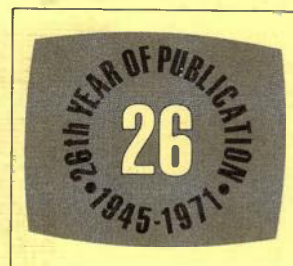


WEEKLY

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Broadcast

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NAB STUDY FINDS BROAD MEDIA DIVERSITY: Seiden analysis, using ADI for 204 markets, concludes FCC vastly under-counts media services & owners (p. 3).

NAB HITS ABORTION SPOT offering services of 'qualified gynecologists' in N.Y. Wasilewski says 'serious ethical questions' raised. Ad agency threatens to sue NAB, says 300 radio stations are carrying spot (p. 4).

FCC BUDGET UP \$3.8 MILLION to provide 120 new jobs 'to expedite policy planning & rulemaking activities'. President asks \$35 million for CPB, will seek another \$10 million in contingency funds (p. 4).

DEMOCRATS' EDGE on House Commerce Committee now 25-18, net gain of 2 seats. House GOP assignments due this week. Republicans Hatfield & Stevens join Senate Commerce, Democrats lose one seat, lead 10-8 (p. 5).

WIDE, WIDE WORLD OF TOM WHITEHEAD: Whole communications universe remains in purview of Office of Telecommunications Policy. When he took office last Sept. (Vol. 10:39), Dir. Dr. Clay T. (Tom) Whitehead startled industry by breadth of issues he planned to cover on behalf of Administration—going far beyond purely technical activities of preceding telecommunications advisers to President. Last month, he astonished industry again by questioning the handling of free speech, fairness & access by FCC, Congress & courts (Vol. 10:51 p3).

Last week, Whitehead went even further in describing areas of policy in which OTP is & will be active. He spoke before Federal Communications Bar Assn., and we interviewed him separately. Herewith are highlights we gleaned:

"Communications policy has too long been the province of technicians... We don't intend to become just another player on the crowded field of communications. We hope to exert responsible leadership. For the first time, there's one place in the Executive Branch where you can hear the Administration's position... We're not in an ivory tower..."

Questions & answers: Q—Relationship between OTP & FCC? A—"I hope you won't try to use us to get a better break at FCC. But, to change public policy, I hope you'll talk to FCC, us & Congress." Q—Is the Communications Act outmoded? A—"We're looking at the assumptions of the Act. We're reviewing." Q—Should we raise with you such matters as restrictions on CATV distant signals? A—"It's appropriate to raise them with us. We're not looking over FCC's shoulder, but a matter like that does lie within communications policy. We're looking deeply into cable... We don't intend

Consumer Electronics

TV DUMPING CASE hinges on legal points rather than facts, as Tariff Commission hearing hears little new information from U.S. or Japanese industries; Commission determines that Japanese dumping injured U.S. ferrite producers (p. 7); domestic TV & parts producers supply details of injury claims (p. 10).

EVR CASSETTE PRODUCTION in CBS's N.J. plant has totaled about 1,000, at rate of 3 monochrome to one color; 10 days required from start to finish of cassette mastering & duplication; videocassette publicity mills grind on, Saturday Review adding monthly section (p. 8).

PICTURE TUBE OVERCAPACITY totaled 12.8 million units in 1970, EIA survey indicates, with color tube plants running at 48% of capacity, monochrome at 38%; number of plants declined from 19 to 15 in 1970; figures given for 1966-1970 (p. 9).

SYLVANIA'S BILL BOSS sees some pickup in first quarter, more in 2nd half; no real TV price boosts at midyear, with 25V" moving to lower price areas; says dealers are reducing number of lines handled (p. 11).

VARIETY OF DROP-INS: RCA's first 19V" color set; Zenith 'convertible' radio, Scott's \$600 digital card-programmed FM tuner (p. 11).

to get into extremely detailed areas—Grade B, 35-mile, 34-mile, top-100, top-84. We need policy on broadband, on broadcasting, on common carrier."

Q—Newspaper divestiture? A—"We'd be very concerned, but we don't know whether we'll take a position. It's part of the whole broad policy question—cable, broadband." Q—License renewals? A—"Do we want FCC increasing involvement in programming? We want to back off and ask questions." Q—Multiple ownership? A—"This is a policy matter. We haven't decided a position yet." Q—Will you file comments in FCC rulemaking? A—"There's a whole range of ways in which the President and the Administration can make their views known." Q—Do we go from the FCC to you or to the Court of Appeals? A—"The answer is quite clear—you go where you think you can get the best deal."

Whitehead told us he has staff of 38 professionals, seeks 65-70—at least 50% in "super-grades"—\$28-\$36,000. He said Commerce Dept. is taking over "routine allocations" matters—assigning frequencies among govt. agencies. If there's dispute between OTP & FCC on division of spectrum between govt. & civilian use, decision would be up to President, he said. Asked how OTP would get its views across, he said: "I can make speeches. We can send a memo to FCC. We can submit legislation to Congress. Who has the power? Ultimately Congress—I'm sure [FCC Chmn.] Dean Burch will agree."

Showing how OTP works within govt., Whitehead gave example of transoceanic aircraft communications. Said he: "Communications is becoming a limiting factor in flight over the oceans. We studied it, with FAA, with NASA, with everyone. Then we decided that satellites would be used for the purpose and that private contractors would furnish the system. That was it." Asked if FAA previously would have made the decision, he said: "Yes. Or it wouldn't have made a decision." We asked: "Did FAA feel it had been pushed?" Answer: "Yes."

Has Whitehead referred any decisions to President Nixon? Answer: "If the decision is big enough, it will be. There haven't been any yet."

IMPLICATIONS OF TELEPROMPTER INDICTMENT: Cable industry won't be helped—but it won't be hurt as much as some believe—by last week's indictment of TelePrompter (TPT) & Pres. Irving Kahn for alleged bribery in renewal of Johnstown, Pa. franchise in 1966. Federal grand jury action in Southern Dist. of N. Y. charged that TPT & Kahn gave total of \$15,000 to Johnstown Mayor Kenneth Tompkins & Councilmen J. Howard Deardorff & Robert McKee; latter 3 were also indicted—for accepting bribe. Kahn's attorney Milton Gould promptly stated that money was extorted "by corrupt local officials who threatened to destroy TelePrompter's investment in Johnstown," and "the govt. for its own reasons has elected to proceed on a theory of bribery." He said TPT & Kahn have cooperated with govt. authorities and would be vindicated "when all the facts are brought to light." We've discussed situation with FCC people, with friends & competitors of Kahn, come up with these observations:

(1) Until case is settled, TPT's efforts to get more franchises will be severely curbed, if not stopped altogether. However, company already has enough major franchises to keep it going for long time. Then, again, if case goes against TPT, might some of its franchises be jeopardized? Chances are against that—unless there are convictions of wrong-doing involving the other franchises.

(2) There will be renewed demands that FCC take over entire regulation of CATV—including granting of franchises. There will be similar demands for greater state PUC regulation. Our guess is that upshot will be, at least, federal and/or state guidelines to cities regarding franchising and closely related local functions. On that score, it's worth quoting N. Y. State PSC Comr. William Jones' recommendations (Vol. 11:3 p7) that municipalities continue franchising, but under state guidelines:

"To be sure, local agencies may be corrupt or may show favoritism to an applicant based on extraneous considerations (e.g., political affiliations). But state agencies are not immune from these vices, and probably it is less damaging to the state if the officials of some town or city behave improperly in a single case than if a state agency does so in a whole series (as the FCC did in the 50's in respect of TV licenses). Moreover, assuming compliance with all [PSC] criteria, regulations & policies, it is very doubtful (a) that it will make much difference who obtains the franchise, or (b) if it does make a difference in particular case, the [PSC] will be able to predict the difference in advance."

FCC officials are generally aghast at thought of trying to handle franchise granting—meaning thousands of hearings for new systems, expansions, sales, complaints, etc. Commission would need

hundreds of added employes, millions in added budget. "The FCC would be hopelessly outmanned," said one official. Another: "It would be an incredible thing for FCC to try to handle."

(3) Cable industry can't help but suffer temporary damage—as opponents seek to characterize Johnstown episode as typical of industry, while CATV forces seek to counteract this with assertions that such events are typical of any new industry depending on govt. authorization. Inevitably, charges of hanky-panky will pop up all over the country, and there are bound to be some cases proved. And, because Kahn has been one of industry's leading spokesmen, CATV is likely to suffer from some curtailment of his public activities. For example, he was expected to be a prime witness in FCC's oral proceedings starting March 11 (Vol. 11:4 p2); at the moment, his participation is up in air.

(4) TPT's own progress will undergo temporary pause, while Kahn picks his way out of tough situation. Most people believe he'll come out of it clean. Nonetheless, some damage is inevitable. For example, American Exchange suspended TPT trading when news broke Jan. 28, and stock stood at 85-1/4, after sharp run-up preceding week. When trading resumed next day, Wall St. was scuttling for cover, because it opened at 73-5/8. By end of day, it stood at 75.

TPT bought Johnstown system for mere \$500,000 in 1961 when it had some 2,000 subscribers; it now has 18,000. Indictment charges that bribery came in 1966 when franchise renewal was pending. At that time, a local group (believed to have outside backing) sought to take away TPT's franchise or to get permission to "overbuild" with competing system. Prosecuting authorities said investigation started when an IRS agent discovered checks while looking into another case.

NAB STUDY FINDS BROAD MEDIA DIVERSITY: Massive study of media distribution in 204 markets, sent to FCC last week by NAB, ought to have quite an impact on Commission's restrictive one-to-a-market rulemaking if it's given any credence at all. Huge (4-volume) 6-month study by economists Martin H. Seiden & Assoc. (he once did CATV study for Commission) concludes there are vastly more media & more owners in each market than Commission assumed when it came up with rules & proposals.

For example, Seiden finds N. Y. C. with 89 radio stations originating in market, another 15 putting signals into market—while FCC lists only 34. Both agree 8 TVs originate in N. Y.—but Seiden adds the 18 received in market. In total, study shows 519 media, with 372 different owners, serving N. Y.—including 49 dailies, 373 weeklies, plus magazines. In almost all markets, study finds 2-5 times as many broadcast signals and owners as FCC counts.

A major reason for difference between study and FCC's traditional method of counting media is that Seiden used ARB's TV Area of Dominant Influence (ADI), concluding that ADI is much truer measure of coherent area than Standard Metropolitan Statistical Area (SMSA).

Study shows number of homes reached by TV & radio in each market, circulation of each publication (including national magazines), ownership of each medium, whether it originates locally or elsewhere. Excluded were foreign-language publications and magazines believed to have little broad-gauge social impact—such as Popular Mechanics, Brides, etc. ("We wanted to be conservative," says Seiden.) Even smallest market covered, Glendive, Mont., (4,600 homes) turns up with 36 media, 30 owners—including 2 dailies, 2 weeklies, 8 radios, 5 TVs, 19 magazines with more than 100 circulation each in town.

NAB will file in April its big blast at rules, including legal arguments prepared under direction of former FCC Comr. Lee Loevinger.

Okla. broadcasters, who must file renewal applications by March 1, had unusual, all-day renewal seminar at OAB convention last week. Answering questions were NAB Chief Counsel John Summers, FCC Complaints & Compliance Chief William Ray, Washington attorney Robert Marmet & OAB Counsel Cleo Fitzgerald. (Comrs. Johnson & Cox did their own study of Okla. stations 3 years ago, charged in well publicized report that they were doing poor job.) In brief prepared statement, Ray discussed Commission decisions on fairness doctrine & news slanting, explained new rules on employment of minorities.

FCC offers \$500 award for winning design of new official seal to replace design in use since agency's beginning in 1934. Competition is open to "all members of the public, including business entities." Deadline is April 15. Commissioners will be judges. For entry forms write: Seal, FCC Office of Information, Washington, D. C. 20554.

FCBA luncheons: Feb. 25, honoring George Smith, retiring from FCC; March 25, John Macy, CPB; May 6, FCC Comr. Houser. Annual seminar in Williamsburg, Va. is May 28-29.

NAB HITS ABORTION SPOT: "Serious ethical questions" are raised by radio spots placed by Professional Scheduling Service, N. Y., offering to refer women to "qualified gynecologists" in N. Y. C. for legal abortions, NAB Pres. Wasilewski said last week. Statement immediately raised ire of M. A. Ettlinger Inc.—ad agency which has offered spots to all commercial stations in U.S.—and Ettlinger threatened to sue after NAB refused to retract statement.

Ettlinger said NAB statement—which quotes Judicial Council of the American Medical Assn.—is "erroneous because it implies that the advertising is placed on behalf of qualified gynecologists... Professional Scheduling Service has no connection with the doctors. It is strictly a referral service... We are very, very angry. They [NAB] don't know what it's all about. They didn't even investigate. The service is for women, not doctors." He said he would seek court injunction forcing NAB to retract statement and that he planned to sue for monetary damages.

NAB Chief Counsel John Summers said "there's nothing to retract." He noted radio spot promises to schedule abortions by "qualified gynecologists" in return for fee (\$75). Wasilewski statement—published in NAB Highlights (membership bulletin)—was made in answer to "numerous inquiries." He said spot "may raise legal questions" in states where abortions are illegal and that subject will be taken up by Radio Code Board.

FCC has been flooded with inquiries, too—including one by Ohio asst. atty. gen., who asked whether spots were legal. Commission spokesman said it has no investigation underway or complaints pending—though dozens of stations and about 30 Washington lawyers inquired last week. "But any station which carries this spot is just asking for trouble," FCC official said.

Ettlinger said all commercial radio stations were offered spot on paid basis, that some 300 are airing it. "We've had very few outright turndowns," he said. "I've been amazed at how many have accepted it." Spot reportedly is illegal under Conn. law, but Hartford station is carrying it and will join ACLU in effort to have law declared unconstitutional, according to Ettlinger.

TV-radio earnings of Cox Bcstg. were down in 1970, but company over-all had best year ever on revenues of \$64.4 million, net income of \$7.6 million (\$1.32 per share), compared with \$61.9 million revenue & \$7.1 million (\$1.23) income in 1969. Pres. J. Leonard Reinsch said that TV accounted for 53% of revenues, radio 12%, technical publishing 14%, Bing Crosby Productions 10%, services division 11%. Revenues of broadcast division rose 3%, with radio showing larger gain than TV. Cox Cable Communications (56.3% owned by Cox Bcstg.) showed revenue increase in 1970 but slight decline in earnings. Cox Bcstg. share of Cox Cable net income was \$677,486, down 8% from \$735,806 in 1969.

KFDX-TV Wichita Falls sale for \$5.05 million to Charleston (W. Va.) Daily Mail, also owner of WWAY Wilmington, N.C., has been approved by FCC. Also approved: Sale of KXMB-TV Bismarck to KXMC-TV Minot, N.D. for \$1.2 million. While stations' Grade B contours overlap, Commission waived rules since KXMB-TV claimed it was losing \$50,000 a year, tried unsuccessfully to find other buyers.

FCC BUDGET UP \$3.8 MILLION: Some 120 new positions will be added at FCC to "expedite policy planning and rule-making activities" under fiscal 1972 budget submitted by President last week. Total requested for Commission is \$29.99 million vs. \$26.1 million for current year ending June 30. Budget provides for 1,798 permanent FCC employees at average salary of \$13,992. Commissions' offices are to get \$1.22 million, Broadcast Bureau \$6.16 million, research & planning \$4.18 million, CATV Bureau \$910,000, FEMB \$7.2 million, support activities \$3.7 million.

Budget provides \$2.62 million for new Office of Telecommunications Policy in White House, headed by Clay Whitehead (see p. 1). Budget message notes that OTP "assures that the Executive Branch views are effectively presented to the Congress and the FCC on telecommunications policy matters." In addition to direct appropriation, Commerce Dept.'s Office of Telecommunications is getting \$5 million in "general & special funds... for the first full-year cost and increased research & analyses for the Office of Telecommunications Policy..."

CPB is in line for \$35 million in direct funds—hefty increase from \$23 million last year—plus another \$10 million in contingency money which must be authorized. CPB official labeled as "terribly important" the statement in President's message that "legislation will be proposed to provide an improved financing arrangement for the Corp." CPB said, however, this wasn't reference to a permanent financing bill. There's another \$4-8 million in budget for continued production of Sesame Street.

President is seeking \$23.44 million for FTC vs. \$21.48 million last year. Increase provides 77 new positions "to strengthen the Commission's consumer protection activities."

CATV is most serious threat to broadcasting, former FCC Comr. Kenneth Cox told recent Broadcasting Industry Symposium in Washington (Vol. 11:4 p4). "This unfair method of competition," he said, has attracted "powerful friends. "Let [CATV operators] risk their money not only in technology but in programming... I wish we'd get down to brass tacks and stop talking about blue sky. You're not going to beat the broadcaster at his own game." Argument at workshop session between Cox & NCTA Pres. Donald Taverner was often crisp. "We're in trouble," Taverner said. "Research & development is practically nonexistent." Unless FCC lifts freeze, he predicted, there will be "mergers" & "desolation" in CATV. "There is a threat to the broadcasting industry," he said, "but it is one of proportion. We aren't interested in killing Goliath... There's never really been any good local programming done. I don't mean 15 minutes of news with 3 beer ads. I mean good, local programming, and I don't think you broadcasters are going to be able to do it."

