaving final verdict to President Nixon (Vol. 11:2 p8).

Major union complaint centers around U.S.-owned foreign export assembly operations, to which, IUE charges, American jobs are being transferred. Growth of such activity is shown in 11-month 1970 U.S. imports of b&w TVs from Hong Kong, Mexico & Taiwan, where "runaway" plants are located. Combined imports from those 3 countries totaled just over 1 million sets, more than were imported

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from those countries in all of 1969 and up 26.5% on comparable-period basis. Taiwan accounted for 766,000 b&w TVs, up 29.3%; Mexico 241,000, up 22.7%; Hong Kong 32,000, off about 1%.

Sharp Nov. color TV import decline dropped cumulative 1970 total behind 1969. Month's color imports were off 19.3% to 85,000, putting 11-month total just under 838,000, off 0.6% from same 1969 period, according to Commerce Dept. Hefty 19.9% increase in month's b&w imports (348,000), pushed 11-month total TV imports past 4 million, up 11%, with full-period b&w shipments at nearly 3.3 million, up 14.5%. For 2nd straight month, TV imports from Japan failed to match year-earlier figures for either color or b&w, putting 11-month results at just under 3 million (up 6.2%), including 792,000 color (off 2.9%) & 2.2 million b&w (up 9.9%). For details on Nov. consumer electronics imports see p. 13.

**MAGNAVOX SALES & PROFIT BREAKOUT:** Magnavox's share of U.S. domestic-label TV dollar sales—color plus monochrome—rose from 8.5% in 1967 to 10.3% in 1968 and 10.5% in 1969, as compiled from hitherto unavailable breakout of company's dollar sales & pre-tax profits.

Figures are derived from listing of major product lines' percentage contributions to net sales & income before tax, as contained in proxy statement sent to shareholders in connection with Magnavox's purchase of mobile-home furnishings firm LaSalle-Deitch Co. for stock currently valued at nearly \$22 million (Vol. 10:47 p11). Applying Magnavox's stated percentages to appropriate sales & profit figures, we reach good approximation of company's year-by-year financial data on consumer electronics products, broken down into TV & "other," latter believed to comprise principally stereo.

Magnavox's dollar sales of TV, as indicated by figures in table below, increased 23.9% from 1967 to 1968 when industry-wide volume rose only 2.6% according to EIA figures, and dipped 3.7% in 1969 when industry volume dropped 6.2%. Company's "other" consumer electronics sales rose 17.4% in 1968, declined 12.6% in 1969.

Although Magnavox continued to diversify outside electronics field, consumer electronics has represented increasing contribution to profits, rising from 73.9% in 1967 to 82.9% in 12 months ended Sept. 30, 1970. Consumer electronics' profit as percentage of sales increased from 14.6% in 1967 to 19.5% in 1968, dipping to 18.9% in 1969 and to 14.9% in 12 months ended Sept. 30, 1970.

Share-of-industry percentages given above were derived by stating Magnavox TV sales in relation to EIA's total domestic-label TV factory sales dollar volume for 1967 (\$2.515 billion), 1968 (\$2.58 billion) & 1969 (\$2.421 billion). Here are approximate sales & profit figures by major product lines, derived from percentage figures published by Magnavox:

#### MAGNAVOX—ESTIMATED SALES & PROFIT BREAKDOWN (Add 000)

NET SALES	1967	%	1968	%	1969	%	12 mo. to 9/30/1970	%
Consumer electronics . . .	\$312,444	63.6	\$380,750	67.0	\$356,303	65.4	\$302,661	61.3
television . . . . .	213,700	43.5	264,820	46.6	254,969	46.8	214,282	43.4
other . . . . .	98,744	20.1	115,930	20.4	101,334	18.6	88,379	17.9
Govt. electronics . . . . .	121,834	24.8	126,159	22.2	120,402	22.1	117,511	23.8
Other . . . . .	56,987	11.6	61,375	10.8	68,101	12.5	73,567	14.9
<b>TOTAL . . . . .</b>	<b>\$491,266</b>	<b>100.0</b>	<b>\$568,283</b>	<b>100.0</b>	<b>\$544,806</b>	<b>100.0</b>	<b>\$493,738</b>	<b>100.0</b>
<b>PRE-TAX INCOME</b>								
Consumer electronics . . . .	\$45,467	73.9	\$74,122	81.9	\$67,398	82.4	\$45,075	82.9
Govt. electronics . . . . .	9,660	15.7	8,688	9.6	7,770	9.5	4,241	7.8
Other . . . . .	6,399	10.4	7,693	8.5	6,625	8.1	5,057	9.3
<b>TOTAL . . . . .</b>	<b>\$61,526</b>	<b>100.0</b>	<b>\$90,503</b>	<b>100.0</b>	<b>\$81,793</b>	<b>100.0</b>	<b>\$54,373</b>	<b>100.0</b>

**Note:** Some columns do not total due to rounding.

Discussing FTC complaint against its marketing practices, proxy statement cites company's new policies (Vol. 10:50 p8), which it says were adopted "in the interests of seeking an amicable accord." Magnavox says it doesn't believe changes "will have a materially adverse effect upon its consumer electronics business."

Breakdown of contributions by all product lines representing 10% or more of total corporate sales or profits is now required in financial filings under new SEC rules, although term "product lines" is subject to differing interpretations. We'll bring you more such analyses of industry firms as breakdowns become available.

**FTC SLATES HEARING ON AMPLIFIER RULES:** FTC started formal proceeding last week for adoption of Trade Regulation Rule governing advertising of amplifier power in "radios, record & tape players, radio-phono and/or tape combinations, component audio amplifiers and the like." It scheduled hearing for April 13 in Washington.

Proposed rule (full text on p. 12) is virtually identical to one of 2 proposals submitted to industry last July (Vol. 10:31 p8)—the rule which most manufacturers preferred. It provides that wherever power is advertised, it must be based on minimum sine-wave continuous RMS power output in watts per channel at specified load impedances, with power band or power frequency response, plus maximum total harmonic distortion (in percentage) at any power level from zero watts to rated power output, based on manufacturer's rating.

Other operating characteristics & specs may also be advertised but what is permissible is carefully prescribed and must be printed in smaller type than the required information. Use of asterisks to give required FTC information is verboten.

EIA and most manufacturers have traditionally favored voluntary standards, but it's universally conceded that no such program worked. EIA's new proposed standards, which cover far more than power output alone, now are scheduled to be finalized in early March. EIA has sounded out entire industry (including non-members & importers), thinks it has acceptable set of standards, is expected to propose self-regulation on basis of these standards as alternative to FTC rule.

One of major objections to proposed FTC rule is potential "ad clutter"—that is, if manufacturer specifies power output at all he must go into long wheeze about load impedances, percentages of distortion, etc. If some form of FTC rule is inevitable (and it probably is), EIA is expected to push for reference to its standards in rule, so that ads may merely specify "20 watts per channel, EIA standard," or the like, since standard would incorporate detailed specifications.

Another sensitive area in FTC rule is Commission's insistence in specifying "watts per channel," in face of universal practice of adding power of both stereo/amplifier channels together. Thus what now would be 100-watt amplifier would be 50-watt-per-channel amplifier—if it meets other rules.

While EIA is expected to oppose rule as such, there are many in industry who feel such govt. supervision is inevitable, if not downright necessary, to permit consumers to compare amplifier power in the same way they can compare, say, cooling power of competing air conditioners (a voluntary standard, but policed by FTC). Amplifier wattage claims today mean virtually nothing, can't be compared, since different measurement methods are used, frequency range & distortion usually aren't mentioned, etc. One of major results of adoption of such a rule probably would be complete elimination of wattage claims for lower-priced equipment. Deadline for written comments and for filing for appearance at hearing is April 6.

**Consumer electronics sales** in 1971 may reasonably be expected to return to 1969 level, says Chase Manhattan Bank in "Electronics Outlook for 1971" (Copies: Technical Services Div., 1 Chase Manhattan Plaza, N.Y.C. 10015). Report forecasts that this year "more aggressive anti-dumping actions by the U.S. will tend to reduce Japanese imports of TV and other consumer products, and U.S. manufacturers will continue to establish their facilities in the Far East & other low-labor-cost areas." It sees consumer confidence returning slowly during year, component market firming as result of low inventories by end users, with offshore parts expansion slowing as U.S. manufacturers become more automated. Anti-dumping actions, bank says, will result in price increases on Japanese products and probable increase in Japanese efforts to penetrate U.S. industrial electronics. European economic slowdown may have adverse impact on U.S. firms, it adds.

**Field callback** of 2,000 automatic 8-track tape player-changers during Christmas selling season had adverse effect on Quatron's profits, reports Pres. Daniel A. Honig. Program was launched because of "excessive" failures in use, he said in shareholders' letter. Firm reported 6-month (to Nov. 30) sales up 250% from same 1969 period to nearly \$2.2 million, with net-before taxes & special items—of \$2,259, as against prior year's loss of \$36,609.

**"Manufacturer suggested retail pricing"** appears in GE TV set ads for first time in several years, promoting company's "Red Tag Values" (12V" b&w portable \$88, b&w 18V" at \$128 and 18V" color at \$358), prices very close to "average retail price" which company uses on distributor price sheets "for guidance purposes only." Current ads note pricing is "subject to fair trade where applicable."



**MUTER TALKS MERGER:** Muter Co., producer of speakers & other components, has opened merger talks with Potter-Englewood. Both are Chicago-based. Over last several years, P-E has acquired several parts makers, including, in 1969, Videocraft Mfg., producer of TV deflection & convergence parts. Same year, Muter & Utah-American called off merger talks.

**Castagna Electronics** has acquired unspecified interest in Optasound, developer of system to make & edit home & industrial sound movies. System can be added to existing cameras for about \$100 or built into new ones for about \$75, requires audio recorder synchronized to camera. Sound is transferred from tape to magnetic track added to film after processing. Optasound Pres. Fred Greenberg said firm would offer processing, with sound dubbing and roll of super-8 film, to consumer for \$6.50. Complete Optasound package, he estimates, could retail for under \$500, including sound camera, sound projector & black box to permit in-home sound transfer. Firm is negotiating for adoption of system by camera manufacturers.

In other merger activity, TRW has agreed to acquire General Battery for TRW shares valued at about \$66 million. . . **Sylvania** has sold hybrid microelectronics operation in Waltham, Mass. to new firm, Composite Microcircuits Inc., for undisclosed cash sum. . . **Aerotron**, Raleigh, completed acquisition, for stock, of Tansitor Electronics, Bennington, Vt. producer of tantalum capacitors. . . **Airco-Speer** announced agreement in principle to sell Canadian subsidiary, Precision Electronic Components, back to founder Arnold Simoni for undisclosed cash sum. PEC produces potentiometers & trimmers. . . **National Lead**, whose Electronics Dept. makes thermistors, has agreed to purchase GE's specialty resistor business, including equipment, inventories & licenses, effective April 1, terms not announced.

"Age of the articulate consumer" demands that industry respond to buying public in terms of both product & ad claims, or risk "a political crusade that could lead to over-reaction," RCA Chmn.-Pres. Robert Sarnoff warned in Jan. 16 speech to Poor Richard Club of Philadelphia, where he was awarded 1971 Gold Medal for distinguished service to fields of information & communication. "Current consumer unrest," said Sarnoff, "is rooted in both real & imagined offenses in the form of overstated claims, poor service, inflated charges and neglected customer needs." He urged business & advertising to work together in self-regulation programs with "sanctions on violators" to avoid govt. regulation. Seller's market, he predicted, "may never be seen again, except in isolated cases," and this change "will lead to better products & services, and to improved market planning."