"High-quality, well-budgeted" programs dealing with such subjects as "drugs, sex, national affairs, citizenship, and designed to reach young people of various ages, rather than a specific grade level," should be financed by CPB. This was one of 10 "priority" conclusions of CPB-commissioned study by International Council for Educational Development. CPB paid \$99,000 for 6-month study, and most recommendations had to do with non-program matters.

Add RCA & Bell of Canada to sponsors of A. D. Little's broadband study (Vol. 11:4 p2).

DEMOCRATS' 25-18 EDGE: House Democrats put their 74-seat majority right to work last week by voting themselves extra seats on most committees, with unusual proportion of new spots going to liberals. House Commerce Committee was no exception; Democrats increased members from 37 (21 Democrats, 16 GOP) to 43 (25 Democrats, 18 GOP). Commerce subcommittee sizes also will increase, but Democrats are likely to retain present one-vote edge on all 5. Republicans make committee assignments later this week, and subcommittees then will be determined.

Democrats on Commerce Committee, by seniority: Chmn. Staggers (W. Va.), Macdonald (Mass.) (Communications Subcommittee chmn.), Jarman (Okla.), Moss (Cal.), Dingell (Mich.), Rogers (Fla.), Van Deerlin (Cal.), Pickle (Tex.), Rooney (Pa.), Murphy (N.Y.), Satterfield (Va.), Adams (Wash.), Blanton (Tenn.), Stuckey (Ga.), Kyros (Me.), Eckhardt (Tex.), Tiernan (R.I.), Preyer (N.C.), Podell (N.Y.). New members: Helstoski (N.J.), Symington (Mo.), Carney (O.), Byron (Md.), Roy (Kan.), Metcalfe (Ill.).

Makeup of House Communications Subcommittee—except for Chmn. Macdonald—remains unclear for both Democrats & Republicans. Former Rep. Ottinger's (D-N.Y.) seat is open, and Rep. Brotzman (R-Colo.) is expected to shift to Ways & Means. We asked some who served on Subcommittee last year what they considered top priorities in TV-radio. Van Deerlin: "Educational TV. We've got to come up with some permanent [CPB] financing... We've had no help from the White House on this." Broyhill (R-N.C.)—one of 7 who introduced legislation to exempt stations from renewal challenges unless FCC first ruled licensee wasn't operating in public interest: "Congress ought to answer this question. When does the Commission accept new applications?... They need guidance from basic law. It seems to be wandering around & around, and we need to clear the air... More & more we're sitting back, letting the regulatory agencies, with faceless members not responsible to anyone, come in and take over."

Brotzman: "I'd have to put public broadcasting right at the top of the list. We've got to give this thing some leadership. We've been operating for 2 years now without any permanent financing." Brown (R-O.): "What ever happened to educational broadcasting? They call it public broadcasting now... I'd like to explore the subtlety of that change... the direction of public broadcasting generally. Is it just non-commercial competition or an educational broadcasting service... They keep throwing Sesame Street at us and we told them last year they better come up with something else or they'll find a more jaundiced reception."

House Speaker Albert (D-Okla.) said last week that "in my judgment" there will be TV-radio coverage of House hearings this session as provided for in congressional reorganization act passed last fall. However, he noted decision is left up to Committees and that some "probably will not permit coverage." Speaking to Washington chapter of SDX, he added: "My only interest is that radio & TV coverage not get out of control... and just cover sensational aspects of hearings... We in the leadership will have to maintain some control... I hope TV & radio will try to give an accurate picture of what Congress is trying to do."

Only new faces on Senate Commerce Committee will be Republicans Hatfield (Ore.) & Stevens (Alaska), who

replace Minority Leader Scott (Pa.), shifting to Foreign Relations, and ex-Sen. Goodell (N.Y.), defeated in Nov. Other Committee Republicans: Cotton (N.H.), Prouty (Vt.), Pearson (Kan.), Griffin (Mich.), Baker (Tenn.), Cook (Ky.). Democrats lost one man—and seat will be dropped from Committee. Ex-Sen. Tydings (Md.) was defeated, leaving Committee with 18 members (10 Democrats, 8 Republicans). Democrats line up this way: Chmn. Magnuson (Wash.), Pastore (R.I.), Hartke (Ind.), Hart (Mich.), Cannon (Nev.), Long (La.), Moss (Utah), Hollings (S.C.), Inouye (Hawaii), Spong (Va.). Communications Subcommittee Democrats: Chmn. Pastore, Hartke, Long, Moss & Cannon. Republicans will make assignments this week.

Some 3,000 bills were tossed into legislative hopper during first week of new Congress, about 50 broadcast or consumer oriented.

Equal time demand by 12 black congressmen to respond to President Nixon's State of the Union message has been rejected by CBS & NBC, and refusal is also expected from ABC. Rep. William Clay (D-Mo.) sent letter to networks complaining they offered Nixon free time "without proper & fair time for rebuttal." Both CBS Pres. Stanton & NBC Pres. Goodman noted free time was given to Democratic National Committee (DNC). "The fairness doctrine," Goodman wrote Clay, "does not confer personal rights to use TV by those who disagree with views expressed on TV or have a position of their own they would like to express to the public over the medium." Replied Stanton: "It is the leadership of that [opposition] party which can best marshal support inside & outside the Congress" to oppose policies and advance new ones.

WURD (Ch. 40) Indianapolis went on air Jan. 25 as independent, plans full programming next week. There are now 881 stations on air (589 vhf, 292 uhf), 683 commercial, 198 non-commercial. There are also 137 CPs. According to Gen. Mgr. Dr. Wendell Hansen, station will emphasize children's, travel, country-western & black gospel programming. Robert Morris is operations dir.; Ray Candor, sales mgr.; Hugh Kelly, engineering dir. Station has 30-kw RCA transmitter, 500-ft. tower, \$210 base rate, but no rep announced. Hansen also owns WNNE(AM) & WDMW(FM) Menomonee, Ind.

Pleased with "bull sessions" held in 4 states with TV members, NAB staff starts new round this week in Charlotte (Feb. 3) & Columbia, S.C. (Feb. 4). Others are planned over next 6 weeks in Omaha, Denver, Bismarck, N.D., Phoenix, L.A., Fresno, San Francisco & La. (tentative). TV Vp William Carlisle, Chief Counsel John Summers and regional mgr. for area are only NAB staffers who attend give-&-take sessions. Previous meetings have been held in Okla., Ind., Ohio & Iowa.

Correction: Viacom changes filed with FCC (Vol. 11:4 p6) provide that trusteeship for holders of more than 100 shares applies only to CBS officers, directors & div. presidents (not to shareholders, generally) and that Messrs. Paley, Stanton & Levy offer to divest themselves of Viacom shares within 6 years if FCC requires it.

Justice Dept. will continue to challenge conglomerate expansion and mergers between big companies, Antitrust Chief Richard McLaren told N.Y. Bar Assn. last week. He warned that Antitrust Div. "would be an even more vigorous advocate" before regulatory agencies to preserve competition in communications & transportation.

Personals

Appointments of **Robert Wells** (for 6-1/2 years) and **Thomas Houser** (6 months) to FCC were sent to Senate by President last week; no date set for confirmation hearings, expected in 2-3 weeks. Wells & Houser now are sitting as commissioners under interim appointments.

Milton Ledet, gen. mgr., WRET-TV Charlotte, promoted to pres. & gen. mgr.; **Ian Wheeler** to vp & station mgr.; **George Winslow Jr.** to vp & gen. sales mgr.; **Bill Ritchie**, ex-WCPO-TV Cincinnati, named vp & gen. mgr., KTEW (formerly KVOO-TV Tulsa); **Ben Hevel** promoted to asst. gen. mgr., WCPO-TV... **Richard Grimm** promoted to station mgr., KHVH-TV Honolulu.

Roger D. Rice, KTVU Oakland, appointed to NAB TV Code Board, succeeding **Mike Shapiro**, WFAA-TV Dallas; **Max Bice**, KTNT-TV Tacoma-Seattle, reappointed for 2-year term... **Jack P. Timmons**, WKHK Shreveport, & **Jerry Fitch**, KGLN Glenwood Springs, Colo., appointed to NAB Radio Code Board, succeeding **Virginia Pate**, WASA Havre de Grace, Md., & **A. Donovan Faust**, WSIX Nashville.

Bob Edell, PR dir., promoted to a vp, Storer Bcstg... **Carl Rogers** joins WBBM-TV Chicago as community services dir... **Richard Calender** promoted to West Coast radio div. mgr., WGN Continental Sales.

David Murphy, ex-NBC-TV Spot Sales, named account exec., CBS TV Stations National Sales... **Douglas Netter** promoted to exec. vp, MGM... **Harvey Frand** promoted to gen. program exec., Warner Bros. TV, L.A... **Patricia Newcomb**, ex-20th Century Fox, named ad dir., GE's Tomorrow Productions.

Peter Cary, ex-Paramount TV, named gen. mgr., Viacom S.A. (formerly CBS Europe), and exec. dir., Viacom International (formerly CBS Ltd.)... **Robert Crossman** promoted to domestic operations sales dir., Videorecord Corp.

Donald Baker, Justice Dept., speaks on "Antitrust & Communications" Feb. 18 before Federal Bar Assn., Lawyers Club, Washington... **Grant W. Midgley**, admin. asst. to Sen. Moss (D-Utah) since 1965, becomes staff dir. of Moss's Consumer Subcommittee; he's succeeded by **Douglas W. Owens**, who served Sen. Kennedy (D-Mass.) as admin. asst. to Majority Whip.

Paul M. Ruden joins Washington law firm of Wilner, Scheiner & Greeley... **Michael L. Glaser** opens new law firm in association with **Francis E. Fletcher Jr.**, 1320 19th St. NW, Washington; 202-833-2093... **Everett G. Henry**, chief, FCC Amateur & Citizens Div., retires after 32 years with Commission.

Patrick Cadigan, vp & gen. mgr., Electronic Engineering Co. of Cal. electronic products div., named an EECO dir... **Robert Wade**, ex-Fairchild Camera, named motion picture products national sales mgr., Rheem Mfg... **Jerald Sobul**, ex-Ampex, named western sales mgr., Audiotronics' audio products div... **Thomas Kenly**, ex-HRB-Singer, named C-COR systems engineering mgr.

After months of unexplained delay, Civil Service Commission finally approved several FCC promotions: **Sol Schildhouse**, to Chief, Cable TV Bureau; **Allen Cordon**, to Deputy Chief; **Robert Rawson** to Deputy Chief, Broadcast Bureau. All have been serving in the positions on "acting" basis.

National Religious Bcstrs. convention last week in Washington got good sample of NAB, FCC & NCTA thinking: NAB Pres. Wasilewski—"Broadcaster should be trusted more. Let him determine what are the controversial issues in his community which deserve a balanced hearing... The Commission should keep its fingers out of deciding who gets on the air and what ideas get on the air..." FCC Chmn. Burch—"I am more frightened over the prospect of government interference with news. I don't mean news can't be criticized, but I'm fearful of government determining what is good and what is bad news... We have to take a long look at where the fairness doctrine is leading us... It doesn't make much sense for a broadcaster to have to give away 2 parts for every one part he puts on the air." NCTA Pres. Taverner—"The existing broadcast industry has been protected by restrictive CATV rules... This mass-audience, advertiser-sponsored syndrome has resulted in a narrow, monolithic system that has brought a restricted, common sameness on a nationally dominated level... There is so little local TV in the U.S. that, essentially, there is none."

Adults viewing TV and number of homes with TV sets in use "increased sharply" during year ending last Nov., according to COLTRAM study to be released today (Feb. 1). Based on Nielsen reports from 181 markets, key finding shows that TV homes in use per average quarter hour increased 7.5%—from 20.3 million to 21.9 million. All day parts shared in increased viewing. Average adult viewing per quarter hour increased 6.9% to 27.7 million. Late-fringe time periods showed largest increase—15%; adult viewing in prime time was up from 52.9 million to 55.1 million.

"Truth spots" on commercial TV, to provide "accurate & truthful information on products and their disastrous side effects," were recommended last week by FCC Comr. Johnson. Speaking to Consumer Federation of America, he said such spots are "logical & legal extensions of the anti-commercial as it was first applied to cigaret manufacturers." He said TV spots countering claims in TV advertising should be applied "across a whole range of dangerous consumer products."

"Man of the Year" award will be presented to ABC Sports Pres. **Roone Arledge** at National Assn. of TV Program Executives conference in Houston Feb. 17-19. Keynote speaker will be OTP Dir. **Clay Whitehead**; Rep. **Van Deerlin** (D-Cal.), member of House Communications Subcommittee and an ex-broadcaster, speaks at awards luncheon.

Liquor commercials in Knickerbocker games have been dropped by Sterling's N.Y. cable system—with statement that whole CATV industry ought to consider liquor-commercial issue.

CCIR satellite session in Geneva, month-long, starting this week, will be attended by FCC engineers **Daniel Child**, **Fred Budge**, **Julian Dixon**, **Harry Fine**, **Willmar Roberts** & **Harold Kassens**.

President Nixon says he never watches himself on TV or looks at prime time news shows, prefers reading summaries prepared by staff.

Videorecord World (**William Pereira Jr.**, publisher) is new monthly covering cassettes, etc.: Box AZ, Irvine, Cal. 92664.

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 1971's first 2 weeks, to Jan. 15:

	Jan. 2-15	1970 (2 weeks)	% change	Dec. 26, 1970- Jan. 1, 1971
Total TV.	304,721	320,965	- 5.1	189,339
color	162,612	169,445	- 4.0	112,488
monochrome	142,109	151,520	- 6.2	76,851
Total radio	580,063	589,577	- 1.6	240,538
home, portable	167,612	234,582	-28.6	113,725
AM-only	99,923	146,881	-32.0	67,806
FM & FM-AM	67,689	87,701	-22.8	45,919
auto	412,451	354,995	16.2	126,813
Total phono	125,143	102,344	22.3	66,752
portable-table	88,991	60,111	48.0	37,330
console	36,152	42,233	-14.4	29,422

Color TV 5-week moving average: 1970-71—99,952; 1969-70—88,236 (up 13.3%).

TV DUMPING CASE HINGES ON LEGAL POINT: Instead of expected major confrontation between U. S. & Japanese industries, Tariff Commission's TV dumping hearing last week turned into long parade of same faces offering familiar statements, with only an occasional new tidbit. It was evident that single legal point would determine whether dumping had injured domestic industry.

Overshadowing hearing was previous Commission finding that domestic producers were indeed injured. Ruling was part of determination that workers at defunct transformer producer C.P. Electronics were eligible for import adjustment aid (Vol. 11:2 p8). In report on case, Commission said increasing TV imports resulted in curtailment of domestic set production and loss of sales of parts.

With injury to U.S. industry established, only issue left for Commission to decide is extent to which dumping was injury-causing factor. In presentation to Commission, Japanese held that less than 2% of TVs exported to U.S. in Oct. 1967-Dec. 1970 period were sold at dumping (less-than-fair-value) prices, and most of those were non-competitive with U.S.-made sets. With fewer than 200,000 (of more than 10 million exported) sets involved, Japanese argued, injury to domestic producers from dumping would be insignificant.

Calling on Commission to take "big picture" approach, EIA Consumer Electronics Group and Parts & Tube Divs. said all Japanese TV exports should be viewed as "dumps" for purpose of injury determination. They pointed to wording of Treasury Dept. determination which said simply that "TV receiving sets, monochrome & color, from Japan" were being sold at dumping prices. Treasury, they noted, provided no exclusion for any individual Japanese TV manufacturers nor for set types.

CEG statement was little more than rehash of testimony last Nov. (Vol. 10:47 p8). Some substance was added by statements from Admiral's Charles Hoffman, Sylvania's William Boss & Zenith's Joseph Wright. But bulk of vital evidence was confidential. (For details on non-confidential claims, see p. 10).

Nearly all U.S. TV producers, including some non-EIA members, endorsed CEG presentation. RCA & Motorola stayed out. Terming issue "extremely complex," Motorola said: "Only injury caused by dumped imports is relevant, but each company in the industry is also affected by many other factors."

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To support minimum-injury position, EIA-Japan attorney H. William Tanaka presented figures showing combined TV exports-to-U.S. of the 5 Japanese companies covered in Treasury probe (Hitachi, Matsushita, Sharp, Sony & Toshiba) over 39-month period. In that time, he said, the 5 firms shipped nearly 5.7 million sets, including 1.7 million color and nearly 4 million b&w. Exported by all Japanese companies in period were 2.6 million color and 7.5 million b&w. Sets with apparent dumping margins comprised less than 4% of unit exports by the 5 producers, he alleged.

One highlight of hearing came when J. C. Penney counsel Craig Matthews objected to Zenith Chmn. Joseph Wright's statement that "investigations suggest" that Japanese manufacturers kick back part of TV purchase price to U.S. private-label customers. Matthews said no evidence of any such deals has ever been shown. Wright responded by saying he would not object "if all of the price information could be made a matter of open record, as to what some Penney & Sears arrangements are," but didn't offer to supply any.

Some drama was added when Parts & Tube Divs. attorney Eugene Stewart demonstrated existence of head-to-head U.S.-Japan TV competition by placing 14V" Zenith & Sears (Toshiba) color portables side-by-side. Sears model, he charged, had dumping margin of as much as \$65, which, when added to selling price of \$250, would make it about same price as Zenith. Commission declined to accept comparison when Stewart refused to submit, on non-confidential basis, actual price he paid for Zenith set or name of selling retailer. Refusal, Stewart indicated, was to protect retailer from retaliation by Japanese suppliers.

Further complicating job of predicting outcome of hearing was Commission finding, released Jan. 28, that Japanese dumping of ferrite, of type used in consumer electronics, had injured U.S. producers. In report, Commission: (1) Excluded pot cores from decision. (2) Found that though sales quantities were small (less than 1% of U.S. ferrite market), Japanese dumping caused price disruptions leading to injury of a "large & severe nature."

On basis of ferrite precedent, Commission could exclude Japanese small-screen or solid-state TVs from any positive injury determination. Or it might go whole-hog in other direction, rule that even though dumping quantities were small, injury caused was massive. Verdict is due March 8. With good possibility of some limitation on finding, odds strongly favor determination that U.S. TV manufacturers were injured by dumping, probably by 4-2 vote.

STATUS REPORT ON EVR CASSETTE PRODUCTION: While publicity mills continue to grind out stories on coming "videocassette age," CBS is quietly grinding out EVR cassettes at its multi-million-dollar duplication facility in Rockleigh, N.J.

We visited 104,000-sq.-ft. plant last week, and what we saw left no doubt in our mind of CBS's firm & heavy commitment. Little less than half of facility is in use, with start-up staff of 80. It has turned out approximately 1,000 EVR cassettes, according to Ronald Cooper, production coordinator & asst. to plant mgr.—most of them going to Motorola, first U.S. manufacturer of EVR Teleplayer. Included have been test and instruction cassettes, latter packed with Teleplayers and showing how to use various features of EVR. First-year capacity of plant is said to be about 3 million cassettes.

Facility is equipped to transfer b&w tapes—2-in. broadcast type or one-inch Ampex, IVC or Sony—and color or b&w 16- & 35-mm film to cassettes. CBS hopes to have color tape transfer ability by March or April. Currently, it's making cassettes at ratio of 3 b&w to one color. Program material, on tape or film, is transferred by electron beam recorder (plant has 2 recorders, one made by 3M, other by CBS Labs) to master film, then printed optically. Most impressive equipment is huge 4-head printer, built by Ilford of England, which can print 4 double-track EVR films at time (on 35-mm stock) at 120 ft. per minute, or quadruple speed. Film is then slit for insertion into cassettes. Quality control stations are located at every step of production, and we were told QC is most expensive operation in plant.

We saw both color (NFL Follies) & monochrome (public school instruction) cassettes in various stages. Plant has large backlog of orders. To have small order processed now takes about year from time of placing order to finished cassettes. Huge order—series of several thousand cassettes—would take only couple of months, since plant could put on 2nd shift to handle it. Actual "turnaround time"—from receipt of original film or tape to delivery of cassettes—is about 10 working days. Rockleigh plant is one of 2 EVR cassette facilities, other being in Basildon, Essex, England, operated by EVR Partnership.

Third Japanese EVR equipment licensee was announced last week by Partnership—it's Toshiba, which also is partner with Ampex in Instavision cartridge VTR (to be made by jointly-owned Toamco). Toshiba has 10-year EVR license to build EVR players for sale in all countries except U.S. & Canada. In Washington, meanwhile, CBS/EVR Pres. Robert E. Brockway announced that National Paper Trade Assn. has established marketing incentive plan designed to place 6,000 EVR players in salesmen's homes in 1971.

Videocassettes continue to capture imagination of magazine editors. TV Guide ran 2-part series on videoplayers, and Saturday Review last week changed name & emphasis of its former monthly "Recordings" section—it's now called "MultiMedia" and will "scrutinize & report on the swiftly evolving means, such as prerecorded cassettes & cartridges, of converting the home TV into another area of individual choice." Initial section, in Jan. 30 issue, had 2 articles on videocassettes plus comparative table of systems based on the one we published Oct. 12 as White Paper (Vol. 10:41).

In programming field, Grove Press announced it would have monthly videocassette version of Evergreen Review, about 90 min. viewing time, at \$100 a year. It gave no details on starting date, which system it would use, or how it plans to offer total of 18 hours of viewing for \$100. Raw video tape alone for 18 hours (exclusive of production costs, etc.) would cost about \$360.

Just in case you don't know where the action is, Jan. 27 Variety's lead story is bannered "TV Cassettes Bid for Sex Pix" and details how most producers of higher-class "sex-art, sexploitation & hardcore theatrical films" are being "blitzed with offers" but holding out in hope of getting far better offer when "the whole cassette thing gets rolling."

PICTURE TUBE OVERCAPACITY—12.8 MILLION: U.S. picture tube industry operated at less than 43% of capacity last year, down from 46% in 1969, according to new EIA survey of that chronically depressed segment of consumer electronics business. Color tube plants ran at 48% capacity in 1970, b&w at 38%.

Survey was incorporated in testimony of Sylvania Electronic Components Group Senior Vp George Konkol in behalf of EIA Tube Div. for Tariff Commission's TV dumping injury hearing last week (see p. 7). Tabulation showed number of tube plants declined by 4, from 19 to 15 in 1970, eliminating only 1.6-million capacity. In black-&-white, capacity actually increased in 1970—presumably because of more efficient production methods—despite elimination of "1-1/2 plants."

Konkol said picture tube industry employment had declined by 8,200 since 1966, with total payroll down by \$35.6 million. In separate testimony, Corning TV Products Div. Vp-Gen. Mgr. Henry F. Frailey said Corning is operating only 3 color TV bulb production lines, one b&w, down from 4 color & 2 b&w in 1967, and has completely shut down bulb operation in Corning, N.Y. (operating lines are at Albion, Mich.; Bluffton, Ind. & State College, Pa.).

Here's EIA table of U.S. picture tube capacity & production, 1966-70. "Half-plant" facilities refer to those in which color & monochrome tubes are produced in same plant, assigning one-half the plant to each. Capacity is based on 3-shift, 6-day week.

COLOR	No. plants	Capacity	Production	Sales
1966.	11.5	9,700,000	6,000,000	5,700,000
1967.	14.5	12,200,000	6,300,000	6,400,000
1968.	14.5	13,500,000	6,300,000	6,100,000
1969.	13	14,100,000	6,300,000	6,200,000
1970.	10.5	12,400,000	5,900,000	5,800,000

MONOCHROME

1966.	7.5	12,100,000	8,300,000	8,200,000
1967.	7.5	11,700,000	5,000,000	5,000,000
1968.	6.5	11,500,000	5,900,000	5,900,000
1969.	6	10,100,000	4,900,000	4,900,000
1970.	4.5	10,200,000	3,900,000	4,100,000

INDUSTRY INJURY: Industry problems were spelled out in detail last week. Statements submitted to Tariff Commission (see p. 7) by set & parts producers and unions show imports capturing increasing share of market, resulting in lost profits & jobs. How much, if any, of this injury is directly attributable to dumping of Japanese TVs will be determined by Commission. Domestic manufacturers, understandably, would like to trace all their ills to Japan's door. While exact cause is debatable, industry depression is evident in these statements from set producers:

Admiral: Shut down TV plant in Sun Prairie, Wis.; plant in Dixon, Ill. is for sale. All firm's b&w and some color sets "are either completely or partially manufactured in the Taiwan plant." Since 1968, firm has had to seek private-label business to help keep domestic operations going. Customers include Montgomery Ward, Emerson, Western Auto, Gamble-Skogmo & W. T. Grant.

Sylvania: In 1966, operated at 95% of color TV capacity of 251,666. Plant added in 1967 boosted capacity to about 772,000; 1969 color output was about 309,000, 40% of capacity. Output of 14V" color portables dropped from 26,228 in 1968 to 13,000 in 1970, and plans for 12V" model were abandoned. In b&w, firm produced 183,100 sets in 1966, 103,500 in 1969, with employment in b&w falling from 400 to 200 over same period. Output of 12V" b&w fell from 62,395 in 1966 to 15,353 in 1968, when switch to offshore procurement in that size was made. In first 9 months last year firm purchased nearly 13,000 each of foreign-made 9V" & 12V" sets, equal to 51% of its domestic production of monochrome receivers.

Zenith: Was forced to stop making 12V" & 19V" solid state b&w receivers, has been kept out of under-14V" color. Work force in first 9 months last year was down by about 4,150 from 1969. Firm will open new TV plant in Taiwan in "a few weeks," and has "plans for other future offshore facilities & the closing of domestic facilities" if U.S. govt. fails to halt unfair imports.

In decision granting import adjustment assistance to former employes of transformer producer CP Electronics, Commission ruled that, in terms of injury to domestic component industry, import of complete TV receiver has same effect as import of parts. Here is state of domestic parts industry as extracted from individual company statements:

TV picture tubes: Operating at less than 50% of capacity, using 15 plants, vs. 1967 high of 22, with employment off 8,200 (see p. 9).

Receiving tubes: In 1967, domestic & imported TVs used 131.6 million tubes, with Japan supplying about 39%, including 11.8 million in imported TVs. Total usage dropped to about 99.5 million last year, with Japan holding 45.2%, including 24 million in receivers. Since 1967, 5 of 13 tube plants have been closed, and 1970 output of 189.5 million is just 40% of capacity.

Resistors, capacitors: In 1966, imported & domestic TVs used 1.9 billion resistors, with 25.2% imported as components and in TVs; Japan accounted for 15%. In 1969, usage was up to 2.1 billion, with imports holding 49.6%, Japan accounting for 30.1%. In Jan.-Sept. 1970, imports held 59.4% of 1.3-billion market, Japan taking 41.3%. TV capacitor usage in 1966 was 1.8 billion, with imports 40.7%, Japan holding 35.9%. Total for 1969 was 2 billion, imports 58.1%, Japan 42.4%. In Jan.-Sept. 1970, 1.26 billion were used, imports 67.2%, Japan's

46.6%. More than half of TV resistors & capacitors from Japan were in complete TVs.

Employment: Union spokesmen claim total employment in consumer electronics & components fell from 590,000 in 1966 to 462,500 in 1970, a drop of 127,500, of which 112,100 were in factories. TV-related employment in same period fell from 180,200 to 132,900, a decline of 47,300, with factory job-loss 46,100. Employment in TV picture tube glass making is down by 1,650 from 1966 high of 6,116.

Magnavox 4th-quarter earnings were down 8.4% to \$10,070,000 from 1969 period's \$11,683,000, while sales were up slightly to \$158,507,000, on basis of preliminary, unaudited results. Full-year 1970 profits declined 34.6% to about \$26 million (\$1.56 per share) from \$39,757,000 (\$2.38) in 1969, with sales down 9.3% to \$494 million from \$544,806,000. Selmer Musical Instrument Div. was only unit recording sales & earnings gains. Pres. Robert H. Platt said he expected company to show gains in first quarter 1971 with definite improvement in consumer products. "In consumer electronics," he's quoted in Wall St. Journal, "we didn't lose market position, and we never had an inventory problem."

TV sales for year's first 2 weeks were disappointment—down slightly from 1970 in color & monochrome (see State of the Industry)—but inventories at factory & distributor levels at start of year were encouragingly down by about 250,000. **Note:** In our weekly State of the Industry feature, we have changed our color TV moving average from 4 to 5 weeks to bring it into conformity with industry practice, presenting more comprehensive picture of trends by more completely ironing out week-to-week variations.

IEEE convention March 22-25 in N. Y. will be short on technical papers related to consumer electronics systems, but fairly heavy on display-device technology, cable TV & satellite communications. Among sessions of interest to consumer electronics technology: Electroluminescent diode displays & associated circuits, trends in linear ICs, advanced assembly techniques for electronic components, computer-assisted manufacturing, information display technology.

Sony Corp. (Japan), reporting 14% increase in net profit on 37% sales boost for 1970, announced 25% stock dividend to holders April 30. Company's 1970 net income totaled \$27,536,000 (69¢ per American Depository Share) vs. \$24,119,000 (62¢) in 1969. Sales for 1970 totaled \$414,369,000 vs. \$302,608,000. Domestic (Japan) sales rose twice as much as export sales—52% to 26%. In 1970, exports represented 53.2% of Sony sales vs. 57.9% in 1969.

Low-cost color camera for industrial-educational-CATV markets—and eventually for home use—was unveiled by Sony last week in Tokyo. Single-tube camera will go on market this year, and Sony estimates "large-scale production will possibly make the retail price less than \$833 in Japan." Camera weighs less than 14.5 lbs., uses ICs and "radically new color-image-responsive element" and Sony-developed coding principle.

Christmas-season sellouts: (1) All Sony Trinitron color sets, according to Sony. (2) RCA's high-priced Argosy, 18V" solid-state 110-degree modular color portable, according to RCA. Both are available again.

SYLVANIA VIEWS 1971: "We're encouraged by the impact of our Once-a-Year Sale and by forecasts for strength of the economy in the first half," said Sylvania Home Entertainment Products Mktg. Vp William Boss. Although he sees "no intensely exciting retail movement" at this time, he feels that cumulative effect of first-quarter promotions will help push sales in that period. For first half, Boss sees sales pattern not too different from 1970—"it will take us a little longer than other industries to turn around"—but 2nd half should show good improvement.

With inventories in good shape at all levels, "we're beginning to get turnover now," said Boss. He pointed out that retailers are changing methods of operation. "The dealer has become cautious—he doesn't have to buy in the depth he did before. He knows he can always get merchandise in a hurry, so he is keeping his inventories down." Boss approved trend of dealers in reducing number of lines they carry—many of them cutting out secondary lines and at same time reducing emphasis on major lines.

Boss sees no real TV price increases when new lines are introduced in May & June. Recent color tube price boosts, Boss reasons, have just canceled out past decreases. As to tube sizes, he forecasts that lower-priced 25V" color sets will replace 23V" in all but leader models, 23V" becoming largely a promotional unit. In smaller sets, 18V" "will exist longer than we anticipated," but with 19V" at the high end. He sees 21V" supplying reasonably good market after 23V" is gone, with new 17V" coming in for some action and first major push toward slim 110-degree tubes in mid-1972.

In stereo, Boss forecasts continued rapid buildup of modulars & compacts, accompanied by further slackening in portables, which now are selling only in \$139-&-down area. He's concerned about dealers' apathy toward stereo consoles, which he compares with their attitude toward monochrome in color's boom days. "The stereo console feels the impact of the recession most, but it's still a million-unit-plus market," he says. "Aggressive dealers who display & stock consoles are still selling well." He forecasts trend toward dramatic & unique console styling will help revive market.

Serviceability improvements which manufacturers can make at little or no added cost were proposed by NATESA in letters sent to all set makers: (1) All circuit diagrams & views (of printed boards, etc.) should be on same plane and on one sheet. (2) Printed-board layouts "should be in the direction that would normally be encountered on the bench." (3) Transistors should be identified, perhaps with color dots on top, to eliminate installation of wrong types. "Certainly Oriental labor is not so expensive that this would pose exceptional cost."

Hong Kong-based Atlas Electronics Corp. is first overseas licensee for Admiral's Tunnel Reflex stereo speaker system. Principle involves vented quarter-wavelength folded air-column enclosures and compact high-compliance speakers. System was introduced in 1968, is featured in Admiral stereo consoles, portables & audio components.

Quad vs. quad-8: Trademark infringement suit against RCA was filed in Washington, D. C. federal court by Acoustical Mfg. Co., English hi-fi producer which owns "Quad" brand (Vol. 11:3 p12). Action is intended to halt RCA's use of "quad-8" as descriptive term for 4-channel 8-track tape cartridges.

RCA ADDS 19V" COLOR: RCA's first 19V" color set highlights current drop-ins. AccuColor model (flesh-tone circuit, AFT, ACC) lists at \$429.95, in same area as comparable Zenith & Sylvania sets. . . Zenith introduces 11-transistor "convertible" nicad-battery FM-AM radio with removable base containing recharger at \$49.95. . . **Magnavox** has added mini-cassette recorder with foot switch, telephone pickup cord, radio patch cord for dictation use.

Among other introductions: **GE** drops in portable stereo-8 tape player powered by batteries, AC or car battery (adapter included) at \$79.95, and AM clock radio cube on pedestal base at \$21.95. . . **Pilot** introduces deluxe stereo cassette deck with automatic shut-off at \$169.95. . . **Scott** starts production March 1 on digital FM-stereo tuner with electronic channel readout, programmed-card tuning and alternative automatic signal-seeking tuning, at about \$600. . . **Crown** offers unique 2-piece compact cassette-radio combination with built-in omnidirectional speakers at \$219.95; twin units measure 9 x 9 x 21 in.