**Superscope** sold about \$47 million worth of Sony audio recorders & accessories last year, according to Barron's, which sees sales of about \$60 million this year. Marantz hi-fi added about \$8 million in 1970, may hit \$15 million this year, with some \$3 million representing sale of Marantz-brand gear produced by Standard Radio of Japan, publication reports.

**International Components Show** in Paris March 31-April 6 is expected to have 1,000 exhibits from 20 nations, draw 75,000 visitors.

**CHICAGO SHOW:** As it did in 1967, McCormick Place stole show from Housewares Show—last time by burning down (Vol. 7:4 p8), this time by resuming operation. Bigger, better designed and with fewer obstructing pillars than predecessor, rebuilt hall drew praise from visiting VIPs who dismissed such inconveniences as leaking roof and inadequate food facilities as shakedown problems.

Independent exhibit at Hilton, billed as "mini-Consumer Electronics Show" was, as expected, more like bazaar. Major import brands were on view in upstairs suites rather than on show floor where specials, but few real dumps, were common.

New color TV screen size for Japanese manufacturers, 16V" (145 sq. in.) was unveiled by Panasonic in pair of portables, \$324.95 & \$349.95; Sanyo displayed 19V" color portable at \$369.95, for spring delivery, with current color line including 12V" (solid state) \$329.95, 15V" at \$269.95 and pair of 18V" at \$349.95 & \$369.95. Sanyo's 12V" b&w included solid-state at \$119.95, tube models at \$89.95 & \$99.95. Crown offered 9V" b&w TV-FM-AM radio combo at \$159.95, featured unpriced 12V" color portable which caused furor in Japan because of \$166 list (Vol. 10:47 p10 et seq.).

Peerless Telerad used show to promote new private-label importing service for portable consumer electronics. Among notable product introductions: Arvin 8-track tape player-stereo-FM-AM combo \$139.95; Topp Electronics battery portable FM-AM-TV-sound radio \$46.50; Weltron helmet-shaped Space Module, 8-track tape player with stereo-FM-AM, which may either be mounted on swivel base or suspended from ceiling, \$159.95.

**Duty-free importation** of manufactured items from Hong Kong, Taiwan, South Korea, Mexico and other less developed countries (LDCs) will be asked by President Nixon as part of foreign aid package due for submission to Congress in next 90 days. Proposal is being drafted by State Dept. which has been working on it since U.S. joined international LDC preference agreement last year (Vol. 10:42 p9). Inclusion of plan in foreign aid bill is intended to separate issue from more controversial foreign-trade legislation. Even so, duty-free concept is expected to draw heavy fire from import-plagued industries & labor leaders.

**Recorded tape sales** this year will have retail value of about \$593 million, up 19% from 1970, represent 1/3 of total recorded music business, according to Ampex. Firm sees recorded cassettes as fastest-growing market segment, though 8-track is expected to increase market share. Sales for 8-track are predicted to rise 19.5% to \$460 million, 79% of dollar volume; cassette sales up 25% to \$115 million & 18% share, open-reel at \$8 million, unchanged, 3% share. Last year, says Ampex, 8-track had 77% share, cassette 18.4%, reel 3.6%. Four-track tapes, which had \$5 million sales & 1% share last year, are discounted as factor in 1971.

**Ampex's Instavision** cartridge VTR (Vol. 10:36 p8) is being demonstrated to dealers & users in 3-day sessions in 10 cities, running through March 4. Being shown along with Instavision, which is scheduled to be available at midyear for audio-visual market, is new video production series of one-inch helical-scan CCTV recorders.



**FTC AUDIO PROPOSAL:** Text of FTC's proposed Trade Regulation Rule on advertising of power amplifier output of home entertainment products:

### Sec. 1. Scope.

a. This Rule shall apply whenever any power output (in watts or otherwise), power band or power frequency response, or distortion capability or characteristic is represented, either expressly or by implication, in connection with the advertising, sale, or offering for sale, in commerce as "commerce" is defined in the Federal Trade Commission Act, of sound power amplification equipment manufactured or sold for home entertainment purposes, such as for example, radios, record and tape players, radio-phonograph and/or tape combinations, component audio amplifiers and the like.

b. It is an unfair method of competition and an unfair or deceptive act or practice within the meaning of section 5 (a) (1) of the Federal Trade Commission Act (15 U.S.C. §45 (a) (1)) to violate any applicable provision of this Rule.

### Sec. 2. Required disclosures.

Whenever any direct or indirect representation is made of the power output, power band or power frequency response, or distortion characteristics of sound power amplification equipment, the following disclosures shall be made clearly, conspicuously, and more prominently than any other representations or disclosures permitted under this Rule:

a. the manufacturer's rated minimum sine wave continuous RMS power output, in watts, per channel (if the equipment is designed to amplify two or more channels simultaneously)—

(i) for each load impedance required to be disclosed in subsection (b) of this section, when measured with resistive load or loads equal to such (nominal) load impedance or impedances, and

(ii) measured with all associated channels fully driven to rated per channel power;

b. the load impedance or impedances, in ohms, for which the manufacturer intends the equipment to be used by the consumer;

c. the manufacturer's rated power band or power frequency response, in hertz (Hz), for each rated power output required to be disclosed in subsection (a) (i) of this section; and

d. the manufacturer's rated percentage of maximum total harmonic distortion at any power level from zero (0) watts to the rated power output, for each such rated power output and its corresponding rated power band or power frequency response.

### Sec. 3. Optional Disclosures.

Other operating characteristics and technical specifications not required in section 2 of this Rule may be disclosed, provided:

a. any other power output is rated by the manufacturer, is expressed in minimum watts per channel, and such power output representation(s) comply with the provisions of subsections 2 (a) (i) through 2 (d) of section 2; except that if a peak or other instantaneous power rating, such as music power or peak power, is represented under this section, the maximum per-

centage of total harmonic distortion (see subsection 2 (d)) may be disclosed only at such rated output; and provided further that

b. all disclosures or representations made under this section are less conspicuously, and prominently made than the disclosures required in section 2 of this Rule; and

c. the rating and testing methods or standards used in determining such representations are disclosed, are well known and generally recognized by the industry at the time the representation or disclosure is made, are neither intended nor likely to deceive or confuse the consumer, and are not otherwise likely to frustrate the purpose of this Rule.

**Note:** 1. For the purpose of subsection (b) of this Section, optional disclosures will not be considered **less prominent** if they are either bold faced or are more than two-thirds the height of the disclosures required by Section 2.

2. Use of the asterisk in effecting any of the disclosures required by Section 2 and permitted by Section 3 of this Rule shall not be deemed **conspicuous** disclosure.

### Sec. 4. Prohibited Disclosures.

No performance characteristics to which this Rule applies shall be represented or disclosed if they are not obtainable as represented or disclosed when the equipment is operated by the consumer in the usual and normal manner without the use of extraneous aids.

### Sec. 5. Liability for Violation.

If the manufacturer, or in the case of foreign made products, if the importer or domestic sales representative of a foreign manufacturer, of any product covered by this Rule furnishes the information required or permitted under this Rule, then any other seller of the product shall not be deemed to be in violation of Sec. 4 of this Rule due to his reliance upon or transmittal of the written representations of the manufacturer or importer if such seller has been furnished by the manufacturer, importer, or sales representative, a written certification attesting to the accuracy of the representations to which this Rule applies, and provided further that such seller is without actual knowledge of the violation contained in said written certification.

**Holding "quad" trademark,** Acoustical Mfg. Co., England, is urging U.S. industry & press to quit using word generically for 4-channel stereo. Company obtained U.S. registration of word in 1962—for hi-fi equipment including amplifiers, tuners, receivers & speakers. Firm's Washington counsel G. Franklin Rothwell reports favorable reaction to campaign, but says holdouts include RCA Records, Sansui, Telex & 3M. He said RCA takes position that registration may apply to hardware but not to software.

**ServiceAmerica,** RCA's all-brand repair organization, has been designated official warranty repair agency for products sold in U.S. by Crown of Japan. Spokesman for SA said agency has similar agreement with some other firms, was now negotiating for more, but that release of names would be against policy. Such announcements, he said have to come from importers & manufacturers themselves. SA on Jan. 11 opened 3rd branch, in Miami. Others are in Philadelphia & San Francisco.



**NOV. IMPORTS:** Auto radios provided only bright spot for importers in Nov., a month which saw most other items just holding their own or losing ground from same 1969 month, according to Commerce Dept. Nov. also saw first commercial quantity clock-radio imports from Singapore.

Declines were logged in imports of transistor radios (off 4% to about 3.1 million), phonos, radio-phonos &

transceivers. Audio recorder imports were up less than 1% to 738,000; TV posted modest gain (see p. 9). Nearly 1.6 million audio tape instruments were imported in Nov., bringing 11-month total to more than 11.9 million—comparable 1969 results aren't available because of changes in reporting categories. Following are Nov. 1970 imports, with 1969 results for comparison. Where no country-of-origin is indicated, Japan is principal supplier:

## U.S. IMPORTS

	Nov. 1970		Nov. 1969			Nov. 1970		Nov. 1969	
	Units	Value (\$)	Units	Value (\$)		Units	Value (\$)	Units	Value (\$)
Color TV, over 17V"	35,113	6,289,146	88,958	13,615,372	Tr. rad., AM, batt.	872,073	3,485,117	1,297,647	5,630,236
Japan.....	33,594	5,966,512	84,984	12,985,081	Japan.....	203,486	1,347,159	318,021	2,068,538
Taiwan.....	905	153,445	2,396	171,962	Taiwan.....	104,487	399,226	209,366	795,852
Canada.....	614	169,189	1,613	457,900	Hong Kong.....	546,560	1,439,111	700,322	2,522,895
Color, 11-17V"*	46,385	6,781,114	—	—	Tr. rad., batt., other	1,373,418	15,022,395	1,912,537	23,750,668
Japan.....	44,117	6,446,462	—	—	Japan.....	515,418	8,434,470	1,017,898	18,354,593
Taiwan.....	2,268	334,652	—	—	Taiwan.....	202,072	1,877,948	171,924	1,507,420
Color, 10V" & under	3,576	536,334	16,401	2,629,986	Hong Kong.....	582,599	3,864,154	618,666	3,081,792
Japan.....	3,567	534,655	16,401	2,629,986	Auto radio.....	143,528	1,964,176	79,617	1,209,480
B&w TV, over 17V"	86,063	4,962,174	203,844	9,879,366	Transceiver.....	236,461	2,456,203	246,659	1,711,451
Japan.....	38,664	2,252,799	146,502	7,231,096	Radio-phono.....	151,525	4,865,767	155,057	3,602,672
Taiwan.....	10,376	340,277	38,021	1,422,727	Phono, stereo.....	16,341	339,386	11,376	423,100
Mexico.....	36,079	2,273,023	14,952	966,964	Phono, mono.....	11,341	145,805	18,244	349,775
Hong Kong.....	—	—	3,760	190,390	Record changers...	291,031	3,292,739	288,167	3,249,444
B&w, 11-17V"*	180,189	8,337,951	—	—	United Kingdom...	247,013	2,312,123	266,335	2,790,781
Japan.....	114,964	5,494,532	—	—	West Germany....	43,781	977,033	18,586	397,497
Taiwan.....	64,099	2,791,323	—	—	Rcdrs., AC, stereo,	51,381	1,994,113	78,978	4,114,636
Hong Kong.....	1,100	48,400	—	—	cart.....				
B&w, 10V" & under	82,027	3,656,366	86,640	4,448,679	Rcdrs., AC, stereo,	80,954	3,580,663	—	—
Japan.....	58,938	2,720,256	82,037	4,245,847	reel*.....				
Taiwan.....	23,007	930,052	4,103	176,307	Rcdrs., AC, mono,	134,772	2,682,158	106,317	2,023,236
Hong Kong.....	60	2,313	500	26,525	cart.....				
Clock radio*	390,901	4,314,484	—	—	Rcdrs., AC, mono,	30,041	660,232	—	—
Japan.....	195,181	2,460,930	—	—	reel*.....				
Taiwan.....	53,736	681,659	—	—	Rcdrs., batt., cart.	396,693	6,814,631	548,250	9,204,071
Hong Kong.....	89,904	748,975	—	—	reel*.....				
Singapore.....	5,484	41,788	—	—	Rcdrs., batt., reel*	44,537	685,623	—	—
S. Korea.....	14,804	90,380	—	—	Radio-recorders*	163,313	5,797,457	—	—
Tr. rad., AM, AC*	109,602	488,682	—	—	Tp. players, auto...	249,188	5,350,015	289,274	6,718,899
Japan.....	52,244	290,957	—	—	Tp. players, other...	270,646	6,671,104	285,107	7,595,904
Hong Kong.....	37,506	115,850	—	—	Tp. player comb.*...	170,865	7,617,959	—	—
S. Korea.....	10,800	39,006	—	—	Video recorders...	2,746	862,941	682	316,421
Tr. rad., AC, other*	334,303	7,837,548	—	—					
Japan.....	262,569	6,960,014	—	—					
Taiwan.....	30,657	379,177	—	—					
Hong Kong.....	20,226	234,939	—	—					

\*Not reported separately in 1969.