Magnavox has decided on Mexico for its foreign plant, after exploring many areas, including Taiwan. Pres. Robert H. Platt said site will be chosen within 2 weeks. Initially, at least, it will make subassemblies, with production to start later this year. Facility will be located in U.S. border zone. Last year, Magnavox bought 40% interest in Mexico City TV-radio-stereo producer. Zenith Chmn. Joseph Wright, in testimony at Tariff Commission dumping hearing last week (see p. 7), indicated Zenith's Taiwan plant would be opened formally next month. "I am sure," he added, "this will not be our last offshore plant."

Philco-Ford's new parts program, aimed at providing greater availability & faster servicing: (1) Inventories now in 44 locations will be consolidated into 5 depots. (2) Sales of non-Philco parts—such as antennas, phono & tape accessories, batteries—will be discontinued. (3) Service agents & dealers ordering \$75 or more in parts will receive 10% discount above normal dealer discount. (4) Servicer will be paid for in-warranty labor & parts simultaneously, parts payment at full dealer cost.

New warranty-service policy by GE for servicing TV & appliance dealers will provide direct reimbursement on per-job basis, replacing current method of building "warranty reserve" into dealer prices. Move is part of new franchise policy of establishing servicing dealers, independent service dealers & GE-owned service as "Customer Care Servicers." Policy, tested in Michigan & Gulf areas for year, started on West Coast last week, gradually will be extended nationwide.

"Time wasters" was how Motorola Vice Chmn. Elmer H. Wavering described business lunches in Wall Street Journal. Motorola lunch guests, he said, are taken to plant cafeteria to eliminate "the problem of the noontime cocktail. If you're at a restaurant you just about have to have 2 cocktails—which means martinis—and if an executive has 2 martinis he might as well go home after lunch."

RCA has formed 10-member 1971 Consumer Electronics Distributor Advisory Council. Members consist of top principals of distributors in Oklahoma City, Richmond, Billings, Peoria, Newark, Birmingham, New Orleans, Philadelphia, Des Moines & Denver.

Trade Personals

Arthur G. Williams named RCA International staff vp for Europe, Mid-East & Africa and managing dir. of RCA Ltd. (England), replacing **Herbert T. Brunn**, now consumer affairs vp... **Maurice A. Owens**, ex-Westinghouse, named Panasonic radio & stereo products national sales mgr... **John Borg & Ted Lindgren** resign as Super-scope national sales mgr. & mdsg. mgr., respectively.

Leonard Trachtman named Morse Electro Products Special Products Div. vp; **Arthur Robson** promoted from dir. to vp, product design & engineering... **Jan Bleeksma**, North American Philips facilities dir., named vp... **Charles H. Weaver**, Westinghouse govt. affairs vp, named EIA Public Affairs Council chmn.

Donald G. Thorkelson, ex-Association-Sterling Films, joins CBS EVR Div. as program sales dir., responsible for marketing internally produced programs... **John P. Pfann** named ITT vp & exec. staff dir.-finance; **James E. Odell** succeeds Pfann as asst. comptroller... **F. Perry Wilson**, Union Carbide pres., named to succeed **Birny Mason Jr.** as chmn. & chief exec. officer on latter's retirement April 21; Exec. Vp **William Sneath** replaces Wilson.

Larry L. Pflieger named General Instrument finance vp, new post... **Reg Robinson** moves up at Canadian Admiral to personnel dir... **Bobbie C. Barkley** appointed Tele-dyne Packard Bell Southwest area field engineer.

Bertil D. Nordin, ex-Boise Cascade, named GRT finance vp; **J.G. Peterson** shifts from treas. to vp & asst. to pres. for corporate relations... **John J. McDonnell**, Sony Video Tape Products, advanced from ad & sales promotion mgr. to district sales mgr., covering upper N.Y. & parts of Conn... **Donald E. Ridenour** named gen. mgr. of CTS Brownsville, Tex. subsidiary, succeeded as gen. mgr. of Paducah, Ky. facility by **James C. Tidwell**... **James R. Howell**, former quality control mgr., promoted at GTE Sylvania Parts Div. to mgr. of Bangor, Me. plant.

J. David Ehlers, former Mallory Battery Co. consumer products mktg. mgr., advanced to managing dir. of Mallory Batteries (Australasia) Pty. Ltd... **William O. Lyders** designated dir. of new Nortronics, S.A., Brussels, which plans magnetic-head manufacturing facility.

Carlos A. Negrete promoted at Teledyne Semiconductor to diode product mktg. mgr., replacing **George Hollingsworth**, now San Diego district sales mgr... **Edward T. McPhee**, ex-Boro Electronics, named Fairmont Electronic Sales Corp. sales mgr... **Joel D. Gordon** appointed Pickering ad promotion coordinator.

Flexible discs, developed by RCA Records have claimed advantages of higher quality control, better sound reproduction, no slippage when stacked on changer, longer playing life. Discs are thinner, so reduce material & handling costs. RCA has started phasing in new "Dynaflex" records and plans total switch to format when depletion of catalog inventories & conversion of pressing equipment is complete.

Videoplayer programmer Hershey Video Systems Inc., Chicago, has registered with SEC for public offering of 200,000 common shares at \$6. Firm is developing educational series—including stock brokerage and air pilot courses—for sale initially in EVR format.

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.

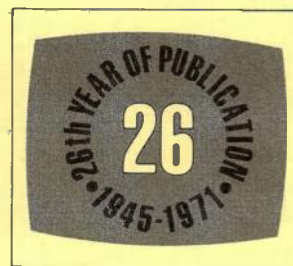
Company & Period	Revenues	Net Earnings	Per Share
Automatic Radio			
1970-qtr. to Dec. 31	9,978,000	(65,000)	--
1969-qtr. to Dec. 31	13,514,000	1,021,000	.42
Avnet			
1970-6 mo. to Dec. 31	148,146,000	6,861,000	.50
1969-6 mo. to Dec. 31	144,681,000	6,780,000	.49
1970-qtr. to Dec. 31	75,877,000	3,739,000	.27
1969-qtr. to Dec. 31	77,583,000	3,721,000	.27
Capitol Industries			
1970-6 mo. to Dec. 31	85,042,000	1,056,000	.23
1969-6 mo. to Dec. 31	95,483,000	5,371,000	1.22
1970-qtr. to Dec. 31	50,941,000	1,866,000	.40
1969-qtr. to Dec. 31	56,969,000	4,078,000	.92
Communications Properties			
1970-year to Oct. 31	6,507,315	671,596	.26
1969-year to Oct. 31	4,280,923	382,765	.12
Cox Bcstg.			
1970-year to Dec. 31	64,434,304	7,636,568	1.32
1969-year to Dec. 31	61,481,175	7,101,864	1.23
Gray Communications Systems			
1970-6 mo. to Dec. 31	2,909,440	166,868	.35
1969-6 mo. to Dec. 31	2,672,524	128,901	.27
Lee Enterprises			
1970-qtr. to Dec. 31	9,596,590	1,092,472 ^a	.56
1969-qtr. to Dec. 31	9,357,157	1,020,369 ^b	.52
Magnavox			
1970-year to Dec. 31 ^c	494,000,000	26,000,000	1.56
1969-year to Dec. 31 ^d	544,806,000	39,757,000	2.38
1970-qtr. to Dec. 31 ^c	158,507,000	10,070,000	.61
1969-qtr. to Dec. 31 ^d	157,876,000	11,683,000	.70
P.R. Mallory			
1970-year to Dec. 31	154,229,888	5,156,340	2.62
1969-year to Dec. 31	160,828,048	7,704,962	3.91
Raytheon			
1970-year to Dec. 31 ^d	1,258,743,000	30,943,000 ^e	2.08
1969-year to Dec. 31 ^d	1,286,144,000	35,303,000	2.34
Scientific-Atlanta			
1970-6 mo. to Dec. 31	8,419,601	164,079	.18
1969-6 mo. to Dec. 31	9,375,481	14,895 ^e	.02
1970-qtr. to Dec. 31	4,443,311	91,524	.10
1969-qtr. to Dec. 31	5,112,983	(36,514) ^e	--
Tandy			
1970-6 mo. to Dec. 31 ^d	189,940,056	7,228,045	1.75
1969-6 mo. to Dec. 31 ^d	121,834,936	5,921,617	1.46
Technical Operations			
1970-qtr. to Dec. 26	2,170,000	(320,000)	--
1969-qtr. to Dec. 27	3,166,000	37,000	.05
Westinghouse			
1970-year to Dec. 31 ^d	4,313,410,000	126,999,000	3.06
1969-year to Dec. 31 ^d	3,924,286,000	154,920,000	3.78
1970-qtr. to Dec. 31 ^d	1,152,467,000	27,073,000	.66
1969-qtr. to Dec. 31 ^d	1,088,225,000	47,820,000	1.17
Wometco Enterprises			
1971-year to Jan. 2	97,500,000	6,542,000	1.13
1970-year to Jan. 3	88,845,077	6,139,550	1.06

Notes: ^aRecord. ^bExcludes extraordinary item. ^cPreliminary. ^dRestated. ^eAfter extraordinary item.

WEEKLY

Television Digest®

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FEBRUARY 8, 1971

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC EXPECTED TO OK AM-FM COMBINATIONS: Tentative action reportedly reverses First Report on radio but would allow no more TV-radio combinations. Other cross-ownership proposals still pending—divestiture, newspapers, CATV, etc. (p. 1).

ELECTION REFORM IS HOT ISSUE as Pastore schedules March 2-4 hearings. Stanton proposes 5-point program, seeks support of affiliates. NAB polling Board on position to take (p. 1).

AAF SELF-REGULATION termed 'single, most important' issue by Elting. Kirkpatrick cautions against undermining 'competitive vitality.' Burch wants NAB & AAF to upgrade kid's programs (p. 2).

\$1,000 COLOR CAMERA demonstrated by Sony with excellent results in limited test. Unit, to be manufactured this year, claimed to be suitable for CATV and some broadcast use, is based on 'unique indexing system' (p. 4).

CATV HEARINGS LINED UP: FCC panels for 'sharpening the issues' to run March 11, 15, 16, 18, 19, 25 & 26. Rep. Tiernan schedules cable meeting Feb. 23 'to educate the members,' will feature NAB, NCTA, Cox, Moore, Baltimore, Reinsch, Novak, Hostetter, et al. (p. 5).

Consumer Electronics

RCA ENDING MANUFACTURE of b&w picture tubes in

FCC EXPECTED TO OKAY AM-FM COMBINATIONS: Looks as if FCC will stand pat on one phase of its one-to-a-market rules, reverse itself on another. Initial nose-counting last week—nothing final yet—is understood to indicate Commission will retain rule permitting no new TV-radio combinations under same ownership in a market, but would take wraps off restrictions on joint AM-FM ownership. Foregoing is expected action on petitions for reconsideration of "First Report" (Vol. 10:13 p1).

Such decision, if finally adopted, doesn't touch other ownership rulemaking proceedings still pending—proposed divestiture of various existing combinations of TV, radio, newspapers, CATV, etc. Comments & replies on these, including major efforts by NAB & American Newspaper Publishers Assn., are due in April-May-June.

ELECTION REFORM HOT SENATE ISSUE: Pressures began to grow last week for broad TV-radio support of campaign reform bills as Senate Commerce Committee scheduled hearings March 2-4 on broadcast-related bills. During fight last fall to sustain Presidential veto of bill restricting spending in TV-radio only, warning was sounded repeatedly that industry must lead in formulating election reforms in new Congress (Vol. 10:46 p4)—or face certainty of legislation discriminating against broadcasting. And, even before hearings were announced last week, TV-radio executives began laying groundwork to go in with positive approach.

April, converting Marion plant to all-color, leaving only 3 U.S. OEM monochrome tube makers. Philco closing semiconductor business, shutting U.S. operations and attempting to sell Taiwan plant (p. 7).

COLOR TV STARRING AGAIN on Wall St. with all consumer electronics stocks up since start of year in heavy trading. Confidence seen returning (p. 8).

TAPE EQUIPMENT HEADS IMPORTS as top dollar item for 1970, bigger than either radio or TV, as consumer electronics imports exceed \$1 billion for first time. Dec. surge pushed TV unit imports past 4.5 million, with color up 0.2%, b&w 15% (p. 8).

FIERCE VIDEOPLAYER COMPETITION, on paper only: Emerson becomes Cartrivision licensee. Sony shows new Videocassette player. CBS attacks claims of would-be competitors. French Thomson-CSF developing laser video disc (p. 9).

SONY'S U.S. STRATEGY: (1) Build image as non-dumper of TV (2) Win support for own Videocassette system through PR campaign. Trinitron color TV production seen hitting 800,000 this year, 50% in 17V" size (p. 10).

CES '71 LINEUP minus pair of domestic firms, Philco & Packard Bell, which had been expected to exhibit; latest roster for 'sold-out' show has 226 exhibitors (p. 11).

KOREA EXPORT GOAL for electronics set for \$100 million this year, up 75% from 1970, with \$400 million targeted for 1976 as 5-year expansion program begins (p. 11).

Item: CBS Pres. Frank Stanton sent congressional leaders "5 point program for election reforms," wrote all CBS affiliates seeking support. Item: NAB has developed proposed positive approach of its own, is asking Board members for mail approval before Senate hearings. Ticklish question for NAB will be proposal to support Stanton's recommendation that legislation "require all advertising media to sell political advertising at the lowest rate available to any commercial advertiser for comparable time or space." Many radio broadcasters won't like this. Stanton's 4 other points:

(1) Congress should impose whatever conditions on campaign expenditures it considers "wise & feasible." But, he added, responsibility for complying should be placed on candidates, not media, because "to do otherwise would create an administrative nightmare." (Note: Sen. Bellmon [R-Okla.] will introduce bill requiring TV-radio stations to report weekly on political revenue and would place onus on broadcasters to make sure candidates don't overspend. His reasoning: Candidates can't be trusted to submit truthful reports.) (2) Repeal Sec. 315 of Communications Act "thereby providing opportunities for greater contribution of free time by broadcasters and deeper and more arresting treatment of the issues." (3) Shorten election campaigns. He suggested that to help accomplish this, lower media rates should apply only for 6 weeks before elections. (4) Declare election day a national, 24-hour holiday with all polls closing simultaneously.

Hearings, to be chaired by Communications Subcommittee Chmn. Pastore (D-R.I.), will focus on S-1 ("Honest Elections Reform Act"), S-382 ("Federal Election Campaign Act") and Administration-backed bill still to be introduced. Second draft of GOP proposal was sent to White House last week for approval. It has several sections (including one on broadcasting), which may be introduced as separate bills, according to Senate GOP leadership. S-1—sponsored by about dozen senators, including Majority Leader Mansfield (D-Mont.)—requires free time for Presidential & Vice Presidential candidates, limits spending on all media and provides for federal grants to candidates (Vol. 11:4 p4). S-382—backed by Sens. Pastore, Mansfield & Cannon (D-Nev.)—is similar to bill President Nixon vetoed last fall, but also limits spending on non-broadcast media (Vol. 11:2 p4).

In letter to CBS affiliates seeking support for campaign reform, Stanton said: "Mindful of the discriminatory aspects of the [1970] Political Broadcast Bill...I suggest that it behooves all of us to make known our convictions on election reform. It seems to me also that this should be done at the 'front end' of the legislative process rather than after we have been confronted with hardened positions on bills to which we take exception, or otherwise have been maneuvered into a defensive posture."

Tentative witness list & dates for Senate hearings—with several expected to be added and with provision to extend hearings beyond 3rd day if necessary: March 2—Members of Congress, FCC Chmn. Burch, Republican & Democratic National Committees. March 3—CBS Pres. Stanton, ABC Pres. Goldenson, NAB Pres. Wasilewski, ex-FCC Chmn. Newton Minow, who chaired 20th Century Fund study on election reform which recommended "Voters' Time" concept of simultaneous appearances of Presidential candidates on all TV & radio stations. March 4—NBC Pres. Goodman, Common Cause Pres. John Gardner, National Committee for an Effective Congress.

CAUTION & ENCOURAGEMENT FOR AAF SELF-REGULATION: An eleventh hour plan for industry self-rule "to forestall total government intervention and turn public cynics into believers" was offered last week by AAF Chmn. Victor Elting Jr. at Federation's 13th annual govt. affairs conference in Washington. His "3-tiered structure" was endorsed "in principle" by AAF directors, firmly praised by FCC Chmn. Dean Burch. FTC Chmn. Miles Kirkpatrick applauded AAF goals but cautioned against undermining "competitive vitality" of whole industry.

Self-regulation is "the single, most important thing that is within our capability of achieving this year," Elting said. Cornerstone of plan is 7-15 member National Advertising Review Board (NARB) with majority representing public. Board would be final appeals forum for issues arising under industry standards. It would "aggressively solicit" consumer complaints regarding national advertising, turning local complaints over to Better Business Bureaus. Issues would include truth, substantiation of claims, comparisons, disparagement, bait-switch, guarantees, warranties, price & taste.

Under NARB would be Advertising Standards Committee of advertisers, agency & media. Third category would be Advertising Code staff for daily operations, headed by a director in N. Y. Staff would negotiate solution with advertiser if complaint is sustained under code. If advertiser disagrees with staff, he may appeal to code director, then to Standards Committee, finally to NARB. If advertiser loses on all 3 levels, code affiliates would refuse to carry his ads.

Immediate offer came from Whirlpool Chmn. Elisha Gray, who also heads Council of Better Business Bureaus, to have his organization serve as Code staff. "We are at your service and will finance ourselves if we are not competing for funds from the same source," he said. But, he cautioned, "it's not adequate only to handle complaints. You have to monitor at the front end. By the time you get a complaint, so will Mr. Kirkpatrick and he'll beat you to it."

Kirkpatrick encouraged AAF's intentions, but said self-rule couldn't displace external controls. "I have nothing up my sleeve at all," he said, but "we cannot and will not condone any plan of self-regulation which because of defects in its structure or operation poses danger to the competitive vitality of the industry affected." His suggestions: Due process should be "scrupulously observed," avoid "exclusionary or coercive tactics" such as group boycotts in restraint of trade or publicity designed as preventative or punitive measures, make standards clearly defined & reasonable, but general enough to avoid nonessential restraints on businessman's imagination & freedom.

NAB should cooperate with AAF, Burch said, and "should strengthen and then scrupulously adhere to its own efforts in this field... Too frequently the broadcast commercial is contemptuous of the listener. It seeks to sell the product with a message or in a fashion that regards the consumer as a moron." He gave special plea for children's programming. "It is, I submit, intolerable to seek to bilk the innocent with shoddy advertising appeals... That is akin to statutory rape." New direction in kid's programming, he said, would take "substantial commitment of funds & resources" from both industries. "One contribution which [govt.] could make... would be to facilitate joint or cooperative efforts by the networks on a rotating basis, by multiple owners, or by individual stations in an area ... I extend to you the same pledge—to foster a governmental climate in which responsible advertising can flourish in the broadcast field."

Govt. spokesmen drummed home theme of conference—reform or be reformed. President Nixon's consumer advisor, Virginia Knauer: "You are at the crossroads because there are those in the advertising world who are not so decent, not so honorable. There are those who believe integrity is something one can sell or buy for a few dollars... Either the advertising industry is going to be honest because it chooses to be honest, or because the government is going to make it be honest." Sen. James Pearson (R-Kan.), of Senate Commerce Committee: "Intentional deception is rare, but half-truths and omission of vital facts are not rare." He singled out GE for "producing thousands of color TV sets with potentially harmful radiation." He added that consumerism has changed "the whole thrust" of both Senate & House Commerce Committees.

While AAF grapples with self-regulation, Congress & FTC have already accelerated efforts to become more involved in advertising regulation. Senate Consumer Subcommittee under Sen. Moss (D-Utah) is expected to get into full swing soon, and we're told House may add Consumer Subcommittee under Rep. Staggers' (D-W.Va.) expanded Commerce Committee. Kirkpatrick is pushing—and Congress is likely to accept—legislation giving FTC broad injunctive power, authority to redress injury to consumers including damages, refunds, restitution, rescission of contracts, subpoenas & penalties.

"Cost-price squeeze" that CBS "continues to encounter" was cited by network in Feb. 5 memo informing employees that new economy measures would be instituted—including cutback in personnel. CBS thus joined ABC & NBC in major purse-tightening moves last week. CBS didn't identify specific divisions which would suffer loss of personnel, nor did it spell out other economy moves. ABC, following Feb. 1 directors meeting, took immediate steps for across-the-board reduction of 330 employees. NBC, which joined parent RCA in major personnel cutback in Dec., last week informed employees that henceforth they—from president down—would be required to fly tourist unless trip exceeded 10 consecutive hours in air. Ironically, on many of same trips when NBC executives are in back of plane, network technicians could be riding up front under terms of labor contracts. In other economy moves, networks are cutting down on contingents to NAB & affiliates' conventions, receptions at major functions, etc. (ABC & NBC are dropping parties at NAB convention, CBS's plans aren't known.)

House Commerce Committee—now with full complement of 25 Democrats & 18 Republicans—meets this week for subcommittee assignments. While makeup of Communications Subcommittee remains uncertain, there will be new faces on both sides, even more if Subcommittee is expanded. Democrats likely to return include Chmn. Macdonald (Mass.), Van Deerlin (Cal.), Rooney (Pa.) & Tiernan (R.I.). In addition, Podell (N.Y.), Byron (Md.) & Metcalfe (Ill.) are interested in serving on Subcommittee. Republicans likely to return include Broyhill (N.C.), Harvey (Mich.) & Brown (O.). We reported all 25 Democrats serving on Committee last week (Vol. 11:5 p5); here are Republicans by seniority: Springer (Ill.), Devine (O.), Nelsen (Minn.), Keith (Mass.), Broyhill, Harvey, Carter (Ky.), Brown, Kuykendall (Tenn.), Skubitz (Kan.), Thompson (Ga.), Hastings (N.Y.), Schmitz (Cal.). New Republicans: Collins (Tex.), Frey (Fla.), Ware (Pa.), McCollister (Neb.), Shoup (Mont.). **Note:** Sen. Hart (D-Mich.) was omitted inadvertently from Senate Communications Subcommittee last week.

SONY'S COLOR CAMERA: Sony brought new low-cost color camera to U.S. last week, Exec. Vp Akio Morita demonstrating it to N.Y. Society of Security Analysts. We observed camera both in Tokyo (Vol. 11:5 p10) & N.Y. and it appears to be remarkable achievement if U.S. target price of "around \$1,000" is achieved. As we observed it, using motionless dolls as subject, resolution, color rendition & registration were excellent both on 12V" Trinitron consumer receiver & 21" (round-tube) Conrac monitor. We asked operator to pan camera and observed very definite lag; it's difficult to determine if this is serious drawback.

Sony says camera is suitable for CATV, closed-circuit and some broadcast use, that it employs "unique electronic indexing system" requiring single pick-up tube with resolution not much better than type used in b&w camera. Color-striped filter is used to separate colors. Camera has only 2 controls—focus & gain. It's extremely compact, weighing little over 14 lb., with optional 2.2-lb. viewfinder. Output is standard composite NTSC signal.

"Trinicon" pick-up tube, apparently a modified vidicon, is described as employing phase discrimination, in which red, green & blue signals "are discriminated on the basis of their momentary aberration from the predetermined electronic signal (electronic color index)." Sony claims this method is capable of more accurate color reproduction than frequency-discrimination method.

Sony released few technical specs: Resolution capability—4 MHz luminance, 1.1 MHz chrominance; optimal illumination, less than 1,500 lumens; minimum 300 (to be reduced to 200); luminance signal-to-noise more than 45 db, chrominance more than 35 at 1,500 lumens. Image-sensor tube is "Sony-developed single-beam-scanned color image pickup tube of light-modulated-electronic-conduction type target with light-transmittable electronic color index element." Camera's target price may or may not be achieved when it goes to market this year. If it is, it will be about 10% of price of currently available low-priced color cameras. Sony plans eventually to market "consumer" version at about \$500. Camera will be demonstrated, along with Sony's Videocassette recorder, at IEEE Show next month in N.Y. (see p. 9).

For first time since Sept. 1967, ABC led other 2 networks in rating & share for week ending Jan. 24, according to Nielsen. ABC had 20.7 rating, 31.4 share; NBC 20.3 & 31.1; CBS 18.7 & 28.9. Of week's top 10 shows, ABC had 5. Network attributed showing to strength of 14 midseason program changes, claiming 10 were up in ratings over shows they replaced. When ABC last led in Nielsens 3-1/2 years ago, it was because of nationwide interest in last of The Fugitive programs.

NAB's analysis of media availability—showing many more TV signals than FCC acknowledges (Vol. 11:5 p3)—may "backfire" when used by CATV operators, according to one cable attorney. He asks: "If NAB claims there are so many signals coming into a market, how can they argue against 'Footnote 69'? They can't have it both ways."

CATV 26-channel converter will be offered by Oak Electro/Netics to all cable systems. Up to now, Oak has made the "Gamut 26" unit exclusively for Sterling Manhattan. Other cable devices offered by Oak include block converters, RF switches, 2- & 4-way splitters, bandpass filters, pin diode switches.

Elected to NAB Radio Board (incumbents signified by *): Dist. 1—*Frank Balch, WJOY-AM-FM Burlington, Vt. Dist. 3—*Jerry Lee, WDVR(FM) Philadelphia. Dist. 5—*Joseph S. Field, WIRK W. Palm Beach. Dist. 7—Allan Land, WHIZ-AM-FM Zanesville. Dist. 9—Richard Dudley, Forward Communications, Wausau, Wis. Dist. 11—Eugene Clark, KSTP-AM-FM. St. Paul. Dist. 13—*Wendell Mayes, KNOW Austin, Tex. Dist. 15—William Shaw, KSFO San Francisco. Dist. 17—*Carl Fisher, KUGN Portland, Ore. Class A—*Andrew Ockershausen, WMAL-AM-FM Washington. Class B—Daniel Kops, WAVZ-WKCI(FM) New Haven. Class C—Charles Dickoff, WEAQ-WIAL(FM) Eau Claire, Wis. Class D—*John Hurlbut, WVMC-WSAB(FM) Mt. Carmel, Ill. All terms are for 2 years, and NAB directors are restricted to 2 consecutive terms. Another vacancy exists in Class A directorship, following resignation of Perry Samuels. At recent Cal. meeting, Radio Board recommended that bylaws be changed to permit runner-up in previous election to assume vacancy on Board, instead of requiring special election. Mail ballot of NAB members now is underway, and if proposal is ratified change is expected to be made retroactive. This will mean Plough Stations' Harold Krelstein—who was defeated by Samuels year ago—will be appointed to Board.

"Don't sign any agreement" that waives performance rights to programs for CATV, pay TV, EVR, cassettes, etc., AFTRA told members. In Jan.-Feb. "Stand By," publication of N.Y. chapter, local Pres. Kenneth Harvey said that "millions of people will derive income for the use of our work [and] AFTRA will insist that a fair share of that perpetual income" goes to performers. Same issue said that some producers are attempting to add clause to performers' contracts waiving their rights "with respect to uses of the recorded programs" in off-air media. "No AFTRA member should permit the use of his recorded services in these new mediums [sic] without adequate compensation & protection," publication warns.

Middle-of-the-road music leads radio formats, according to survey by NAB & RIAA. Of 2,509 stations responding, 2,071 (82.5%) said they play middle-of-the-road some part of day, averaging 48.5% of broadcast time. Country-western is on 1,414 (56.4%), averaging 18.7% of day; rock 992, 13.9%; classical 457, 2.9%; religious 390, 2.2%; contemporary 356, 8.3%; jazz 285, 1.6%; black/soul/rhythm & blues 220, 2.2%. NAB Radio Vp Charles Stone urged stations to respond to questionnaire, said results would provide record companies with up-to-date information on formats & personnel.

Fairness violation has been charged by FCC against WCKT Miami for alleged prejudice in dealing with legalized casino gambling controversy. Complaint against station was filed by Miami Beach Betterment Assn., charging that program "Forbidden Fruit" aired day before referendum was one sided against issue.

WXUR-AM-FM Media, Pa., ordered off air by FCC for violation of fairness doctrine & personal attack rules (Vol. 10:27 p4), was again denied renewal by Commission, acting on petition for reconsideration. Station must quit by May 1 unless it appeals to court.

Senate Commerce Committee holds hearing Feb. 23 on nominations of Comrs. Wells & Houser to FCC.

CATV HEARINGS LINED UP: Two Capital cable sessions—FCC & Congress—began to shape up this week. Commission announced plans for its "innovative & experimental" panel plan for oral proceeding starting March 11.

Trouble with customary oral argument, FCC said, is that "no convenient, really effective mechanism exists for sharpening the issues between parties contending for different viewpoints," so it's setting up panels of opponents to discuss such subjects as: Cable effects on top-100 & small-market viewers & TV stations, potential services, feasibility of commercial-substitution system, ownership, relationships among federal, state & local authorities. Hearing runs March 11, 15, 16 (half day), 18, 19, 25 & 26.

On Capitol Hill, Democratic Study Group's Communications Task Force, headed by Rep. Tiernan (R.I.), holds cable session Feb. 23—"to educate the members," according to Tiernan. Representing opponents of cable will be NAB staffer; ex-FCC Comr. Cox; Dale Moore, KGVO-TV Missoula; David Baltimore, WBRE-TV Wilkes-Barre. For CATV, NCTA staffer, probably Pres. Donald Taverner; Cox's J. Leonard Reinsch; Allen Novak, former staff dir. of LBJ's Communications Task Force; Amos Hostetter, Continental Cablevision. Other members of Tiernan group: Van Deerlin (Cal.), Hathaway (Me.), Adams (Wash.), Moss (Cal.), Koch (N.Y.).

CATV origination rules are confusing regarding definition of system size in some situations, should be clarified, according to request filed with FCC by law firm Wilner, Scheiner & Greeley. Attorneys ask whether several systems, with fewer than 3,500 subscribers each, in separate communities, holding separate franchises, but served with one head-end, should be considered single system to determine whether they come within 3,500-minimum mandatory-origination floor.

Gratton Assoc., N.Y. (S. Douglas Gratton pres.), is new non-broadcast tape firm, also in CATV production & consultation, crew rentals, industry workshops. Gratton and Rombex Productions are sponsoring workshops in TV production & engineering for industrial, EVR & cassette video users. Details: 123 E. 54th St., N.Y. 10022.

TV camera & parts imports last year were worth \$13 million, up 13.3% from 1969, Commerce Dept. reports. Main source was Japan, accounting for 77%, up from 59% in 1969. Other major suppliers and their shares: U.K. 11% (down from 19% in 1969), Holland 4.3% (down from 7%) & France 3% (down from 10%).

Creative Cassettes Corp., N.Y. (Hal Salzman pres., 111 E. 56th St., N.Y. 10022) has filed with SEC to offer 75,000 shares and 75,000 warrants at \$3 each. Firm was organized in Dec. 1969, produces educational & non-musical cassette recordings. Underwriter is Reinert & Co.

WMAL-TV Washington license was renewed by FCC last week as expected (Vol. 11:4 p6). Commission rejected charges of discrimination by black groups—Johnson dissenting, Houser not participating.

Color TV households totaled 27.6 million Jan. 1, or 45.3% of all TV homes, according to NBC. This is gain of 4.2 million in 1970.

WHDO-TV Toledo switches rep from HR to Katz TV.

Wonderful World of Disney is ideal Sun., 7:30 p.m., children's show with appeal to adults, NBC said in asking FCC to let its affiliates accept 3 1/2 hours of network programming on Sun. night in return for cutback to 2 1/2 hours on another evening. Network said it wants to keep Disney where it is—not practical under 3 hour prime time rule effective in Oct.—and that pattern of viewing on Sun. evenings differs from other nights. FCC was asked to act on petition by Feb. 19 since NBC hopes to lock up fall schedule by end of month.

Vikoa Pres. Ted Baum, stating he wished to elaborate on outlook for 1971 (Vol. 11:3 p7), reports: "Manufacturing profitability has been impaired by industry-wide price cutting created by an excess supply due to the low level of construction caused by the freeze and high interest rates. High copper prices have also reduced cable margins considerably, but the copper market is now weak and pricing is apparently beginning to firm. We look forward to higher profits in 1971 from the manufacturing div."

Change in mobile-radio allocation procedures, including establishment of first Regional Spectrum Management Center, is proposed by FCC in rulemaking. Chicago Region would cover about 96,000 sq. mi., including parts of Ill., Ind., Iowa, Mich., Ohio & Wis. Only 2 categories of frequencies would be set up—one for police & fire, other for everything else. Chicago is due to operate by mid-1972. If system works, there probably will be 10-12 regions formed. Comments are due April 16, replies April 30.

Magnetic tape spoilage can result from practice of some foreign air carriers of X-raying cargo shipments, ITA Exec. Vp Larry Finley has discovered in investigation. After consultation with FAA officials, he urges shippers of tape or film to stencil or label cartons prominently with message, "do not expose to radiation" and notify carrier when shipping. FAA says detection systems used on air passengers and their luggage will not affect tape or film.

Summary-decision procedure has been proposed by FCC to reduce number & length of hearings. If material presented is adequate, examiner could issue initial decision without hearing—or could conduct hearing only on part of issues. Comments may be filed until March 16, replies March 26.

Suit to block WTOP-TV Washington from showing reruns of "Wild, Wild West" because of alleged excessive violence and harmful effects on children has been dismissed by U.S. District Judge John Sirica, who said whole issue of violence is still under FCC review and court had no jurisdiction.