**Distribution notes:** Raymond Rosen & Co., Philadelphia, names RCA Div. Gen. Mgr. Milton D. Roth a vp... Zenith adds Roanoke to area serviced by Persinger Supply Co., Williamson, W. Va., and appoints Elliott-Stull Corp. for Norfolk & Richmond, both replacing Avec Electronics... Teledyne Packard Bell Distribution, L. A. advances F. Clint Gage to gen. mgr... GC Electronics appoints Singer Products Co. as export agent for Europe, South Africa & parts of South America... Zenith N. Y. Gen. Sales Mgr. Herbert L. Block promoted to sales vp... TEAC appoints White Electronic Development for entire Canadian market.

All future 18V" color TV product by Japan's Crown will be solid-state. Initial production of model to retail in Japan for \$225-\$250 will be 3,000 monthly, with gradual increase to as many as 20,000. Firm, which has started producing b&w sets in Korea, has U.S. sales subsidiary in San Francisco, plans branch in Chicago.

Advent Corp. introduces its 2nd speaker system, smaller & lower-priced than original, at \$80, with similar performance characteristics but somewhat lower power-handling characteristics.

**Semiconductor sales** by U.S. factories in 1970's first 10 months totaled nearly 2.9 billion units worth \$1.1 billion, down 5.7% & 3.7% respectively from same year-earlier period, EIA reports. Through Oct. last year, sales of monolithic ICs were 253 million worth \$370.5 million (up 25% & 10.4%), hybrid ICs accounted for 108 million units (down 2.8%) at \$77.3 million (up 13.3%). Also sold were nearly 2.5 billion discrete devices worth \$662.5 million (down 8.1% & 11.5%).

**TV telephone service** is now offered in Japan. Govt.-owned phone company will provide hook-up for monthly fees of \$140-per-mile plus \$87 per terminal. Subscriber uses own TV receiver for viewing. Systems may be simple point-to-point or multiple.

**Black matrix** picture tubes should start showing up in Japanese color TVs later this year. Nippon Electric is investing about \$2.2 million in equipment for Tamagawa color tube plant. Mitsubishi, Sharp & Toshiba are also working on development.

**EIA-Canada** annual convention is set for June 16-18, L'Esterel, Que.

## Trade Personals

**John Ryan** resigns as Emerson TV Sales Corp. sales vp, his plans & successor unannounced... **Louis J. Collins**, ex-RCA, appointed Sylvania Entertainment Products Chicago sales mgr., succeeding **John Arnos**, resigned... **Gershon T. Thalberg**, ex-Audio Magazine & Benjamin Electronics, joins Superscope as gen. mktg. mgr.

**Robert F. Maddocks**, ex-ITT management development dir., rejoins RCA as staff vp, industrial relations planning & evaluation; **R. F. Cook**, ex-RCA Argentina pres., shifts to RCA Canada as vp & Record Div. gen. mgr.; **H. H. Jones** shifts at RCA from Information Systems finance vp to vp-gen. mgr., Magnetic Products Div. of newly formed Computer Systems organization; **Walter Senges**, ex-GTE Sylvania Semiconductor Div., named distributor mktg. mgr., RCA Solid State Div., new post.

**Kaoru Iue** advanced at Sanyo Electric (Japan) from vp to pres., replacing **Yuro Iue**, who becomes chmn... **Leonard H. Roude** named head of new Hitachi Sales (U.S.) eastern office; **Yuzura Kobayashi** named for West, **Toshihide Takeda** for Southwest; additional office opens in Chicago later this year... **Charles W. Gavin**, ex-Toshiba, appointed mktg. vp of Lion Electronics, importer of European stereo consoles... **Donald Brown** named vp-gen. mgr. of Micotron, newly formed Midland International consumer electronics mktg. subsidiary.

**Herbert J. Rowe**, Muter Co. pres., assumes added duties as gen. mgr. of Jensen Mfg. Div., succeeding **Hammond Hunt**, resigned; **Jerry Kalov** advanced to Jensen mktg. mgr... **Michael Donziger**, Griffiths Electronics TV picture tube sales vp, adds duties as Tube Div. gen. mgr... **Motohisa Yumoto** appointed vp-gen. mgr. of Murata Corp. of America, sales subsidiary of Japanese components producer, succeeding **Fred Chanoki**, who returns to parent organization.

**Laurance L. Cross**, former Ampex International, Asia/Hong Kong mgr., appointed Ampex Stereo Tapes Europe gen. mgr... **George R. Sayles** advanced at Car Tapes from vp to exec. vp, finance & operations; named vps were **Ed Swire**, (product development), **Marv Rose** (Midwest operations) & **Richard Herst** (engineering); **Earl Horowitz**, ex-Liberty/United Artists Tape Div., joins as sales dir... **Lee Wilson**, ex-Sangamo Electric, named TEAC (U.S.) field engineer, new post.

**Robert S. Bender** named N. America OEM sales mgr., ITT Semiconductor... **E. Floyd Kvamme** promoted to National Semiconductor mktg. dir., succeeding **Donald Valentine** who resigns to become pres. of Capital Management Services, financial firm; **Gene Carter** replaces Kvamme as IC mktg. mgr.; **Thomas Lauer** promoted to national field sales mgr., new post.

**Robert B. Blake** joins Nortronics as field sales mgr., new post... **Richard Sewall**, Varo Electronics & Electro-Optics Group mgr., named vp... **Paul Boros** named engineering dir., Comfax Communications (telephone facsimile); **Malcolm Reader** & **John Tregay** elected vps and dirs.

**International Tape Assn. (ITA)** plans to organize chapter in U.K., with Exec. Dir. **Larry Finley** now meeting in London with British tape manufacturers. ITA currently has 84 members; latest to join were Bell & Howell, Brigham Young U., Stereodyne, Gotham Recording Corp., Time-Life Video.

## Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Dero Research & Development			
1970-qtr. to Nov. 30	15,364,813	407,245 <sup>a</sup>	.41
1969-qtr. to Nov. 30	11,542,930	441,006 <sup>a</sup>	.48
Filmways			
1970-qtr. to Nov. 30	16,786,000	262,000	.12
1969-qtr. to Nov. 30	25,966,000	608,000	.31
Jervis			
1970-qtr. to Nov. 30	8,567,000	(93,000)	--
1969-qtr. to Nov. 30	10,741,435	189,232	.15 <sup>b</sup>
Curtis Mathes			
1970-6 mo. to Nov. 30 <sup>c</sup>	20,631,801	474,015	.15
1969-6 mo. to Nov. 30 <sup>c</sup>	20,269,773	1,410,567	.45
MGM			
1970-qtr. to Nov. 21	36,685,000	2,508,000 <sup>d</sup>	.42
1969-qtr. to Nov. 21	38,842,000	328,000	.06
Republic			
1970-year to Oct. 31 <sup>c</sup>	196,896,000	(13,656,000) <sup>e</sup>	--
1969-year to Oct. 31 <sup>c</sup>	175,394,000	15,893,000	1.78
Taft Bcstg.			
1970-9 mo. to Dec. 31	38,594,352	5,737,185 <sup>f</sup>	1.55
1969-9 mo. to Dec. 31	38,893,755	6,176,566 <sup>f</sup>	1.70
1970-qtr. to Dec. 31	12,461,596	1,781,810 <sup>f</sup>	.48
1969-qtr. to Dec. 31	12,273,500	2,243,885	.61

Notes: <sup>a</sup>Before extraordinary income. <sup>b</sup>Adjusted. <sup>c</sup>Restated. <sup>d</sup>Includes extraordinary gain. <sup>e</sup>After special charge. <sup>f</sup>Includes tax credit.

**JAPAN COLOR PRICING:** In move which could have significant impact on ultimate result of dumping probe here, Japan's powerful Ministry of International Trade & Industry (MITI) urged color TV manufacturers to revise home marketing patterns, slash distribution costs & dealer mark-ups.

MITI singled out Matsushita in call for 15% lower prices on new color models, said firm's 10% planned cut was too small. Agency spokesman said similar public recommendations would be made to other producers, with reductions up to 20% requested in some cases.

Avowed purpose of action is end to Japan's dual pricing system which provides unrealistically high "suggested lists," leaving lots of room for discounting. But MITI's complete proposal would also drastically curtail extensive manufacturer rebate & allowance practices. During dumping investigation, U.S. Customs, in many instances, ruled such marketing costs to be non-deductible domestic expenses, when comparing Japan's high home-market color TV prices with lower export prices. Change in domestic sales pattern would sharply reduce, or even eliminate, dumping margins assessed here against imported Japanese TVs.

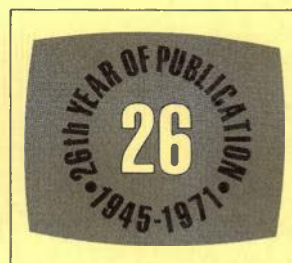
**Taiwan is aiming** for 36.8% electrical-electronic output growth rate in 1971, highest for any industry there. Electronics production last year was valued at about \$185 million.



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**FCC QUIZ ON KID PROGRAMS SET**, but no rules proposed, in 4-3 vote for inquiry. Details sought on present & prospective programs. Composite week formed (p. 1).

**FCC'S CATV DECISION-MAKING QUICKENS**: Waivers considered for originations. L.A. signals for El Paso. Commercial-substitution in Bucks County. March 11 oral proceeding to feature novel panels (p. 1).

**NAB LaQUINTA MOOD—HARMONIOUS**: Platform built for new exec. vps' takeoff. Budget deficit problem. Close votes on Code tightening. Neville Miller picked for DSA award (p. 2).

**WHITE HOUSE NEAR DECISION** on 'comprehensive' campaign spending bill. First draft isn't 'punitive' against broadcasters, emphasizes disclosures. Pastore set for FCC policy review hearings (p. 4).

**SYMPOSIUM ON BROADCASTING**: Jencks hits 'community control' of stations. Women's Lib pitched (p. 4).

**McGANNON'S 'NATIONAL POLICY'**: Would bring educators, social scientists, et al. from inside & outside industry, terms FCC role 'supportive' (p. 6).