GE raises TV station equipment prices 5-8% as of Feb. 1, stating "increases essentially bring prices back up to 1969 levels, which are necessary to support the product development programs which broadcast customers expect."

Cablecasting survey of all systems is being conducted by NCTA so it can "intelligently represent the cable TV industry before the FCC & the Congress."

Funk & Wagnalls has been acquired from Readers Digest by Corinthian subsidiary Standard Reference Library, price undisclosed.

Personals

Grover Cobb, new NAB exec. vp-station relations, spent most of last week in Washington, reports for full-time duty Feb. 15; **Paul Haney**, exec. vp-PR, goes to work Feb. 22. Add candidates for NAB Board leadership posts: **Alan Page**, KGWA(AM) Enid, Okla., for Radio vice chmn.; **Leslie Arries**, WBEN-TV Buffalo, for TV vice chmn.

Herbert Cahan, Group W area vp for Baltimore-Washington, named coordinator for Group W community involvement projects; he's succeeded as Washington area vp by **Wallace Dunlap**, KYW(AM) Philadelphia gen. mgr.; KFWB(AM) L.A. Sales Mgr. **Frank Oxarart** succeeds Dunlap.

John Gilbert promoted to pres., Pacific & Southern Bcstg. TV div.; **Ken Burkhart**, ex-vp & radio dir., WQXI-AM-FM Atlanta, named radio div. pres. **Kenneth L. Hatch**, KIRO-TV Seattle station mgr., named KIRO Inc. corporate vp in charge of TV; **Wayne E. Killmer**, KIRO-AM mgr., named corporate vp-radio; **James G. McCurdy**, Lockheed Shipbuilding & Construction Corp., and **M. J. Lyon**, partner in Robinson-Lyon Ford dealership, elected KIRO dirs.

Ronald Tremble, ex-vp & treas., ABC, elected finance vp, Downe Communications. **Ron Handberg** promoted to news dir., WCCO-TV Minneapolis, succeeding **Joe Bartelme**, resigned. **Irving R. Levine** rejoins NBC News Washington as economic affairs correspondent after year's leave. **Elmer Alley** promoted to program dir., WSM-TV Nashville.

William Emerson promoted to broadcast standards & practices mgr., KNBC L.A., succeeding late **Robert Henry**; **Richard Reisberg** promoted to talent & program administration entertainment programs dir., NBC-TV. **A.G. Feder**, ex-Screen Gems, named controller, Taft Bcstg. West Coast operations.

Joseph Ryan & Michael Faber, from Broadcast Bureau, are new legal assts. to FCC Comr. Houser, who isn't appointing an engineering asst. **Robert Swezey** resigns as CPB secy. to devote full time as pres., Microwave Communications' subsidiary Mid-Atlantic Communications; **Thaddeus Holt**, development dir., succeeds Swezey. **Edward Morris**, ex-Time-Life Films, named PBS public information dir.

Thomas Anderson, pres., FC&B Cablevision, also elected chief exec. officer. **Edward Boehm** elected vp, Phelps Dodge Communications; **Peter Kelly**, ex-Verplex, named controller. **F. Russell Ide**, ex-Sarkes-Tarzian, named broadcast operations mgr., TeleMation.

Edward King promoted to sales mgr., Amperex Electronics, for communications & CATV. **Bertrand Lanchner** named business affairs dir., Videorecord Corp. of America.

Jerry Laufer, ex-TelePrompTer, named technical services dir., Kaiser CATV; **Vincent Ridikas**, ex-West Jersey Bcstg., named northeastern asst. sales mgr.; Willingboro, N.J.; **Robert Melton**, ex-Cosmos Bcstg., appointed southeastern asst. sales mgr., Salisbury, N.C.

Gerald Abrams promoted to L.A. office mgr., CBS-TV Stations National Sales, succeeding **Robin Adrian**, now midwest sales dir.; **James Stevenson**, ex-gen. sales mgr., WBBM-TV Chicago, and **John Gray**, ex-NBC sales,

Chicago, named account execs., CBS-TV Network Sales.

Lawrence J. Deutsch, ex-William Esty agency, & **Jack Sherogan**, ex-SDI Advertising, join sales staff of Katz TV, N.Y.; **Laurence Adams**, ex-McGavern-Guild/PGW, joins Katz Radio, L.A. **Alfred Cannarella**, ex-WPIX N.Y., named asst. research mgr., Blair TV market div.

Joseph Sierer, ex-Edward Petry, named sales mgr., CBS Radio Spot Sales, Atlanta. **Mark Tuttle**, ex-Filmways, named program development dir., Warner Bros. TV. **Maury Beaumont**, ex-Reeves Production Services, named operations dir., Matrix Video. **Gene Foster** promoted to broadcast exec., AP eastern div.

CBS effort to provide "loyal opposition" programming "has been frustrated both by governmental intervention and by attempts to secure such intervention," CBS Pres. Frank Stanton told Democratic National Chmn. Lawrence O'Brien. O'Brien had asked the networks for "new ground rules that would permit more frequent & direct access to the media by opposition party spokesmen." Stanton said CBS couldn't predict future action because of "the obstacles which have been placed in our way." NBC Pres. Julian Goodman said public wouldn't be served by "trying to predetermine the form, frequency or occasions" of appearances by opposition party spokesman. NBC, he said, will "retain our ability to apply journalistic judgment in these matters."

"Commercial TV for children that we can be proud of" is goal of ABC-TV Pres. James Duffy in new children's programming workshop. He told Ga. Assn. of Bcstrs. Radio-TV Institute that kids' TV is one of industry's priority concerns. "The line can no longer be drawn between education & entertainment," he said. "We in network TV have at last come to see that TV can no longer be a babysitter... It must also be their teacher and their friend." He said ABC will consult with advertisers & agencies to improve children's programs.

World telecommunications are being studied by A. D. Little Co., in project separate from its broadband communications network (BCN) research (Vol. 11:3 p2). Global project covers just about everything, runs about \$200-\$300,000, costs sponsors \$15,000 each. ADL did similar project in 1966; current effort is about 10 times as large. About 1/3 is devoted to U.S., rest to foreign countries.

"Hardship appeals" by toy advertisers have been heeded by NAB TV Code, which announced it would grant waivers from new toy advertising guidelines for spots produced before Dec. 1. Rules are effective Feb. 1, and special toy subcommittee of Code Board said deadline may be extended, on request, for up to 30 days.

Viacom is acquiring 80% of Telemundo CATV, holding franchise for Ponce, P.R., it advised FCC in connection with Commission's consideration of spin-off from CBS.

TV played critical role aboard Apollo 14 by helping NASA engineers make close-up study of mechanism that failed 5 times in first docking maneuver.

CBS Pres. Frank Stanton is among first to request entry blank in FCC's official seal contest (Vol. 11:5 p3).

Consumer Electronics®

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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 Jan. 22 (3rd week of 1971):

	Jan. 16-22	1970 week	% change	1971 to date	1970 to date	% change
Total TV.	212,494	186,106	14.2	517,215	507,071	2.0
color	114,580	99,190	15.5	277,192	268,635	3.2
monochrome	97,914	86,916	12.7	240,023	238,436	0.7
Total radio	369,341	348,134	6.1	949,404	937,711	1.2
home, portable	134,750	136,062	- 1.0	302,362	370,644	-18.4
AM-only	69,940	87,834	-20.4	169,863	234,715	-27.6
FM & FM-AM	64,810	48,228	34.4	132,499	135,929	- 2.5
auto	234,591	212,072	10.6	647,042	567,067	14.1
Total phono	72,148	57,418	25.7	197,291	159,762	23.5
portable-table	50,439	33,843	49.0	139,430	93,954	48.4
console	21,709	23,575	- 7.9	57,861	65,808	-12.1

Color TV 5-week moving average: 1970-71-98,311; 1969-70-84,654 (up 11.6%)

RCA ENDING B&W PICTURE TUBE MANUFACTURE: RCA will drop production of monochrome picture tubes in April, converting Marion, Ind. facility to all-color. Once biggest manufacturer of b&w tubes, RCA's move leaves only 3 domestic producers selling to OEMs.

RCA is 5th U.S. manufacturer to drop monochrome since 1967. GE & Zenith discontinued last year, following dropouts of National Video & Philco-Ford. In Canada, GE & Westinghouse closed Canadian picture tube facilities last year—monochrome & color. Remaining U.S. OEM b&w tube producers are Clinton Electronics, Sylvania & Westinghouse. There are still 7 U.S. OEM color tube makers, down from 10—Motorola quit; National Video went broke; Channel Master left OEM business to supply growing replacement market.

RCA's move, announced 4:30 p.m. Feb. 5, had been rumored for several months after company reportedly had declined to bid on some monochrome contracts. "Current market conditions," said RCA last week, "do not make b&w TV picture tube production economical at Marion." RCA will furlough 250 of its 2,900 Marion employees in April, expects to recall "many of these people" when new color facilities start in 4th quarter. It's believed RCA will install color equipment from Lancaster, Pa. plant—now being phased out of picture tube manufacture—in Marion. Scranton, Pa. color facility is being enlarged.

RCA said it will continue to sell b&w replacement tubes to distributor market—"arrangements have been made to obtain these tubes from qualified suppliers in the U.S. & Canada." RCA started monochrome production in Marion in 1949, after producing them in Lancaster since start of TV era.

Philco-Ford announced it's withdrawing from semiconductor business, closing facilities in U.S. (Blue Bell, Lansdale & Spring City, Pa.) and attempting to sell plant in Taiwan—affecting 1,000 employees here and 1,000 in Taiwan. It's understood Australian interests are negotiating to buy Taiwan facility. Move doesn't affect Philco's Taiwan consumer electronics operation. Philco is 2nd major manufacturer to phase out semiconductor business in matter of weeks—GTE Sylvania having bowed out Dec. 31 (Vol. 10:40 p12).

In connection with another RCA plant closing, Tariff Commission Feb. 5 announced formal opening of investigation into import-adjustment assistance eligibility petition filed by IUE on behalf of

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workers idled by RCA's move of b&w TV from Memphis last year (Vol. 11:3 p8). IUE officials have indicated that similar petition will be filed for former employes of now-closed Emerson Jersey City plant if RCA action is successful.

COLOR TV STARRING AGAIN—ON WALL ST.: Financial community has turned optimistic again—on just about everything, but particularly on consumer durables, specifically color TV.

With some encouragement from widely scattered reports of step-up in consumer buying, Wall St. in last couple of weeks has expressed confidence in future of consumer electronics in what one analyst forecast is start of new "roaring bull market." Fortunately, Wall St. forecasts often are self-fulfilling prophecies—when stock market goes up, even non-investing consumers gain confidence.

Three consumer electronics stocks reached 1970-71 highs last week on Big Board—Magnavox & Zenith establishing new records for period and Sony tying its best mark. Since Dec. 31, just about all consumer electronics stocks are up. As of close last Fri., Admiral was up 3-5/8 from end of 1970, Admiral International (ASE) up 3, GE 9-5/8, GTE 1, Magnavox 3, Motorola 4-1/2, NUE 2-5/8, RCA 6-1/4, Sony 3-3/4, Zenith 4-1/8. Over-the-counter, Warwick & Wells Gardner were up about 3-3/4 & 1-1/8 respectively.

Trading in consumer electronics shares was heavy last week, along with just about everything else, and color TV momentarily regained its one-time glamour status. Why the display of confidence in TV? Suggested one analyst: "People want to convert their money into stocks, and everything that's gone down substantially is very attractive."

TAPE GEAR IS TOP IMPORT IN 1970: Audio tape equipment, industry's fastest growing segment, was also top dollar-producer for importers last year—jumping over both TV and radio, as importation of consumer electronic end products became billion-dollar business for first time, according to Commerce Dept.

Importers brought in nearly \$1.09-billion worth of TVs, radios, phonos & tape instruments last year, vs. \$938 million in 1969. Tape units accounted for 34.6% of import dollar volume, compared with 28% in 1969. Pushed into 2nd place was radio with 31.6%, down from 36%. TV ranked 3rd, dropping from 31.5% to 29%; phonos improved slightly with 4.8%. Helping brighten tape picture were radio-tape combinations, many of which were included in other classifications in 1969.

Shift to higher quality in imported consumer electronics is evident. While unit imports of radios slid 8.5% in 1970, value was up 2.3%, reflecting growth of FM & clock-radios. Similar situation prevailed in radio-phono. Bulk of tape gain apparently came from increased imports of higher-priced combination units, as average value of non-combo recorders & players slipped moderately. Only real exception was in phonos, where dollars fell despite increase in units. Lower average values in TV, we feel, reflect growth of smaller screen sizes and increased imports of chassis, rather than actual cost reductions.

Dec. was best final-quarter month for TV importers, as both color & monochrome posted increases from same 1969 period. Imported in month were 418,000 sets, up 20.1%—color up 9.3% to 76,482 and b&w up 22.8% to 341,526. Japan provided 58,539 color sets in Dec., (down 7%) and 234,804 b&ws (up 16.4%).

For full year, Japan was source of nearly 3.3 million imported TVs, up 6.6% from 1969. Imports of Japanese color sets dropped 3.2% to 850,582, but b&w increase more than made up for loss. Taiwan, expected to become important color supplier this year, was source for 52,237 color sets—mainly chassis—in 1970, up 138.5%. Color imports from Canada, many of which are institutional models, were off 4% to 11,096.

In b&w, Japan continued as largest supplier of imports, with 2,441,073 sets, up 10.5% from 1969. But Japan's share of U.S. b&w import market shrank from 70.7% in 1969 to 67.9%, as countries with U.S.-owned export assembly plants combined to push in more than 1.1 million sets. Monochrome imports from Taiwan were up 29.3% to 839,503; Mexico supplied 273,040, up 31.4%. Imports from Hong Kong were off 19.6% to 31,815. Sylvania, which had been importing only from Hong Kong subsidiary, last year began purchases from Mexico (Warwick) & Japan.

Growth of small-screen color market here is indicated by import screen-size breakdown, showing that 15% of sets were in 10V"—&-smaller classification last year, compared with 6% in 1969.

Further breakout, not available for 1969, puts 47% of color imports in 11-17V" class, with larger sizes accounting for 38%. In b&w, small-screen sets captured same 30% share as in 1969, 11-17V" taking 50%, larger sizes 20%.

Following are 1970 imports, in units & dollars, of selected consumer electronics, with 1969 results, from Commerce Dept.:

U. S. CONSUMER ELECTRONICS IMPORTS

	Units			Value (add 000)		
	1970	1969	% chg.	1970	1969	% chg.
Total TV*	4,513,035	4,034,310	11.9	\$315,686	\$295,856	6.7
color	913,980	912,425	0.2	141,858	143,365	-1.1
b&w	3,595,630	3,121,386	15.2	173,667	152,416	13.9
Total radio	33,382,773	36,467,993	-8.5	343,763	336,136	2.3
home	31,150,403	34,677,088	-10.2	305,227	305,544	-0.1
auto	2,232,370	1,790,905	24.7	38,536	30,592	26.0
Radio-phono	1,578,941	1,657,832	-4.8	44,686	36,313	23.1
Phonographs	461,302	405,180	13.9	7,770	8,088	-3.9
Total tape inst.	14,511,177	11,284,994	28.6	375,815	261,950	43.5
recorders	6,579,983	6,253,118	5.2	144,459	142,743	1.2
players	5,298,462	5,031,876	5.3	120,874	119,207	1.4
radio-recorders	1,497,535	N.A.	—	57,792	N.A.	—
radio-players	1,135,197	N.A.	—	52,690	N.A.	—

*Total TV includes combinations.

FIERCE VIDEOPLAYER COMPETITION—ON PAPER: The press-release war over videoplayer formats continued unabated last week. Avco's Cartridge TV got new hardware licensee, Sony demonstrated latest Videocassette, CBS struck out at detractors. And without benefit of press releases, we've smoked out another video disc system.

New Cartrivision VTR licensee is NUE's Emerson Div., which announced it would introduce Admiral-manufactured unit next fall. Admiral, also Cartrivision licensee, supplies Emerson's TV line. As described in news release, Emerson Cartrivision appears identical to versions announced by Admiral & Cartridge TV Inc. Pricing, said NUE Chmn.-Pres. C. Russell Feldmann, has not been determined "but will be competitive."

Sony's completely reworked Videocassette player—with new mechanism, new-size cassette (Vol. 11:2 p7)—was demonstrated by Exec. Vp Akio Morita to N. Y. Society of Security Analysts (see also p. 10). Demonstration tape—Leonard Bernstein conducting Verdi's Requiem at St. Paul's Cathedral in Rome—showed excellent, crisp color rendition, seemingly improved from impressive showing of previous model. Sound was stereo. Morita told us later that only minor changes would be made before introduction of 3/4-in.-tape machine. He refrained from mentioning prices. Morita also demonstrated low-cost (\$1,000), eventually \$500 color TV camera (see p. 4).