**FCC QUIZ ON KIDS SET; NO RULES PROPOSED**: Inquiry into children's programs was ordered by FCC last week by bare 4-3 vote, when Commission said it would look into petition of Action for Children's TV (ACT). The women's group had requested elimination of all commercials from kid's shows plus mandatory scheduling of at least 14 hours of children's shows weekly, for specific ages at specific times (Vol. 10:52 p2). Majority comprised Burch, H.R. Lee, Houser & Johnson. It was Houser's first vote on Commission. Johnson had concurring statement, paying lavish tribute to Burch for "leading role" on subject but griping because Commission didn't propose specific rules sought by ACT. Commission asks comments by May 3, replies June 1.

FCC said inquiry seeks all kinds of details about children's programs—how many, when, for what ages, entertainment or educational, original or re-run, identification of sponsors & products, what's not available but should be, etc. For those furnishing data, Commission set up composite week: 1970—Sept. 13, Feb. 15, April 8, June 23; 1969—Oct. 3, Aug. 14, Dec. 6.

As for authority to conduct inquiry, FCC said Sec. 403 of Communications Act assures that proceeding "is not seriously open to challenge." Sec. 403 says, in effect, that FCC can inquire into anything that the Act says it can.

**FCC'S CATV DECISION-MAKING QUICKENS**: Cablemen thought they saw a glimmer of light at FCC last week, as Commission took several actions tending to loosen restrictions a trifle. And this occurred with new Comr. Houser not voting, so there'll be a lot riding on him when he decides he knows enough about CATV to take position. Here's what FCC did last week:

(1) Said it would consider waivers requested by systems under 10,000 subscribers, won't require them to start originations until waivers are acted on. Rules currently require origination start April 1

### Consumer Electronics

**COLOR, B&W SALES ROSE** from 1969 in 4th quarter of 1970, posting 3rd consecutive increase in Dec.; year's final week was first in 2 years to show increases in every product category (p. 8); 1970 month-by-month (p. 11).

**HI-FI INDUSTRY SALES** delineated for first time in analysis by Tariff Commission for H. H. Scott probe; study indicates wholesale sales of receivers, tuners, amplifiers, consoles compacts & speakers in 1970 of \$125 million; domestic brands losing sales to imports (pp. 9 & 11).

**HEW GRANTS EXEMPTIONS** from TV X-ray record-keeping & reporting rules; initial exclusions cover some solid-state b&w sets made by 4 Japanese firms; agency to look at tube-type b&w next (p. 9).

**U.S.-JAPAN INDUSTRY CLASH** expected at Tariff Commission TV dumping hearing this week; long witness list indicates sessions will cover at least 2 days; capacitor injury hearing held (p. 10).

**ANOTHER COLOR SIZE—17V"** square-cornered tube with 4-x-3 aspect ratio—due on market in 2nd half; short 110-degree 19V" bulbs now being shipped to tube makers (p. 10).



by systems with 3,500 or more. FCC turned down request by Midwest Video that originations be delayed pending court decision on its challenge of origination rules. (Said one lawyer: "Boy, there will probably be a couple hundred waiver petitions. They should call that the 'Lawyers' Full-Employment Decision"—and most lawyers don't want that kind of business." FCC attorneys disagree, don't expect more than few dozen petitions.)

(2) Allowed El Paso system to import signals from L.A. on 2 channels, picking from offerings of 4 independents KTLA, KTTV, KCOP & KHJ-TV. Vote: Burch, Johnson, Bartley & H.R. Lee—with R.E. Lee & Wells dissenting. Las Cruces, N.M. system is allowed to carry all 4 on 4 channels; only Wells dissented. Deming, N.M. system can carry KTLA & KTTV—no dissents. Commission noted that El Paso is 138th market and that it came within grandfathering exemption; that Las Cruces is beyond 35-mile zone of stations; that Deming said microwave import of L.A. signals is the only economically practical way of getting English-language independents.

(3) Granted first commercial-substitution (CS) experiment—to Bucks County Cable TV, Falls Twp., Pa. System had been ordered to drop N.Y. independents, Commission concluding rules were violated. Now, FCC decided it will take system up on its offer to try CS. It will carry WNEW-TV, WOR-TV, WPIX & WNET, N.Y., emasculating their commercials, grafting on those of uhfs WPHL-TV & WTAF-TV Philadelphia. It must start within 30 days, give FCC progress reports monthly, bear all costs except preparation of transplants. Counsel for system, which is owned by Broadway Maintenance, N.Y., said CS will be accomplished at first on "ad hoc basis, without sophisticated equipment, although we're talking over equipment with manufacturers. We understand that the FCC is flexible on this." FCC said that case is "unique," that it won't grant more until whole CATV proceeding is over.

(4) Commission progressed on plans for wrapping up whole CATV rulemaking. It extended reply date from Feb. 1 to Feb. 10, set March 11 for start of oral proceeding. It's expected latter will run about 2 weeks, including interruptions. Novel format is planned: Set up panels for each major topic—cablecasting, distant signals, etc.—and have opponents square off before commissioners en banc. For example, let ex-Comr. Cox, NCTA Pres. Taverner, et al., debate an issue, with commissioners jabbing questions in as they see fit. Panels would be followed by conventional statement-reading.

Meanwhile, A.D. Little's big Broadband Communications Network (BCN) project moves right along, with major national consumer-demand study now underway following early experiments (Vol. 11:2 p3). Sponsors of BCN, in addition to those reported last week (Vol. 11:3 p3), are: Anaconda, Bank of America, Encyclopaedia Britannica, General Dynamics, GE, Gould Inc., Landmark Communications, McClatchy Newspapers, Million Market Newspapers, Reader's Digest, Sperry Rand, United Utilities, Viacom, Westinghouse, Zenith. Listed last week, but not in group, we're advised, are Control Data, Honeywell & Harriscope.

**LaQUINTA MOOD SETS NEW ERA FOR NAB:** "Let's sit back and see if it works. We'll know in about 6 months." That was the mood, as expressed by one director, in the sunshine of LaQuinta, Cal. last week, as NAB wound up semi-annual board meeting. He was talking about reorganization effected by hiring 3 exec. vps and realigning staff functions. Also evident was determination to cut corners after 2 years of deficits.

Meetings were short, unusually harmonious, with only the selection of Distinguished Service Award recipient and changes in TV Code eliciting much disagreement (see below). "Whatever controversies there were seemed to be settled amicably outside the meeting room," we were told. Present were 3 exec. vps—Paul Comstock, promoted to govt. affairs vp; ex-NAB Chmn. Grover Cobb, who will head station relations; PR head Paul Haney, new to NAB, who joins staff next month from Houston's Astro-world complex.

In brief executive session without staff present, Board discussed the 3 and their duties. There was some carping—and also praise—about govt. relations, under both old & new setups. Comstock & Cobb will be paid \$50,000 each (a raise of only \$2,000 for former, but he is only NAB executive to get boost under new budget) and there was effort to get more for Comstock. Haney will get \$45,000. NAB also is looking for top man (at about \$40,000) to head congressional liaison under Comstock.

Chmn. Bill Walbridge gave NAB ambitious goals when he outlined 3-point program for Future of Bcstg. Committee. "We can carry reorganization just so far," he said. "Now it's time to follow through." He suggested NAB seek: (1) Seven-year licenses. (2) Legislative or court action to reverse



Red Lion—"broadcasting's Dred Scott Decision." (3) Legislation giving broadcasters' property right in signals. Performers, musicians, writers, etc. "all have a piece of our action and we have nothing to say about it."

One normal NAB activity not missing in LaQuinta last week was politicking for leadership post, particularly on Radio Board. Retiring Radio Board Chmn. Richard Chapin so far is unopposed to succeed Walbridge as joint Board Chmn. Radio Vice Chmn. Andrew Ockershausen is opposed by Ben Laird in race to succeed Chapin. Contesting for vice chmn. are Wendell Meyes & John Hurlbert. On TV Board, A. Louis Read has no opposition for chmn., nor does Donald Campbell for vice chmn.

Board spent considerable time discussing finances and the austerity move underway at 1771 N St. NAB expects to go into red \$52,763—on income of \$3,359,972, expenses of \$3,412,735—for fiscal year ending March 31, after having projected surplus of \$107,853 (income \$3,280,750, expenses \$3,172,897) when current budget was adopted year ago. Deficit of \$72,438 is projected for year beginning April 1 on income of \$3,297,250, expenses \$3,369,688. For current year, TV fund is expected to have \$53,082 deficit. TV Code \$22,749 loss, Radio fund will lose \$14,947. Deficit in TV & Radio funds are attributed to special \$50,000 allocation by each to research in one-to-a-market rulemaking.

Under NAB reorganization which added 3 exec. vp's, NAB changed accounting procedures by dropping old Radio & TV fund designation. New allocations of expenses will be for general administrative (\$1,109,263, including \$332,818 in salaries), station relations (\$787,028, salaries \$352,673), PR (\$430,431, salaries \$161,000), and Govt. Relations (\$371,283, salaries \$261,941). This leaves deficit in general fund of \$53,665 on income of \$2,644,250, expenses \$2,697,915. Remaining moneys in April 1 budget are from codes: TV Code income \$457,000, deficit \$30,645; Radio Code income \$196,000, surplus \$11,872. NAB's principal sources of income are dues (radio \$1,156,000; TV \$934,000, associates \$140,000), convention, rent from NAB building & interest.

Several directors questioned expenditure of \$71,400—considerably over budget—for special PR counsel in current year. Most went for Free Broadcast News Bureau in fight against CATV. Walbridge said NAB got its money's worth, said counsel Phil Dean Assoc. wouldn't be retained when contract expires March 31. NAB Finance Committee was abolished; Exec. Committee assumes functions.

TV Board ratified time standards changes recommended by Code Board (Vol. 11:3 p1). Big Board, however, tabled—with only one dissent—proposal that NAB TV members be required to belong to Code. Proposal by ABC that Preparation H commercials be accepted was turned down 8-6. Prime time was extended from 3 to 3 1/2 hours on 8-7 vote. Extra half-hour was added to prevent stations from loading up on commercials during time that networks must return to stations under FCC rule effective in fall. Allowable "non-program" commercial time was reduced from 10 min. & 20 sec. to 9 1/2 min. per hour; billboards and promotion announcements for other programs will be counted for first time as non-program. No more than 4 "non-program" announcements will be allowed consecutively within programs, no more than 3 during station break.

While increasing prime time to 3 1/2 hours, Board added variance: "In the event that news programming is included within the 3 1/2 hour prime time period, not more than one 30-min. segment of news programming may be governed by time standards applicable to all other times." New code provisions become effective Oct. 1. They also specify that credit in excess of 30-sec. will count against allowable non-program time, except in feature films, and that credit for single program shall not exceed 40-sec. Contracts signed before Oct. 1 won't be governed by 40-sec. provision.

Former NAB Pres. Neville Miller was chosen for Distinguished Service Award at lively session of Convention Committee. He won over semifinalists Ward Quaal, WGN-TV Chicago, and CBS's Walter Cronkite. Miller was NAB's first fulltime pres., 1938-44, is Washington communications attorney. Once mayor of Louisville, he represented NAB in many govt. activities during WW II, has served as BMI pres.

Approved as luncheon speakers at 1971 convention were Notre Dame Pres. Father Hesburgh, Mon.; cartoonist-humorist Al Capp, Tues., expected to make serious talk on drugs; FCC Chmn. Burch, Wed. Committee chose Houston's downtown convention center—over Astroworld complex—for 1974 convention, ordered staff to seek sites other Chicago and Washington after 1974. Chicago hosts '71-'72 conventions, Washington 1973. Chicago appears to be out for several years after 1972, and NAB dropped idea that convention be held in Washington every 4th year (after Presidential election). Jan. 1972 Board meeting is set for Estate Carlton Hotel, St. Croix, Virgin Islands.



**WHITE HOUSE NEAR DECISION ON CAMPAIGN BILL:** Republican congressional leadership & White House have worked out first draft of "comprehensive" campaign spending bill they'll introduce soon as successor to S-3637, which President Nixon vetoed last year. "It won't be a punitive bill against broadcasters," informed source told us. "There will be no spending limits or cents per vote like the other bill." First draft emphasizes income & spending disclosures, tries to plug holes in Corrupt Practices Act.

Even before 92nd Congress was sworn in last week, there were endless trial bills and reports floating around—all designed to give Administration "a few pointers" on what bill ought to contain. Latest—Honest Elections Reform Act of 1971—will be introduced this week by Sens. Pearson (R-Kan.) & Gravel (D-Alaska). It would force broadcasters to provide simultaneous free time to Presidential & Vice Presidential candidates. Major party candidates would get eight 30-min. slots, minor candidates 3 or 4.

Candidate must appear live during free time, bill says, leaves rest of details to FCC. All media expenditures would be limited to 10¢ times number of registered voters in district or \$40,000, whichever is greater. Single contributions would be limited to \$5,000, and no candidate could spend more than \$25,000 of his family's money. Bill would also set up campaign fund by direct appropriation for Presidential & congressional candidates by giving them 20¢ times total vote for particular office in last election. Minor party candidates (Vegetarian, etc.) would get same amount times number who voted for their party.

On another political front, Democratic National Chmn. O'Brien wrote network presidents last week urging them to correct "the severe imbalance" in broadcast time favoring Republicans. He said Nixon's recent "conversation" with network reporters and his State of the Union Message "suggest that the Republican Administration intends to continue the unprecedented use of TV."

One of first broadcast items on Senate agenda will be confirmation hearings for FCC Comrs. Wells & Houser. Hearings haven't been slated yet, but group called Black Efforts for Soul in TV (BEST) is expected to oppose both, recommend black candidate. According to BEST's Edward Wright: "The mere fact you would have a minority commissioner would change the whole complexion of the Commission. It would be an added element to the Commission, and if I were a broadcaster, I would be looking at that element."

All 7 commissioners are also expected to testify soon before Senate Communications Subcommittee for "annual review of basic policy decisions." Sometimes "review" is via letter, but it's understood Subcommittee Chmn. Pastore (D-R.I.) wants them in person. He's also interested in discussing joint FCC-FTC responsibilities over advertising. Pastore also is eager to start hearings on telecommunications policy, will question OTP Dir. Clay Whitehead. While it won't be clear until later this week what makeup of Subcommittee or parent Commerce Committee will be, we're told Senate minority leader Scott (Pa.) will give up Subcommittee & Committee seat to take spot on Foreign Relations Committee. Another GOP loss is Goodell (N.Y.), defeated in Nov.

House is another animal entirely, and what direction it will take remains unclear. Situation is complicated by seniority reforms voted by Democrats limiting each member to one committee and subcommittee chairmanship. Macdonald (D-Mass.) chairs only Communications Subcommittee, will stay there. Moss (D-Cal.) must give up chair of either Foreign Operations Subcommittee or Commerce & Finance Subcommittee (possibly both, to get Transportation Subcommittee). Dingell (D-Mich.) chairs 3 subcommittees, Fisheries & Wildlife and 2 small business subcommittees.

Investigations Subcommittee is still without chief counsel since death of Robert Lishman. Commerce Committee Chmn. Staggers (D-W.Va.) also chairs Subcommittee, and some members complain it suffers from lack of direction. "He starts each year breathing fire & smoke, but it [Subcommittee] always ends up as the mouse," one member told us. "I think it would be better if we just left the investigating up to Government Operations." In any event, Transportation Subcommittee chairmanship is open, and if there are no takers, Staggers may have to give up Investigations to take it himself. "He wouldn't like to do that," another said. "He likes to keep a tight grip on that Subcommittee."

**MINORITIES, POLITICS & CATV HEAT UP SYMPOSIUM:** While there were "no sudden revelations of truth," as one station owner put it, first annual Broadcasting Industry Symposium sponsored by non-industry group (recently formed Symposium Management Inc.) attracted about 100 attendees to Washington last week, packed considerable wallop in workshops on renewals, minorities, news reporting,



technological threats & children's programming. Symposium's program mgr. Philip Minter said it's first broadcast event they tried, and they plan to make it annual event. They're also planning single-subject session (probably on minorities) for May or June. "A lot of people like the idea," he said. "We covered our expenses enough to think it's worthwhile."

CBS Group Pres. Richard Jencks kicked off seminar with well-received attack against "community control" of stations, asserting it threatens broadcasters with "private law enforcement." In another major address, Westinghouse Bcstg. Pres. Donald McGannon urged that "a formulating group" of educators, social scientists, creative programmers & managers from within & without broadcasting form "a national policy" to make programming more relevant (see p. 6).

New wave of consumerism threatening broadcasters, Jencks said, begins with groups monitoring stations and ends by using renewal process to influence station's policies. "Should the broadcast medium be used as a way of binding its audience together through programming which cuts across racial & cultural lines? Or should it be used as a means of communicating separately with differentiated segments of its audience? For ethnic minority groups, the idea of 'relevance' seems to mean that the programming must have a direct ethnic connection... It seems possible that there is a strong thread of racial separatism in the demand for relevance.

"TV can be said to be the only remaining mass medium which is capable of reaching most of the people most of the time. Is it important to preserve TV as a mass medium? I think so... The question may well be asked whether the shift for the better in white American attitudes about black people is not more likely to have been caused by programs like Julia—and by the startling increase in the number of black faces on other TV entertainment programs... These advances in the direction of an integrated society were made possible in part, I suggest, by a mass medium which, with all its faults, increasingly depicted an integrated society... These characters may not depict the typical lifestyle of black Americans... but they are nevertheless not toms and they are not toadies. They are depicted as upright, capable, outspoken black Americans."

But Jencks didn't convince William Wright of Black Efforts for Soul in TV (BEST). "My first priority is to get blacks talking to blacks," he said. "You listen in. You may learn something." John Renshaw, program dir., KSLA-TV Shreveport, asked: "How do you evaluate the various groups making the demands? There are no more solid monolithic groups in the black communities than there are in white communities, so how is a station to evaluate, to avoid reacting to a group making the loudest noise at the moment? Is the doctrine separate-but-equal--illegal in education--somehow legal in programming?"

Another vocal minority, women's lib, was represented by Mrs. Wilma Heide, chairwoman of National Organization for Women (NOW), but she didn't get much sympathy from nearly all-male audience. "If we don't get into the broadcasting industry," she said, "you won't even be able to ask the right questions." She also warned broadcasters not to rule out "liberation of a whole station." But some female reporters disagreed. "I have not found the hostility you have found," said Betty Endicott, WRC-TV Washington. "I have found more opportunity for women to move, and move quickly." From another woman reporter: "It makes no difference. You can do it if you want. I have a gun, and when I go out I just take my gun and go."

**Prime-time-access argument** before 2nd Circuit Appeals Court in N. Y. last week left observers with impression that odds tend to favor affirmation of FCC decision. Case was heard by Judges Paul Hays, Robert Anderson & Harold Tyler. Tyler asked most questions, sounded dubious about industry's arguments. Session was unusually long—running 10 a.m. -3 p.m. with time out for lunch.

**Four \$15,000 fellowships** for study abroad are offered by CPB—3rd year of program. Two are for radio, probably in Finland & Japan; 2 for TV, probably in England & Latin America. Details: David Stewart, CPB, 888 16th St. NW, Washington 20006.

**NCTA opens annual** advertising-PR contest, entries due by May 15.

**Justice Dept. now considers** bombing of stations federal crime, violating "free speech as guaranteed under the Constitution." Justice Dept. spokesman gave that interpretation after FBI arrested 3 men in Houston last week, charged them with conspiring to blow up 3 Pacifica radio stations in Cal. FBI said they'll also be questioned about Pacifica's twice-bombed KPFT(FM) Houston; it went back on air Jan. 20, and event was carried live on NET.

**Intelsat IV launch** scheduled Jan. 22 was delayed by high winds. Atlantic bird size of roc weighs 3,094 lb., stands 17 ft., can carry 12 TV or 3-9,000 telephone signals. Other Intelsat IV's are planned for Pacific & Indian Oceans, and 2 more will be orbited as spares. Each costs \$29.5 million to build & launch.



**McGANNON'S 'NATIONAL POLICY':** Westinghouse Bestg. Pres. Donald McGannon has proposed that "a national policy" to make programming more relevant be created by "a formulating group" including educators, social scientists, creative programmers & managers from within & without broadcasting. Last March, McGannon ignited criticism when he charged that TV programming "is not relevant to our times," suggesting FCC should become catalyst in forming "our national policy or our national charter" (Vol. 10:11 p1).

Last week McGannon "clarified & expanded" idea at Broadcasting Industry Symposium in Washington (see p. 4) to say Commission "would act only in a supportive capacity... encouraging broadcasters to achieve their potential in varied ways." This national policy, he said, couldn't be formed by trade associations, TV Code "or any other group of industry elements because of the lack of a dominant leadership within the industry. In addition, we need feedback from others to make sure our goals are understood & harmonize with the goals of the rest of society."

Creative programming that began in 1950's has disappeared, McGannon said. "In its place has come a proliferation of programming that is in form largely within the situation comedy, western or mystery formats. As a result of this, I think TV has lost its compelling quality... For 2 decades, we were dazzled by the newness & the stunning technology of TV... But programming fell out of step with American reality. The social crises of the 1960's outstripped TV's ability to keep up with the swiftly changing world."

Industry would not be controlled by his formulating group, McGannon said, but would be free to become more innovative & more enterprising. Meanwhile, policy group must answer these questions: (1) Is there still sufficient validity to concepts of TV as enunciated in FCC's 6th Report & Order? (2) What's proper balance between networks & stations? (3) What's proper mix among entertainment, news & public affairs? (4) What's most "enlightened balance" between commercial & program content? (5) What's appropriate degree of relevancy between programming and people's needs? (6) What are social & political obligations and objectives of TV?

"The system has assumed a form, a rigidity and a momentum that is difficult to change, influence or alter at this moment," McGannon said. But "this must be done within the existing socio-political structure of the American system and not as some would suggest, by destroying this structure and substituting a vague & unpredictable and probably unqualified alternative."

**KCBD-TV Lubbock, Tex.** & satellite KSWs-TV Roswell, N.M. have been bought for \$6 million by State Telecasting Co., subsidiary of Columbia, S.C. State-Record which recently purchased WUSN-TV Charleston, S.C.

**CAS Mfg., Dallas,** and Athens TV Cable Co. have been bought back from Avnet by Pres. John Campbell who reports plans for "an intensified entry into all phases of CATV."

**TvB & BAR** report network 1970 sales rose 2.1% over 1969, despite poor Dec. showing. Total 1970 figure was \$1,733,671,700, while Dec. sales were \$157,403,900—8% below same 1969 month.

**CBS filed Viacom data** with FCC last week, believes changes should more than satisfy Commission that companies will be completely separate. Among provisions: (1) No CBS shareholder who would get more than 100 Viacom shares or more than 1% of latter will hold stock directly. His shares will be held by "flow-through" trustee who must vote them in proportion to votes cast by all other shareholders. (2) Of Viacom's 9 board members, 6 never had connection with CBS. Of the 6, 3 had been reported earlier—Halaby, White & Schall (Vol. 11:1 p3). Following are new: Dr. J. George Harrar, Rockefeller Foundation pres.; Paul A. Norton, N.Y. Life Ins. exec. vp; W. Burleigh Pattee, of Chickering & Gregory, San Francisco. (3) Merle Jones, who gets CBS deferred compensation, resigns from Viacom. (4) CBS-Viacom contract on syndication eliminates rights latter had to future CBS programs. (5) Messrs. Paley, Stanton & Levy agree to sell off their Viacom shares to less than 1% each within 6 years after effective dates of syndication & CATV-ownership rules.