CBS/EVR Pres. Robert E. Brockway, meanwhile, hit at propaganda mills & rumor campaigns in statement pointing out that EVR is "the only system with a saleable product in 1971" and "will be first in American homes," citing offering of Motorola Teleplayers by Nieman-Marcus for future delivery and home incentive program of paper trade association. He also answered charges that EVR could be pirated by saying it will be impossible to make counterfeit cassette since CBS will have only facilities for making them. Any EVR cartridge copied onto video tape, he said, would be immediately detectable—presumably if owner of material refrained from also employing tape format. "Video tape's problem," he said "is that you can't take advantage of the [copyright] law if you can't tell your product from the bogus one."

That new video disc is in labs of Thomson-CSF, big French electronics combine. We understand it's laser device—possibly with some characteristics similar to RCA SelectaVision, which itself was first envisaged as a disc. CSF is expected to make public announcement or demonstration in about 6 months, but for present is keeping mouth shut. Best forecast of marketing date is 3-5 years from now.

SONY'S NEW STRATEGY: Sony Exec. Vp. Akio Morita used N. Y. Society of Security Analysts last week as launching site for campaigns to: (1) Separate Sony, in public's mind at least, from other Japanese firms involved in TV dumping case. (2) Whip up support here for color tape cartridge videoplayer.

"I was very much disturbed to find the name of our company listed first," when Treasury named firms being checked in dumping probe (Vol. 10:53 p6), Morita said. "Sony has never sold its products in the U. S. at less than fair market values," he asserted, adding "I believe we will not have any problem," regardless of case's outcome. Morita, it's understood, has lined up interviews with major consumer publications to repeat story.

As for videoplayer, Sony will unveil complete system at upcoming IEEE show, follow with private showings for potential licensees. On hand will be latest version of player (Vol. 11:2 p7), master recorder, slaves, accessories & new color camera (see p. 9).

Morita said Sony will produce 800,000 Trinitron color TVs this year, including 400,000 of new 17V", to be introduced here this spring. New picture tube plant, he said, has 1-million annual capacity. Also due here are Sony cassette dictation machines. Pocket recorder with electronic cue feature will list at \$145, desk-top recorder-transcriber at \$430.

Among other news of Sony brought out at meeting: Firm plans to sell 10,000 SECAM-type Trinitron TVs this year in France, plus 20,000 in England, starting in spring. Latter utilizes PAL-compatible circuitry which, Sony says, requires no Telefunken license. Sony color sales last year were triple 1969's, accounted for 24% of volume; b&w fell 12%, were 8% of sales; recorders up 4% to 23% of sales; radios up 9% to 13% of sales. Other product sales gains were VTRs 51%, hi-fi components 70%, calculators 53%, magnetic tape 50%. Domestic sales were up 52%, accounted for 47% of volume, exports were up 26%, with 22% gain recorded in U.S. Sony has developed new Ultra Linear Magnetic Speaker System, claiming high performance with negligible distortion, to be used in all forthcoming audio equipment.

Japan color production far outstripped U.S. last year, according to EIA-Japan. Japanese output was 6,438,079, up 32% from 1969, well ahead of the less-than-5-million made in U.S. Japanese shipped nearly 5.9 million, up 22%, with shipments in domestic market up 28.7% to 4,885,731. Worldwide exports declined 2.5% to 993,274. Dec. production was down 8.2% from 1969, to 536,973; shipments were off 0.5% to 685,553, with domestic shipments down 5.6% to 602,933 while exports rose 64.3% to 82,620.

Color TV sales to consumers during 2nd half of 1970 "equalled or exceeded" those of same 1969 period, NBC Planning Vp Allen R. Cooper said, reporting U.S. color TV households rose to 27.6 million, or 45.3% of total TV homes, as of Jan. 1. This represented gain of 4.2 million homes in 1970 and 1.4 million in final quarter of last year.

Slim color tube bulbs—19V" & 25V" with 110-degree deflection—will be sampled to tube makers within month by Owens-Illinois, which will offer production quantities late in 2nd quarter. O-I's 19V" funnel differs from Corning's (Vol. 11:4 p10).

HI-FI FORECAST: Value of hi-fi equipment sales to dealers this year will exceed \$441 million, up nearly 17% from 1970, according to Audio Times, which pegs 1970 sales at \$378 million, up 15% from 1969. Totals exclude tape recorders & players.

Predicted sales (in millions) for 1971 by types: Electronics (tuners, receivers & amplifiers) \$131.4 (up 22%), non-OEM speakers \$64 (up 10%), retail private-label electronics \$63.5 (up 19%), compacts \$47 (up 7%), component record players \$55.3 (up 25%), retail private-label speakers \$41.5 (up 6%), magnetic phono cartridges \$20.4 (up 21%), stereo headphones \$18.5 (up 50%).

Tariff Commission's hi-fi sales-to-dealers totals, compiled in H. H. Scott import-adjustment case (Vol. 11:4 p11), show 1970 value for receivers, tuners, amplifiers, compacts, consoles & speakers at \$125 million, compared with Audio Times estimate of \$305 million. Difference could come from Commission's inclusion of only sales by traditional audiophile domestic & import-brand suppliers, while Audio Times survey is more comprehensive. Both agree that lion's share of gains are being made by Japanese brands.

Mergers & acquisitions: Buckbee-Mears has agreed to purchase Elk Grove, Ill. plant of Northern Metals and latter's 50% interest in Tubal Industries for undisclosed sum. Northern Metals, an Alloys Unlimited subsidiary, is a Buckbee-Mears color TV picture tube shadow-mask licensee, also produces mask frames. Tubal, in which Buckbee-Mears held 50%, was formed in 1969 to market "Unimask," one-piece shadow-mask & frame assembly developed by Northern Metals... **Solitron Devices** said it would repurchase 100,000 shares given Union Carbide last year as part of price for UC's semiconductor operation, along with some equipment & inventories, for about \$2.6 million. When issued to UC, the Solitron shares were valued at nearly \$3.2 million... **Aerovox** has agreed to buy back 400,000 common shares, plus warrants from CSI Corp. for \$2.5 million, same price CSI paid last year.

Electronics mergers last year were down from 1969, while sell-offs of divisions were up, according to Chicago consulting firm W. T. Grimm & Co. Industry's mergers & acquisitions totaled 137 in 1970, down 30% from 1969's 196, while national merger activity was off just 15% to 5,173. Sale of electronics divisions jumped 52% from 46 in 1969 to 70 last year. In related report, Dun & Bradstreet said 92 electronics businesses failed in first 11 months last year, more than double full 1969 total. Failing companies last year left debts of \$70.6 million, compared with \$23.5 million in 1969... **Electro-space Corp.** said proposed \$15.1 million merger with Bell TV has been called off (Vol. 10:44 p9)... **Plessey Co.**, England, is offering shares valued at \$5.6 million to obtain complete control of U.S. subsidiary Plessey Inc... **GTE Sylvania** has agreed in principle to acquire Walmet Corp., Royal Oak, Mich., producer of cemented carbide products, for undisclosed number of shares.

Manufacturers are "Inviting FTC scrutiny" when they attempt to control retail prices by refusing to re-supply price-cutting dealers, FTC Bureau of Competition Dir. Alan S. Ward said in N.Y. address. He said fair-trade laws cost consumers \$1.5 billion annually and warned against use of fair-trade agreements in non-fair-trade states.

CES '71 LINEUP: Upcoming Consumer Electronics Show, set for June 27-30 at Chicago's rebuilt McCormick Place, will open without Philco-Ford or Teledyne Packard Bell, both of which were among name-brand U.S. manufacturers which had expressed intention of exhibiting after absences of one to 3 years. Admiral, GE, Motorola, RCA, Sylvania & Westinghouse remain on active list.

Revised show roster indicates 226 exhibitors, up 4 from preliminary list issued last fall (Vol. 10:40 p13). Notable additions to exhibits include Akai, Crown Radio & Sanyo. Superscope will feature revamped Marantz hi-fi line. Elpa Marketing & Muntz Stereo, previously indicated dropouts, will show after all. Lear Jet Stereo, which may be under new ownership when CES opens (Vol. 10:47 p11), is not-listed, but expected to exhibit.

Most notable among other missing names is Cartridge TV Inc., whose elaborate showcase presentation of Cartrivision home color cartridge VTR was hit of CES '70. CTV spokesman said system would be demonstrated at coming show in Admiral exhibit, and possibly by other upcoming licensees. Other dropouts include Bogen, Capehart, Ponder & Best (Vivitar), University Sound & Korea's electronics export promotion agency.

While CES '71 is being billed as sold out, it's safe assumption that room will be found within 220,000 sq.-ft. exhibits area if any of big names should change their minds.

Griffiths Electronics will report best quarterly earnings in more than year for period ended Jan. 31, Pres. Gerald Tumarkin told stockholders. Sales in Nov. & Dec., he said, were 60% above same 1969 period, with volume in first 8 months of fiscal 1971 running 12% ahead of year earlier. Picture-tube gun-mount sales have been rising gradually and demand for replacement picture tubes "continues unabated," he said, with further picture tube production costs reduced by new facility in Nogales, Mex. Company has opened 7,500-sq.-ft. merchandise center in Tucson.

Taiwan's 3rd biggest manufacturing employment category is "electric machinery," including electronics, with 94,121 workers or 11% of total. Textile (17.9%) & food processing (15.6%) are largest industries. Survey by Taiwan Manpower Research Institute indicated shortage of skilled workers and found that 3,026 technicians will be needed by electric machinery industry by next July. Industries employ 2,737,420, or 61.8% of Taiwan's total employed work force.

Tenna Corp. will report earnings for quarter ended Dec. 31 slightly below year-earlier, Vp Edwin P. Madsen is quoted in Wall St. Journal. Although Tenna sold as many auto tape players in 6 months ending Dec. 31 as in 1969, lower prices reduced revenues, he said. Company cut employment to 900 from 1,100 four months ago, expects new portable tape player-radio to contribute to results in current half.

GTE will offer 4.5 million common shares to public early next month, to pay bank loans and for general purposes.

HEW exclusion from TV consumer record-keeping regulations has been granted for all Panasonic b&w receivers 16V" & smaller.

KOREA'S TARGETS: South Korea's developing electronics-electrical industry has set \$100-million export goal for 1971, up 75% from 1970. Much of gain is expected from new export-assembly operations attracted to expanding free-trade zones. Scheduled for completion by midyear is 6.5-million-sq.-ft. electronics-only industrial area at Koomi, 175 miles south of Seoul.

Industry export targets for this year (in millions) include: TV \$6.2, radios \$15.7, recorders \$2.5, semi-conductors \$53.1, passive components \$4.2, speakers \$1.1, vacuum tubes \$2. Among new consumer electronics export ventures expected to be in operation this year: Electro-Voice (U.S.)-Iltong Pharmaceutical, FM-stereo receivers & phono cartridges; Sharp (Japan)-Dongnam Electric, portable electronic calculators; Nihon Video (Japan)-Dae Won Video, transistor radios.

Major aim of expansion is to attract more foreign investment in parts-producing joint ventures. Korean govt. predicts 90% of parts in consumer electronics will be domestic-made by 1976, when industry's exports are seen reaching \$400 million.

Biggest independent distributor in U.S. will result from takeover by Bruno-N.Y. of N.J. territory from Krich N.J. for RCA & Whirlpool products. Bruno Chmn. Richard Harris called move "consolidation, not a merger." In effect, he said, "we are taking over their territory." Cost of transaction wasn't disclosed. Bruno's territory now includes all of metropolitan N.Y. plus Long Island & southern Conn., to which will be added all of N.J. except extreme south. Krich Pres. Fred Comins will become a Bruno vp. RCA, meanwhile, has absorbed Costel Distributing, its unconsolidated subsidiary in San Francisco and made it part of RCA Distributing Corp., with new hq at 233 E. Harris Ave., South San Francisco. In other distributor activities, Ed Adis has resigned as pres. of Emerson Radio of Pa., plans & successor unannounced; Teledyne Packard Bell has named E. T. Donahue, Rochester, for western N.Y. & parts of Pa.

Shift to overseas production continues in U.S. semiconductor industry. Sola Basic Industries has established Hong Kong subsidiary, Lindberg Hevi-Duty Ltd., to provide parts & equipment to other Far East microelectronics assembly operations. Varadyne said it was transferring all linear IC manufacture to Kumi-Varadyne, a 51%-owned S. Korean joint venture.

Fixtune Electronics, N.Y. supplier of fixed-frequency FM radios for broadcaster promotion, has announced line of crystal-controlled stereo & mono FM and SCA receivers, costing "only slightly above" conventional set prices. Fixtune will phase out non-crystal line.

Admiral promotion: Three-piece FM stereo component system, listing at around \$100, for \$39.95 with purchase of any console stereo except 2 low-end models.

Transportation Secy. John A. Volpe will be main speaker at annual Govt.-Industry Dinner March 10 at EIA Spring Conference in Washington.

German complaints of low prices on Japanese electronics will be investigated by group from EIA-Japan. German EIA cited b&w, radio and parts.

Trade Personals

Tom Fallows named BSR (U.S.) McDonald Div. customer relations mgr. . . **Walter Nachtigall**, ex-Fannon Electronics/Courier Communications vp, joins N. Y. office of Nichimen Co. (Japanese trading firm) as electronics mktg. dir. . . **Albert Kahn**, former Electro-Voice pres., named to board of E-V parent, Gulton Industries.

Max D. Sanders, Ohmite mfg. dir., advanced to dir. of new Mktg. Div., which combines mktg. & production; **L. H. Berkelhamer** heads new Engineering Div. . . **Robert A. Rosen**, Bell TV pres., adds same duties for subsidiary Holmes Protection. . . **Francis S. Fox**, D. C. Heath Co. chmn., adds duties as corporate affairs vp for parent Raytheon.

John Bardeen, now U. of Ill. prof., who along with **William Shockley** & **Walter Brattain** developed transistor, named 1971 recipient of IEEE Medal of Honor. . . **William E. Pardoe**, Union Carbide treas., elected vp & chief financial officer.

Marvin E. Kramer promoted at RCA Consumer Electronics from national sales vp to sales vp, succeeding **Robert J. O'Neil**, who resigned last month to become independent consultant. . . **Gail Staker**, one-time Teledyne Systems chief engineer, rejoins Packard Bell as home products engineering dir. . . **Edward Boba**, Admiral radio & portable audio mktg. mgr., adds same responsibility for all other audio products, including consoles, components & recorders; **Charles Troike** named mgr. of Dixon Electronics Distribution Center, replacing **Jim Green**, resigned.

Roger J. Probert promoted at Toshiba America from mktg. communications dir. to mdsg. dir. in realignment of consumer products; **Terrence B. Sexton** advanced from Midwest region mgr. to national sales mgr.; **Robert Tuschman** shifts from home appliance mgr. to sales planning mgr., with additional responsibility as sales mgr. for specialty markets; **Phil Geygan**, ex-East region mgr., becomes military & premium markets sales mgr.

Al Weisman, ex-L&P Electric (former Motorola N. Y. area distributor), joins Olympic International as key account sales mgr. . . **William B. Keepin**, former Grundig Sales (U.S.) pres., forms own N. Y. area rep firm; **Broadmoor** & **Lear Jet** are first lines. . . **Robert M. Olsson** advanced at Sylvania Technical Systems from training services mgr. to training operations vp.

Thomas A. Rohm advanced at Arvin Consumer Products Div. from East region mgr. to Eastern Div. national sales mgr. in organizational realignment; **Fred M. Kimball**, former South region mgr., appointed Western Div. national sales mgr.; **W. Clyde Elliott**, ex-national accounts sales mgr., named to head Contract & Private-Label Div.

Motion to dismiss National Union Electric's \$360-million damage suit (Vol. 10:52 p8) was filed in U.S. District Court in Newark by Japanese defendants. In response to NUE charge they had conspired to rig home-market TV prices and export sets to U.S. at dumping prices, Japanese said such actions, even if true, were not covered by U.S. antitrust & unfair-competition regulations. Joining in dismissal motion, which also contained general denial of responsibility injury to NUE subsidiary Emerson, were Hitachi, Matsushita, Mitsubishi, Sanyo, Sharp, Sony & Toshiba. Hearing on new motion is tentatively set for March 8.