**FCC is expected to rap knuckles** of KGLO-TV Mason City for cutting power 20% Nov. 22 when it carried Vikings-Packers game. Vikings had complained that Minneapolis hotels were picking up Vikings' game from KGLO-TV on tall antennas, promoting room rentals. Vikings were satisfied when station decided to cut power for Nov. 22 game, minimizing reception. Questioned by FCC, station said it had been unable to reach Washington attorney or engineer for advice in time, so it decided to go ahead with reduced-power plan. Commission is believed ready to let station off with warning not to do it again. Justice Dept. reportedly is looking into antitrust angle of sports blackouts. There's common belief that law allows blackouts only within 75-mile radius of game—but this applies only to college games Fri. & Sat. Law doesn't specify any limit to pro-game radius; it's up to individual contracts.

**Nearing FCC decision** is case involving reconsideration of black groups' charges of discrimination against Ala. Educational TV Commission's 8 stations. Though FCC appears unlikely to hold hearings on renewals, as requested, it's believed stations will be asked for more detailed showing on how it met blacks' needs in past, how it plans to do so, how it will avoid discrimination in employment. Also expected soon is Commission decision on blacks' charges against WMAL-TV Washington, alleging inadequate programming for their needs. Probabilities are rejection of charges and grant of license renewal. In related move, FCC is preparing to start rulemaking requiring CATV systems to conform to equal-employment rules now applied to stations.

**Political victor-spoils pattern** hit FCC Exec. Dir. Max Paglin last week, as he was replaced by retired Col. John M. Torbet, 52, former deputy chief of staff for material, Air Force Academy. Paglin is assigned to new post of special asst. for administrative procedure. Other recent top GOP appointees were Broadcast Bureau Chief Francis Walsh and Gen. Counsel Richard Wiley. Torbet is Detroit native, 1940 Mich. State graduate, served in many military supply-service capacities. Also included was tour as Air Force Secy.'s liaison with White House & Senate, 1953-58.

**One-to-a-market** decision is due for FCC discussion Jan. 27.



## Personals

**George E. Pious** named dir. of client & sales development, CBS TV Stations National Sales—new position—succeeded as midwestern sales dir. by **Robin Adrian**. . . **Howard Karshan**, ex-gen. mgr., CBS Europe & CBS Ltd., becomes managing dir., Viacom S.A. & Viacom International Ltd.

**H. Michael Mann**, chmn., Boston College Economics Dept., formerly with Justice Dept. Antitrust Div., appointed dir., FTC Bureau of Economics. . . **Reese H. Taylor Jr.** resigns as chmn., Nev. Public Service Commission to join law firm of Laxalt, Bell, Berry, Allison & LeBaron.

**David J. Webster** named BBC U.S. representative, succeeding **Leonard Miall**, who returns to London as controller of overseas & foreign relations. . . **Charles A. Meyer** appointed technical dir., WBBM-TV Chicago. . . **Rudy Bergman** appointed press information dir., WCBS-TV N.Y. . . **Anthony R. Twibell**, ex-KCMO-TV Kansas City & KSBW-TV Salinas, appointed local sales mgr., KFRE-TV Fresno.

**Merrill (Tad) Myers**, ex-Metromedia, named press & PR vp, Loew's Corp., succeeding Ernest Emerling, retired.

**William Finkeldey** advanced to gen. mgr., Non-Theatric Dept., Time-Life Films. . . **Leon C. Menkes**, ex-York Capital, named exec. vp., Audicom Corp. . . **Dale Kirchhoff & Assoc.**, marketing consulting organization, has been formed by ex-mktg. vp, International Industries: 2867 Angelo Dr., L.A. . . **James R. Arnold** promoted to vp-treas., National Trans-Video. . . **Peter Klode**, ex-Gerald W. Smith Film Productions, appointed sales promotion & mdsg. dir., WTMJ-TV Milwaukee.

**DeHart & Broide**, Washington PR firm, establishes Management Communications Inc. in association with **Ruder & Finn**, will serve as D.C. office of latter. . . **Frank P. Clark**, Assn. of Motion Picture & TV Producers, named program chmn., SMPTE Technical Conference, April 25-30, Century Plaza Hotel, L.A. Details: 9 E. 41st St., N.Y. 10017.

**Sanford Watzman**, ex-Cleveland Plain Dealer, named editor, Industrial Communications, succeeding Robert Tall who remains publisher. . . **John Wall**, veteran of 42 years in broadcast equipment operations, retires from GE Feb. 1. . . **Wallace E. Jones Jr.** promoted to product mgr., equipment products, Superior Cable & Equipment Div. . . **Olcott (Bud) Mills**, ex-Visual Electronics & RCA, appointed regional mgr., TeleMation Atlanta, Doraville, Ga.

**James R. Dow** advanced to mktg. dir., educational products, **Sidney T. Kitrell** to mktg. dir., aircraft, broadcast & industrial products, Telex Communications Div., Minneapolis. . . **Gerald Smith** advanced to controller, Cypress Communications; **Joseph Cianchetti** to sales dir. . . **George Anthony** appointed chmn., Tape-Athon, succeeded as pres. by **David Anthony**; **Thomas Anthony** named gen. mgr., Tape-Athon Music Inc.

**Walter T. Muckle**, ex-New England Mktg. Assoc., named to new post of product mgr., graphic display systems, CBS Labs, responsible for marketing Vidfont character display systems, etc. . . **Wallis D. Bishop**, ex-USIS Far East information officer and onetime WBBM-TV Chi-

cago news exec. producer, appointed Viacom publicity mgr. . . **John D. Ryan**, ex-Petry, named ABC Films central div. account executive. . . **John D. Rockefeller III** elected to Board of Trustees of Educational Bcstg. Corp. (NET & WNET N.Y.).

**Carol Oughton**, ex-WGBH Boston & NET production, named confidential asst. to FCC Comr. Houser, who hasn't yet chosen legal & engineering assts. **Elizabeth Harris** & **Frances Jarvis** are secys., formerly with Comr. Cox.

**Nixon's TV "conversation"** with 4 network reporters Jan. 4 is analyzed by one participant, CBS's Eric Sevareid, in Jan. 21 N.Y. Times. Sevareid said "too many answers were soft—diffuse, deliberately time consuming, and sometimes off the point." He noted that someone in White House suggested that each reporter be given 10 min. to question Nixon exclusively, that at least 3 of the correspondents thought it a good idea—but that Nixon didn't. Sevareid concludes: "A bearing of friendliness & candor toward the press will not endanger [Nixon] or his policies. In the long run it will reinsure both."

**Computation form**—showing CATV operators how to figure subscriber-fee payments to FCC—is being worked out by Commission, should be distributed within next few weeks. FCC is also working on extensive annual reporting form, must get approval of Office of Management & Budget, then final FCC approval; this probably will take several months.

**TV time sales** were a bright spot in downbeat first-half financial performance, Meredith Corp. reported. Though he didn't cite numbers, Pres. Darwin Tucker said TV revenues were higher than year ago. Meredith earnings were down 73.7% to \$1,188,120, while revenues were off 9.2% to \$65,737,191.

**Cable franchise** for whole country of Panama has been granted to Burnup & Sims, CATV construction firm which also operates U.S. systems. Pres. Thomas R. Pledger estimates systems will cost \$3.5 million, cover 55,000 potential subscribers.

**NCTA Board** meets Feb. 9-10, Embassy Row Hotel, Washington—shifted from Sarasota, Fla.—with meeting of state & regional association presidents following immediately.

**Avco Cartrivision** system to be offered early this year will include 3 groups of NFL films: Outstanding games, seasonal highlights, finer points.

**New state CATV associations:** South Dakota—Pres., Allen Harmes, Palace Trans-Video, Mitchell; Kansas—Pres., Clarence Ross, Midway Cable.

**Communications Properties** buys CATVs in Defiance & Wauseon, O., serving 2,300 subscribers, price undisclosed.

## Obituary

**Vernon C. Kohlhaas**, 54, senior partner in Washington law firm Pierson, Ball & Dowd, died Jan. 20 of cerebral hemorrhage. Native of Iowa, graduate of Iowa U. & George Washington U., he served with CAB 1942-45, joined firm in 1945. Survivors include widow, 2 daughters, son.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers for full years 1970 & 1969 and for week ended Jan. 1, 1971 (52nd week of 1970), based on EIA figures:

	Dec. 26- Jan. 1	1969 week	% change	Dec. 19-25	Full Year 1970	Full Year 1969	% change
Total TV. ....	189,339	135,902	39.3	189,443	9,368,113	10,498,745	-10.8
color . . . . .	112,488	74,301	51.4	101,873	4,821,505	5,523,752	-12.7
monochrome . . . . .	76,851	61,601	24.8	87,570	4,546,608	4,974,993	- 8.6
Total radio . . . . .	240,538	181,767	32.3	314,103	16,108,256	19,822,186	-18.7
home, portable . . . . .	113,725	90,151	26.2	146,268	7,982,897	9,712,699	-17.8
AM-only . . . . .	67,806	55,048	23.2	80,038	4,798,996	5,870,495	-18.3
FM & FM-AM . . . . .	45,919	35,103	30.8	66,230	3,183,901	3,842,204	-18.1
auto . . . . .	126,813	91,616	38.4	167,835	8,125,359	10,109,487	-19.6
Total phono . . . . .	66,752	64,307	3.8	103,009	4,105,796	5,069,366	-19.0
portable-table . . . . .	37,330	37,146	0.5	79,883	3,019,245	3,711,792	-18.7
console . . . . .	29,422	27,161	8.3	23,126	1,086,551	1,357,574	-20.0

Color TV 4-week moving average: 1970-117,814; 1969-98,367 (up 19.8%)

**4TH-QUARTER COLOR, B&W SALES UP FROM '69:** The late unlamented 1970 ended up with figures which didn't look too bad—considering how it started (see State of the Industry). For final quarter, domestic-label color sales were up 8.4% over same 1969 period, monochrome rose 6.4% and portable-table phonos had 2.7% edge.

Color TV's full-year decline of 12.7% compared with deficit of 21.1% for first 9 months, 21.9% for first half & 25.8% for first quarter. Monochrome's minus 8.6% shows recovery from 13.4%, 14.6% & 15.6% cumulative declines for 9-, 6- & 3-month periods. Total phonos posted 35.9% deficit in first quarter, 30.3% for half, 26.5% for 9 months and 19% for full year. These figures reflect some recovery, and emphasize just how bad business was in final quarter of 1969.

Dec. was certainly 1970's best month in comparison with 1969, with all products except AM home radios & console phonos showing increases. It was 3rd consecutive month of increases for both TV categories, first monthly increase for total phonos, 2nd for portable-table category, 2nd for FM radios and 3rd for auto radios but first for total radio sales. Total home-portable radios, AM radios & console phonos went through 1970 without single monthly increase over 1969. Here's table of Dec. 1970 (5 weeks) sales to dealers vs. 1969 (5 weeks) & 1968 (6 weeks):

Product	Dec. 1970	Dec. 1969	% change	Dec. 1968
Total TV. ....	1,049,895	934,549	12.3	1,323,914
color . . . . .	575,249	498,619	15.4	746,748
monochrome . . . . .	474,646	435,930	8.9	577,166
Total radio . . . . .	1,643,303	1,616,753	1.6	2,756,553
home, portable . . . . .	819,906	822,885	- 0.4	1,480,833
AM-only . . . . .	454,023	464,931	- 2.4	954,904
FM & FM-AM . . . . .	365,883	357,954	2.2	525,979
auto . . . . .	823,397	793,868	3.7	1,275,670
Total phono . . . . .	612,451	576,733	6.2	880,058
portable-table . . . . .	464,378	415,105	11.9	637,284
console . . . . .	148,073	161,628	- 8.4	242,774

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Final week in Dec. was little gem—you can see the numbers in State of the Industry table. It was only week in 1970—only one since 1968, in fact—when every EIA product category showed increase over same year—earlier week. Fact that there was extra business day in 1970 week vs. 1969 helped.

New 1970 series of figures begins next week in our State of the Industry box, with first 2 weeks of year, traditionally lumped together by EIA. Reports from field indicate good retail movement so far in Jan. in response to special sales & promotions.

**HI-FI SALES—HOW HIGH?** High fidelity is healthy & moderately growing industry, with distributor-level sales last year hitting all-time high in neighborhood of \$125 million. But increase is all going to import brands, U.S. firms slipping both in dollar volume & market share. That's over-all picture painted in Tariff Commission report resulting from investigation into eligibility of H.H. Scott to receive import injury adjustment assistance. Figures are first definitive ones for industry whose parameters have heretofore been shrouded in mystery.

Sales totals include U.S. & import-branded stereo receivers, tuners, amplifiers, compacts, consoles & speakers marketed by traditional audiophile-oriented companies. Excluded from compilation are value of turntables & record changers, unmounted speakers, tape recorders & players and accessory items, such as headphones, phono cartridges, etc. We derived total market figures from statistics in report which, Commission claims, represent about 85% of hi-fi industry volume (see p.11).

Industry's biggest growth year, Commission indicates, was 1966, when sales jumped about 56% to around \$65 million from near \$43 million in 1965. Sales in 1967 were up some 21% to \$82 million, climbed 30% in 1968 to about \$110 million. Growth rate slowed to 4.4% in 1969, when sales hit \$115 million, increased about 8% last year when most other consumer electronic sales declined.

Domestic-brand sales kept close to over-all industry growth pace through 1968, when volume peaked out at about \$98 million, declining to \$95 million in 1969 and slipping back to around \$85 million last year. Import brands broke through 10% market-share barrier in 1968, with sales of \$13.4 million, increased share to nearly 20% in 1969 and to about 30% last year.

Commenting on import competition, Commission said Japanese, who supply virtually all imports, enjoyed early advantage over U.S. producers "as a result of transferring their solid-state technology" to hi fi, and backed up sales efforts here by offering "more generous credit terms & allowances" to dealers. But currently, report says, "rise in imports would appear to be explained by the comparatively lower [20-25%] market prices" for comparable products and "effective quality control." Commission cites unnamed U.S. industry executive as saying Japanese manufacturers' rigorous testing & retesting procedures would be "too costly" for domestic producers.

Commission split on eligibility issue, as 2 commissioners ruled that trade concessions granted by U.S. negotiators have not resulted in increased imports. Comrs. Clubb & Moore, urging that assistance be granted, said H.H. Scott is "in substantial & increasing distress," showing "declining sales, reduced profits, and then ominous losses, together with other evidence of financial difficulties." While concession-generated import increases were not only factor, they were "the major factor in causing serious injury." For past 3 years, they said, "company has been set upon a course which must eventually lead to its demise if some assistance is not granted." President Nixon has right to cast tie-breaking vote in Scott case.

**HEW GRANTS FIRST TV RECORD-KEEPING EXEMPTIONS:** Letters exempting some TV models from part of reporting & record-keeping requirements of X-Radiation Control Act of 1968 (Vol. 10:23 p9) are beginning to come from HEW. Initial exclusions covered 14 solid-state b&w TVs & monitors produced by Japanese.

First to have receiver exempted is Sanyo; HEW says this means only that firm was first to submit complete information. Sanyo's exclusions include 2 own-brand TVs, 3 supplied to Sears, one imported & marketed by Magnavox and one private-labeled to Craig. Ironically, Craig has given up TV business. Standard's pair of 3V" receivers sold by Symphonic have been exempted, as have 4 monitors produced by General Corp. and one monitor made by Nippon Columbia. Additional exemptions are expected shortly.

Exemptions cover requirements that TV manufacturers submit annual reports to HEW summarizing radiation safety tests of all TVs produced, and maintain distributor, dealer & consumer



purchaser records for all TVs which have internal voltages over 15,000. To obtain exemptions, producers must show that TV models cannot emit excessive radiation under any conditions.

To start exemption ball rolling, HEW spokesman said, agency limited consideration to applications for solid state b&w sets operating at less than 20,000 volts. With first group of approvals out and 2nd batch set to go, HEW is expanding scope to higher-powered small-screen tube-type sets, including several made in U.S. Increased use of heavily leaded glass in rectifier & picture tubes has all but eliminated X-ray potential from b&w and small-screen color TVs, he indicated, adding "It looks like we're starting to work ourselves out of a job."

**TV DUMPING HEARING SET:** First head-to-head confrontation between U.S. & Japanese representatives over TV dumping will come Jan. 26 at Tariff Commission hearing in Washington. It will take at least 2 days.

Hearing is part of Commission investigation of whether dumping of Japanese TVs, as found by Treasury Dept. (Vol. 10:49 p6), has harmed U.S. producers.

EIA Consumer Electronics Group statement, probably along lines followed by attorney J. Edward Day last year (Vol. 10:47 p8), is expected to be supported by Admiral, Sylvania & Zenith. EIA Parts & Tube Divs., which authored original dumping complaints in 1967 & 1968 covering TV & other products, will be represented by Eugene Stewart, supported by Corning, General Instrument, Sprague, Stackpole Carbon & Sylvania. IUE and 2 glass-makers' unions will join in.

Opposition will be led by H. William Tanaka, EIA-Japan. Robert Nathan Assoc. will present Japanese-sponsored study into history & condition of U.S. industry. Matsushita, Sony & Toshiba will be represented, though latter 2 are not expected to testify. Also on hand will be American Importers Assn., National Assn. of Retail Merchants & J. C. Penney Co.

Domestic TV industry will try to convince Commission that Japanese pricing practices have cost them sales, forced lowering of prices, lost profits and lost jobs. Need to compete with Japan, they're expected to claim, was prime reason U.S. producers opened plants in Taiwan, Mexico & Hong Kong. Parts makers are expected to say that dumping-induced shift to offshore production caused them to suffer similar losses.

Japanese are expected to emphasize non-competitive nature of imported TVs, which are mostly smaller than U.S.-made. They probably will argue that importers developed own TV market here, and that domestic producers' losses resulted from failure to meet consumer needs and from general slump.

Preview of arguments came last week at Commission hearing on Japanese capacitor dumping. U.S. delegation of about 17, headed by Stewart, included witnesses from Aerovox, Erie, General Instrument, Globe-Union, Mal-lory & Sprague. They submitted confidential information to support contention Japanese dumping caused price deterioration, plant closings and lower sales & profits. Stating that Japanese dumping could not have seriously injured U.S. producers, Tanaka said Treasury's investigation showed only 2 producers, accounting for just 14% of Japan's capacitor export-to-U.S. value, with sales at dumping levels. Results of Commission's finding on capacitors is due in March; finding on injury from dumping to ferrite industry should be announced this week.

**ANOTHER COLOR SIZE:** Newest member of square-cornered color tube family, with 4-x-3 aspect ratio, will be 17V", in sets to be available during this year's 2nd half from American manufacturers. New tube is squared-off version of current 16V" color tube, has about 5 more square inches of picture than the 145 sq. in. of 16V". Glass for new tube size will be made by Owens-Illinois, which plans to sample tube manufacturers early in 2nd quarter. Tube makers' interest in new size is relatively mild, but there will be some production and it's known that some set makers are planning to use it. Japanese have similar 17V" tube.

Another new color bulb, the 110-degree version of 19V", about 4 in. shorter than standard unit, is now being shipped to tube manufacturers by Corning. This could show up in some sets introduced in spring & summer. Only 110-degree color tube now being offered to public in U.S. is RCA's 18V" in high-priced Argosy portable. No other set manufacturer has adopted 18V"-110. Corning is also sampling tube makers with 110-degree version of 25V" color bulb, but only current interest is for export market. The 110-degree color tube, in 3 sizes—19V", 21V" & 25V"—is already popular in Europe.

**First regular broadcast** of E-V compatible 4-channel stereo system (Vol. 11:2 p9) was scheduled for last Sat. (Jan. 23) by WJIB(FM) Boston. Encoding equipment has also been shipped by E-V to stereo stations WCRB-FM Boston, WASH(FM) Washington, KSL-FM Salt Lake City, KSAN(FM) San Francisco, WNEW-FM N. Y. & WDHA(FM) Dover, N. J. E-V has also added 3rd record label to those producing 4-channel encoded discs—classical record specialist Gold Crest.

**Warwick** was in the black in 4th quarter and will show profit for 2nd half despite loss of nearly \$1.2 million in 3rd quarter, according to Chmn. Elisha Gray of Whirlpool, which owns 57% of the consumer electronics supplier to Sears. He forecast that Warwick would break even this year if demand for TV sets remains around 1970 level. Warwick's full-year 1970 loss should be around \$11.8 million vs. \$2.8 million loss in 1969.

**Color VTR** developed by Japan's TEAC uses half-inch tape in co-planar cassette, carries tentative price tag in \$700-\$850 range. Unit meets Japan Type 1 (b&w) standard, providing interchangeability when tapes are wound on reels or other Type 1 compatible cartridges. Marketing plans are being held up pending adoption of Type 1 color standard, expected in March.

**Sylvania** announced boost in large-screen color tube OEM prices at week's end. Ranging 3%-7% on tubes 19V" & larger, they're understood to match recent increases by RCA & Westinghouse (Vol. 10:52 p7, 11:2 p12), the other 2 principal OEM color tube sources. All hikes are effective March 1.



**HI-FI SALES:** First definitive look at important segments of U.S. high-fidelity market is provided in Tariff Commission report on eligibility of H. H. Scott to receive import adjustment assistance (see p. 9). Statistics compiled in report are based on questionnaire responses received from 8 U.S. firms & 8 importers, plus estimates for one other manufacturer and an additional importer.

While roster wasn't provided, report indicates Scott, Fisher & Sherwood among respondents, notes that those 3 "accounted for the great bulk of the domestic production" in early 1960s. In recent years, report estimates, the 18 covered firms accounted for 80% of domestic brand sales, 90% of imports, 85% of total market.

Products included are principally those sold under traditional domestic & import hi-fi brands which meet minimum performance & price standards—i.e., amplifiers of 10 watts (RMS) continuous output per channel, distortion 1% or less, selling to dealer at \$60 & up. Commission defined compact as receiver or amplifier combined with record or tape player in single unit selling to dealers at \$120 or more; speakers included are all housed in cabinets, have negligible distortion and dealer cost of \$18 & up.

Commission credits Scott with developing first hi-fi amplifier, said domestic industry now has 11 producers, all "relatively small." Four are subsidiaries of larger companies, report says, leaving Scott as "largest independent firm in the hi-fi industry."

Figures below show steadily growing U.S. market for quality stereo receivers & compacts, though speaker system sales through first half last year were down from comparable 1969 levels. Totals also show that import brands have steadily increased in sales volume & market share in all segments of industry, while domestic brand sales are on decline. In table below, taken from Commission report, U.S.-brand shipment totals include imports by the 9 domestic producers. Figures cover 9 lending domestic & 9 import hi-fi brands only.

#### HIGH-FIDELITY SALES (add 000)

Year	Receivers	Tuners	Amps.	Compacts	Speakers	Total*
U.S.-Brand Shipments						
1965	\$13,000	n.a.	n.a.	\$ 3,900	\$11,000	\$35,000
1966	23,000	n.a.	n.a.	7,900	15,000	54,200
1967	25,000	n.a.	n.a.	11,000	17,000	63,900
1968	26,000	n.a.	n.a.	19,000	23,000	79,100
1969	23,000	n.a.	n.a.	18,000	24,000	76,400
1969 (6 mo.)	11,000	n.a.	n.a.	9,100	11,000	36,100
1970 (6 mo.)	11,000	n.a.	n.a.	8,700	9,300	32,500

#### Import-Brand Shipments

1965	\$ 651	\$ 133	\$ 169	—	624	1,577
1966	1,465	111	479	96	899	3,050
1967	3,400	243	292	539	1,400	5,874
1968	6,414	500	500	1,769	2,900	12,083
1969	10,037	900	1,600	2,900	4,123	19,560
1969 (6 mo.)	3,604	400	600	1,100	1,300	7,004
1970 (6 mo.)	8,012	1,100	800	1,700	1,724	13,336

\*U.S. shipment totals include value of tuners, amplifiers & consoles.

**Teledyne Packard Bell** has launched 7-week NBC Radio Network ad campaign. Commercials are four 60-sec. spots for color & stereo, on 224 stations.

**IEEE is cutting** dues by 50% for out-of-work members.

**1970 MONTH-BY-MONTH:** Here's monthly comparison of 1970-vs-1969 domestic-label consumer electronics sales to dealers, from official EIA figures:

#### TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1970	1969	1970	1969	1970	1969
January	718,270	917,712	380,841	515,169	337,429	402,543
February	699,919	894,809	366,622	493,598	333,297	401,211
March (5 weeks)	814,714	1,017,960	386,847	519,450	427,867	498,510
April	516,343	658,459	247,521	321,702	268,822	336,757
May	447,431	534,970	206,223	256,284	241,208	278,686
June (5 weeks)	776,586	844,501	391,479	427,491	385,127	417,010
July	662,057	778,027	325,399	409,354	336,658	368,673
August	695,008	880,247	346,463	468,984	348,545	411,263
Sept. (5 weeks)	1,077,835	1,217,604	585,447	640,212	492,388	567,392
October	972,230	948,519	527,741	506,358	444,489	442,161
November	937,805	871,388	481,673	456,531	456,132	414,857
Dec. (5 weeks)	1,049,895	939,549	575,249	489,619	474,646	435,930
<b>TOTAL</b>	<b>9,368,113</b>	<b>10,498,745</b>	<b>4,821,505</b>	<b>5,523,752</b>	<b>4,546,608</b>	<b>4,974,993</b>

#### PHONOGRAPH SALES TO DEALERS

Month	Total		Portable & Table		Console	
	1970	1969	1970	1969	1970	1969
January	233,208	437,320	142,933	315,181	90,275	122,139
February	248,951	393,117	157,560	276,877	91,391	116,240
March (5 weeks)	305,486	397,951	199,578	277,903	105,908	120,048
April	145,528	239,974	99,853	170,828	45,676	69,146
May	159,208	193,879	111,880	133,147	47,328	60,732
June (5 weeks)	336,137	387,928	251,201	265,862	84,936	122,066
July	346,960	390,809	273,577	303,647	73,383	87,162
August	360,651	446,785	270,601	332,079	90,050	114,706
Sept. (5 weeks)	454,627	637,160	322,902	479,128	131,725	158,032
October	452,379	470,005	365,423	358,884	86,956	111,121
November	450,210	497,705	359,360	383,151	90,850	114,554
Dec. (5 weeks)	612,451	576,733	464,378	415,105	148,073	161,628
<b>TOTAL</b>	<b>4,105,796</b>	<b>5,069,366</b>	<b>3,019,245</b>	<b>3,711,792</b>	<b>1,086,551</b>	<b>1,357,574</b>

#### RADIO SALES TO DEALERS

Month	Home†		FM*		Auto	
	1970	1969	1970	1969	1970	1969
January	565,125	694,901	201,662	253,857	727,926	941,247
February	597,906	812,393	201,348	275,466	675,806	884,574
March (5 weeks)	611,171	913,361	219,014	340,032	848,471	1,026,640
April	430,462	625,226	140,679	259,407	704,092	784,483
May	372,750	538,920	129,254	204,609	774,925	684,927
June (5 weeks)	773,576	846,659	311,383	347,247	876,909	855,364
July	611,368	729,391	268,141	315,004	368,692	452,092
August	676,377	756,414	320,899	301,325	651,668	894,602
Sept. (5 weeks)	913,374	1,129,170	352,440	446,995	707,892	1,088,526
October	794,438	901,639	325,316	353,857	496,042	890,896
November	816,444	941,740	347,882	386,451	469,539	812,268
Dec. (5 weeks)	819,906	822,885	365,883	357,954	823,397	793,868
<b>TOTAL</b>	<b>7,982,897</b>	<b>9,712,699</b>	<b>3,183,901</b>	<b>3,842,204</b>	<b>8,125,359</b>	<b>10,109,487</b>

† Includes table, clock & portable.

\* Included in home radio; excludes auto radios & radio-phonos.

**Exploiting fire report** of National Commission on Product Safety (Vol. 10:5 p8) to sell TV sets backfired on Matsushita Electric of Hawaii Inc., importer of Panasonic sets for that state. FTC has provisionally accepted consent order prohibiting firm from misrepresenting fire safety of its sets and requiring it to retract newspaper ad with similar one in same newspaper. Retraction has already been printed. Original ad was headlined: "Panasonic passes 'fire hazard test' with flying colors!!!" Commission didn't test any sets but relied on responses of manufacturers to questionnaire. Import brands weren't listed in its report because their response wasn't "deemed sufficiently complete."

**Sweden's Sonab** hi-fi line will be introduced in U.S. this year with ad budget said to total \$1 million. Rosenfeld, Sirowitz & Lawson is agency.

## Trade Personals

**Robert J. O'Neill** resigns as exec. vp, sales operations, RCA Sales Corp., to form consulting firm in retail, distribution & manufacturing fields; RCA is his first client.

**Peter G. Peterson**, Bell & Howell chmn. & chief exec. officer, accepts Presidential appointment as asst. for international economic affairs & exec. dir. of new cabinet-level Council on International Economic Policy which will coordinate foreign trade & domestic policies; Peterson's duties at B&H will be assumed by new executive office, including Vice Chmn. **E. F. Wagner**, Pres. **Henry E. Bowes** & Senior Vp **Lawrence Howe**; Exec. Committee Chmn. **Charles G. Mortimer** will act as Board chmn.

**Stanley M. Gortikov**, Capitol Industries pres., adds same duties for Capitol Records, replacing **Salvatore J. Iannucci**, who leaves because of policy differences; **J. Michael Donohew**, who headed Capitol's home video-player R & D department, leaves as firm closes down that operation.

**Chester Mize**, former Congressman (R-Kan.), appointed Tariff Commission chmn., bringing agency up to full 6-man strength.

**Morris L. Finney Jr.** named pres. of Finney Co., replacing **Lewis H. Finneburgh Jr.**, now chmn.; former Chmn. **Morris L. Finneburgh** becomes exec. committee chmn.; named vps were Mktg. Dir. **George B. Kollar**, National Sales Mgr. **Thomas M. Pfeiffer** & Plant Mgr. **Victor W. Trebules**.

**Mark Chait**, ex-Reeves Telecom, named asst. radio & TV mgr., Allied Stores Mktg. Corp. . . **Al Smith**, Norge veteran and more recently head of own Chicago ad agency, named Sylvania Entertainment Products Ala.-Tenn. area mgr.

**Bernard S. Appel**, gen. mdse. mgr. for Allied Radio Shack Div. of Tandy Corp., named vp. . . **Walter Dennen**, ex-Gray & Rogers (Philadelphia ad agency), rejoins RCA as Solid State Div. news & information mgr. . . **M. A. Shader**, ex-Computer Sciences, joins TRW Electronics as mkt. planning & development dir., new post.

**Thomas P. Carroll** named national sales mgr., **George F. Mahoney** ad & sales promotion mgr., Motorola-brand products, Motorola Automotive Products Div.; both were with Consumer Products Div.

**Victor Brociner** promoted at H. H. Scott from planning vp to engineering vp. . . **Irvin Zimet**, one-time Victoreen Instrument vp, advanced at Interphoto from vp-treas. to pres., succeeding **Peter M. Behrendt**, who resigns but continues with firm as consultant.

**Ira M. Lash** joins Benjamin Electronic Sound as sales engineering mgr., responsible for OEM, private-label & contract markets, new post. . . **John N. Leedom**, pres. of Wholesale Electronic Supply (Dallas) & former NEDA vp, elected 2nd vp, National Assn. of Wholesaler-Distributors.

**G. Barron Mallory**, P.R. Mallory chmn., named chmn. of new EIA International Activities Council; **John Sohn** (Arvin) & **Alfred A. Medica** (GTE) will represent Consumer Electronics Group on Council. . . **George E. Solomon**, TRW Systems Group, appointed EIA representative to NATO Industrial Advisory Group.

## Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Corning Glass			
1971-year to Jan. 3	593,729,037	39,519,839	5.69
1969-year to Dec. 28 <sup>a</sup>	540,769,715	50,491,239	7.27
Craig			
1970-6 mo. to Dec. 31	32,698,000	254,000	.08
1969-6 mo. to Dec. 31	33,800,000	662,000	.22
Doyle Dane Bernbach			
1970-year to Oct. 31	275,993,484 <sup>b</sup>	3,762,679 <sup>c</sup>	1.96
1969-year to Oct. 31	255,656,524 <sup>d</sup>	3,890,743	1.89
Koss Electronics			
1970-6 mo. to Dec. 31	2,654,637	194,791	.12
1969-6 mo. to Dec. 31	1,696,683	147,879	.09
Meredith			
1970-6 mo. to Dec. 31	65,737,181	1,188,120	.43
1969-6 mo. to Dec. 31	72,361,551	4,509,644	1.62
3M			
1970-year to Dec. 31 <sup>e</sup>	1,686,000,000 <sup>f</sup>	187,600,000 <sup>f</sup>	3.35
1969-year to Dec. 31	1,612,000,000	179,400,000	3.21
MPO Videotronics			
1970-year to Oct. 31	16,492,625	136,141	.24
1969-year to Oct. 31	17,138,736	353,163	.64

Notes: <sup>a</sup>Restated. <sup>b</sup>Record billings. <sup>c</sup>After extraordinary items. <sup>d</sup>Billings. <sup>e</sup>Preliminary. <sup>f</sup>Record.

**Reacting to govt. demands**, Matsushita announced home market retail TV price reductions of 15%-20% on forthcoming models. Earlier, firm had said prices would be cut around 10%, a plan which drew fire from Ministry of International Trade & Industry. MITI had publicly urged Matsushita to institute 15% reductions, called on industry to overhaul home distribution system and eliminate excessive marketing costs (Vol. 11:3 p14). Following Matsushita move, Sharp said prices on pair of new color portables would be 22% below lists of similar models introduced last year. Reduction moves, expected to be copied by most other Japanese producers, reflect abandonment of dual-price system, which left large margins for retailer discounting. Export pricing won't be affected.

**One of biggest single TV premium deals** is nationwide American Motors promotion offering free 12V" GE b&w portable (retail price \$89.95) with every new car purchased Jan. 18-Feb. 28. GE declined to state how many TV sets were specified in contract, but it's estimated 40,000-50,000 cars could be sold during period. GE said it had added 100 workers to Portsmouth plant, put part of work force on 10-hour day and will operate 6 Saturdays to fulfill contract.

**GE's sales & earnings** for 4th quarter were highest for any quarter in history, Chmn. Fred J. Borch said last week. He forecast no major change in economy in 1971's first half, but "quite an upsurge" in latter half. As to consumer products, "I'm not pessimistic and I'm not over-optimistic."