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
American Electronic Labs			
1970-year to Nov. 30	29,287,357	(463,618)	--
1969-year to Nov. 30	21,484,741	(849,623)	--
1970-qtr. to Nov. 30	8,385,005	242,499	.15
1969-qtr. to Nov. 30	6,916,172	(282,295)	--
AT&T			
1970-year to Dec. 31	16,954,881,000	2,189,400,000	3.99
1969-year to Dec. 31	15,683,767,000	2,198,698,000	4.00
American TV & Communications			
1970-6 mo. to Dec. 31	4,603,839	294,331	.05
1969-6 mo. to Dec. 31	3,875,535	(21,060)	--
1970-qtr. to Dec. 31	2,366,080	199,447	.05
1969-qtr. to Dec. 31	1,993,664	34,773	--
Cohu Electronics			
1970-year to Dec. 31	7,022,071	(312,161)	--
1969-year to Dec. 31	9,930,967	449,357	.32
Cox Cable Communications			
1970-year to Dec. 31	10,546,200	1,203,350 ^a	.34
1969-year to Dec. 31	9,399,605	1,306,525 ^a	.37
Gannett			
1970-year to Dec. 31	158,812,171 ^b	11,450,833 ^b	1.61
1969-year to Dec. 31	148,986,688 ^b	9,751,422 ^c	1.37
1970-qtr. to Dec. 31	43,899,245 ^b	4,146,973 ^b	.58
1969-qtr. to Dec. 31	41,482,603	3,241,729 ^c	.45
Globe-Union			
1970-year to Dec. 31	129,382,000	2,572,000 ^a	1.64
1969-year to Dec. 31	118,861,000	2,383,000 ^a	1.52
1970-qtr. to Dec. 31	39,010,000	1,863,000 ^a	1.19
1969-qtr. to Dec. 31	37,529,000	1,547,000	.99
International Rectifier			
1970-6 mo. to Dec. 27	16,762,131	(1,228,435)	--
1969-6 mo. to Dec. 28	19,905,841	447,143	.16
1970-qtr. to Dec. 27	8,597,478	(725,888)	--
1969-qtr. to Dec. 28	10,243,131	237,131	.09
Owens-Illinois			
1970-year to Dec. 31	1,402,399,000	53,166,000 ^d	3.12
1969-year to Dec. 31	1,294,366,000	69,720,000 ^a	4.07
Pacific & Southern Bcstg.			
1970-year to Dec. 31	13,966,365	1,304,696	.80
1969-year to Dec. 31	12,286,055	1,015,084	.63
Scripps-Howard Bcstg.			
1970-year to Dec. 31	23,168,424	5,193,082	2.01
1969-year to Dec. 31	22,201,474	4,646,918	1.80
Sony			
1970-year to Oct. 31	414,369,000	27,536,000	.69 ^e
1969-year to Oct. 31	302,608,000	24,119,000	.62 ^e
Texas Instruments			
1970-year to Dec. 31 ^f	827,915,000	29,861,000	2.71
1969-year to Dec. 31	831,822,000	33,511,000	3.06

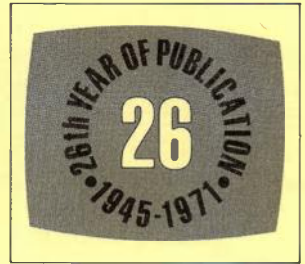
Notes: ^aIncludes special credit. ^bRecord. ^cBefore special credit. ^dAfter extraordinary item. ^ePer ADR. ^fPreliminary.

Theft of auto tape players & tapes from cars cost U.S. insurance companies some \$90 million in 1969, according to Insurance Information Institute. That's equal to value of all car tape players exported from Japan to U.S. in 1968 & 1969 combined.

WEEKLY

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FEBRUARY 15, 1971

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

31 MORE ON CONGLOMERATE GRIDDLE: FCC hits most of big ones—though Wells dissents while Burch, R. E. Lee & Houser think mass of data sought is too extensive, expensive. Won't affect pending cases (p. 1).

DROP 2 FCC MEMBERS, ASH COUNCIL recommends to President in suggested revamp of regulatory agencies which would replace several with single administrator. FCC would remain multimember agency because it must make decisions affecting programs (p. 2).

CABLE IN WASHINGTON PRESSURE-COOKER: Contestants gear for March 11 showdown. Kahn-TPT to plead 'not guilty'. RCA suspending CATV manufacturing plans. Black workshop aims for franchises, channels (p. 3).

PASTORE MAPS 1971 HEARINGS: Commerce Committee requests record \$1,233,800, plans more active subcommittees. Pastore hearings to cover FCC, telecommunications, campaign spending, CPB, TV violence, etc. (p. 4).

NAB ENTERS CIGARET SUIT, asks Court for permanent injunction against ad ban on TV as well as radio, claims law is unconstitutional. Ad Age reports cigaret pages more than double in magazines (p. 4).

CBS NET INCOME DOWN 10% on record revenue of \$1.23 billion in 1970. Income of \$64.1 million compares with 1969's \$71.9 million. Separate Viacom would have shown \$1.8 million profit (p. 4).

31 MORE ON CONGLOMERATE GRIDDLE: FCC finally, and barely, bought recommendations of its Conglomerate Study Task Force, ordered investigation into 31 companies, in addition to the 6 already completed in "pilot" run (Vol. 10:32 p1). (For list of 31, see below.) Vote was 6-1 technically, only Wells dissenting, but concurring statement by other 3 Republican members showed they were pretty reluctant about it, saying study could have been considerably less detailed & burdensome. Ironical side-light is that the 4 GOP members, had they got together in advance, had the votes to limit study to what they consider reasonable level.

One of first questions raised was whether inquiry would affect big pending mergers. It won't, FCC Chmn. Burch told us. Capital Cities and Corinthian are among those being studied, but Commission isn't delaying their transfers pending inquiry completion. Along same lines is question whether any other pending matters would be put on ice for any of the 31 while they're being scrutinized. Answer is that Task Force will pass on to Broadcast Bureau anything "serious" it might uncover. (Task Force reports directly to Commission, goes through no bureau. Louis Stephens is dir., James Sheridan economist, John Hardwick attorney.)

Criterion for picking the 31, Stephens told Commission, is that they have "substantial" broadcast & non-broadcast interests. Here's list: ABC, CapCities, CBS, Columbia Pictures, Corinthian,

Consumer Electronics

GOOD START FOR '71 in Jan. sales—color up 7.5%, b&w 6%, portable phonos 46.5%. Motorola & Philco discuss sales gains. Four consumer electronics stocks hit new 1970-71 highs. Zenith claims title of 'No. 1 selling color TV' (p. 7).

NO X-RAY DANGER to service technicians found in HEW test, minimizing need for component radiation standards. Rebuilders fear glass standards could put them out of business (p. 8).

WHO NEEDS TV SCREEN for videoplayer, asks Retention Communications System, promising \$50-\$100 home film-plus-tape system with cartridges at \$5 or less; Kodak says super-8 TV player would cost about \$500, be available in late '73—but EVR still has lead and hopes Japanese will help (p. 8).

TV DUMPING CASE BRIEFED after 3-year probe, final arguments concentrating on scope of injury probe. Japanese ask exclusion for small-screen color & b&w. Investigation of import-aid for Emerson workers (p. 10).

SALE OF LEAR JET STEREO by Gates Rubber. Buyer understood to include Broadmoor. Sanyo buys into Taiwan firm to produce TV, export to U.S. (p. 10).

AVERAGE TV IMPORT PRICE for 1970 larger-screen Japanese sets held at 1969 levels, while tinyvision price dropped 7-10%. Hong Kong emerged as top unit supplier of radios, but bulk of dollars went to Japan (p. 11).

Deseret Management (Bonneville), Downe Communications, GE, Hughes Tool, Jefferson Pilot, Kaiser, Kansas City Southern, Lamb Communications, Levin-Townsend Computer, Liberty Corp. (Cosmos), LIN Bcstg., Meredith, Metromedia, Nationwide, Outlet Co., RCA, Reeves Telecom, Rollins, Rust Craft, Schering-Plough, Signal (Golden West), Storer, Time, Transamerica, 20th Century-Fox, Westinghouse. (Covered in pilot study were Scripps, Cox, Avco, Fuqua, Chris-Craft, Travelers.) Some observers questioned how "substantial" were broadcast interests of some chosen. Hughes owns only KLAS-TV Las Vegas. Levin-Townsend has KHBV Henderson, Nev.

Notably absent were newspapers owning stations, staff concluding they're being covered in current newspaper-divestiture rulemaking. Also omitted were General Tire & Wometco, because they're already involved in FCC hearings with issues alleging anticompetitive practices.

There are 3 different deadlines for information, depending on complexity of data sought: March 10, June 10, Aug. 10. Networks get 2 months more, because information on their broadcast activities is more extensive. Questionnaire runs 18 pages, asks for the moon, covers 3 years (1967-69)—about everything you can image on relationships between parents & subsidiaries: Instructions, investment, revenues, earnings, memos, minutes, discussions, letters, rules, organization, duties, policies, use of earnings, commercials, litigation, hearings, securities—you name it. Appended as "Note" is statement that respondent "may supplement" his responses with statement about "benefits which you believe have accrued to the public from your ownership of both broadcast and non-broadcast enterprises..." The 31 companies own about 100 TVs, 100 AMs, 60 FM.

Wells' dissent said he looked at results of pilot study, concluded they didn't "justify the expense," and other projects should have higher priority. The 3 concurred, in statement written by Houser, said a study may be OK—but FCC & industry are going to spend a lot of money on it, and "it is my view that these expenditures could have been significantly reduced by limiting the scope of the questionnaire both chronologically & substantively."

ASH COUNCIL—DROP 2 FCC MEMBERS: Regulation of broadcasting "involves personal judgments as to the type, quality & substance of programming" and therefore FCC should remain a multimember agency, blue-ribbon group of industrialists recommended to President Nixon. Ash Council (headed by Litton Industries Pres. Roy Ash), however, urged that FCC be reduced from 7 to 5 commissioners, serving 5 year terms, "to offset some of the disadvantages of plural administration."

Council proposes less change at FCC than any other commission—several of which would lose identity altogether—and would let FCC keep all of its existing jurisdiction. FTC would be abolished, replaced by Federal Trade Practices Agency (for protecting consumers), headed by single administrator, and Federal Antitrust Board with 3 members. Other single administrator agencies would be Transportation Regulatory Agency (replacing 11-member ICC), Federal Power Agency (replacing 5-man FPC), Securities & Exchange Agency (for 5-man SEC).

President Nixon took no position on recommendations, said he was releasing report "to stimulate a vigorous public discussion, and to receive the benefit of the views of the agencies themselves... The report persuades me that, despite the best efforts & intentions of the [regulatory] commissions' members, there is room for substantial improvement... All of these agencies have grown in haphazard fashion—and despite repeated criticism and calls for reform, very little change has been undertaken beyond some modest internal reorganization." He asked for comments by April 20.

Proposed reforms are expected to get ho-hum reception in Congress—which has been graveyard for repeated attempts to restructure agencies over many years. Congress has jealously guarded its power to oversee agencies and their structured independence from White House, is going to be stiff-necked about single administrator who serves at pleasure of President.

Ash Council would require agencies to review examiner decisions in 30 days. For communications, trade practices & antitrust matters, appeals would continue to be taken to federal courts. For other agency decisions, special 15-judge Administrative Court would be established. Of FCC specifically, report concludes:

"Clearly, the public has come to rely on the broadcast media for much of its information. The mere appearance of possible undue influence over program content might undermine public confidence in the sources of its information. Thus, we believe it would be inadvisable to place in the hands of a single administrator the power to exercise control over industry members through licensing & pro-

gramming decisions. Moreover, because broadcast regulation is uniquely subjective in character, we believe that decisions in this area should reflect the personal values of more than a single individual...The Commission's areas of responsibility have grown dramatically both in breadth & complexity...The expansion of its traditional areas and the addition of new ones seriously challenge the FCC's ability effectively to regulate...A single administrator for the FCC would be in an exceptionally vulnerable position which, because of its appearances, could impair public trust...Placing in the hands of a single administrator, appointed to serve at the pleasure of the President, the power to exercise control over industry members...could create the suspicion of improper political influence over the content of broadcasting."

CABLE IN WASHINGTON PRESSURE-COOKER: It was Cable Week in Washington, as preparations intensify for showdown of some sort in FCC's hearings starting March 11. Among developments:

(1) NCTA Board met 2 days, spent most time planning strategy for hearings. Pres. Donald Taverner & Gen. Counsel Gary Christensen will appear for Association, while individual cable operators are filing own appearances. It's up to FCC to decide who appears on what panels—with considerable weight to be carried by Cable Bureau Chief Sol Schildhouse & Chmn.'s Asst. Robert Cahill.

(2) Schildhouse briefed Commission in half-day presentation. Pro-cable commissioners & staff liked it; others didn't. Broadcast Bureau will add its views, possibly this week, including material by economist Alexander Korn.

(3) Corridor talk reverted constantly to indictment of TelePrompter (TPT) and its chief Irving Kahn (Vol. 11:5 p2). Consensus is that much depends on ultimate outcome—but that immediate impact on industry isn't critical.

Kahn & TPT will plead "not guilty" Feb. 16, then case presumably will go through traditional time-consuming legal motions—many months. Since indictment, TPT has won one franchise, lost one. Indictment was brought into both cases, but TPT spokesmen say they lost one because winner offered city 30-40% higher fee—nothing to do with indictment. They also say that TPT profits this year will grow strongly, as predicted; that some 200,000 subscribers will be added in 1971—"more than the total connections of any other system operator"; that company will spend \$20 million for expansion in year.

Kahn's opponents—overt & covert—are using indictment as lever. For example, one PR organization sent memo to NCTA saying now's time to seize Kahn's position as most-quoted cable spokesman.

(4) Cable equipment manufacturers, nervously eyeing RCA as potential major competitor, can relax awhile. Though RCA spokesmen couldn't be reached for comment at press time, it's known company concluded market isn't big enough to warrant jumping into field—beyond furnishing studio gear, as usual. It's assumed RCA decided that improved reception, even more distant-signal imports, doesn't warrant the investment. What giant electronics outfit is looking for is special services, 2-way functions—the much-heralded "cable potential." R&d will continue—but level is unknown.

(5) NCTA was heartened by its first meeting of state & regional leaders—26 of the 38 showing up. They said progress was made in areas such as national-state combination membership, reduction of trade shows to ease burden on exhibitors.

(6) Sen. McClellan (D-Ark.) reintroduced his copyright bill (S-644), said "there is no justification for any further delay in the resolution of this question by the Congress & the Commission."

(7) There were more filings with FCC—including Rand Corp. study saying cable will help uhf and NAB reply saying it won't. NAB told FCC it offers following for March 11 panels: Dale Moore, KGVO-TV Missoula; Jack Harris, KPRC-TV Houston; Paul Comstock, exec. vp; an attorney.

(8) Black groups held workshop on cable in Washington over weekend—for 41 black elected officials. Speakers included Burch, OTP Dir. Clay Whitehead. Groups are determined to get cable franchises, access to channels, etc. Coordinator is E. Lovell Dyett, asst. to Dr. James Cheek, Howard U. pres. Ford Foundation funded workshop.

(9) FCC is about to tell Hughes that its satellite application (Vol. 10:52 p1) needs amendment in part, because company isn't eligible, technically, for frequencies it seeks for terrestrial microwave to distribute programs to CATVs from earth receivers.

PASTORE MAPS 1971 HEARINGS: Senate Commerce Committee last week submitted record \$1,233,800 budget and issued annual report of new areas its subcommittees intend to explore. Last year, Committee spent \$759,000 vs. \$550,000 in 1969. Report claimed subcommittees will be more active than ever, particularly in communications, consumerism, environment, transportation, crime.

Mapping objectives in communications, report ranged from over-all review of FCC activities to football black-outs. According to Subcommittee Chmn. Pastore (D-R.I.), most important is over-all telecommunications policy. "For years," report said, "the Committee has been concerned with the failure of the FCC and other interested government agencies" to formulate policy. He expects OTP & FCC to work out policy to present International Telecommunications Consortium, then will summon OTP Dir. Clay Whitehead & commissioners to testify. Another policy question is domestic satellites. Despite technical availability, report said, "the people of the U.S. have been deprived of its benefits even though the FCC initiated proceedings in 1966."

Next on list is review of FCC, concentrating on backlog. Delays, report said, are causing "real hardships, and a remedy must be found." Political broadcast hearings (Feb. 23) will be timed for congressional action well before 1972 elections, and hearings may be held, report said, to insure that Congress gets "a reasonable amount of broadcast time." Pastore also intends to look into fairness doctrine, but indicated he'll give FCC first chance at reform. In advertising, report said Committee expects greater cooperation between FCC & FTC, wants "periodic reports" from each.

As for public broadcasting, report said it's up to Administration to present permanent financing plan for CPB, and like House Communications Subcommittee, report hinted Senate may not accept another interim plan. But it said Committee will wait until ETV-Radio Facilities Act expires in June 1973 before it re-evaluates program. Public broadcasters are pushing for earlier review to avoid stop-gap legislation when program expires. When Act became effective in 1962, there were about 62 ETV stations; today there are 199, and report estimates at least 400 are necessary if public is to receive "benefits of this medium."

Another requirement that public broadcasters keep audio tapes of controversial issue programs (dropped from last year's CPB money bill) should also be subject of hearings, report continued, only with added proviso that record-keeping be required of all stations. Another big problem for public stations—interconnection—will be studied, and while report mentioned relationship between CPB & AT&T, it didn't say it expects AT&T to provide free service.

Hearings on TV violence are anticipated following Surgeon General's report. On CATV, report said that even though FCC is considering rulemaking, areas such as copyright require congressional action. Final item on Pastore's list is TV blackout of football. Report questioned blackouts of sold-out games. Hearings on receiver radiation and microwave ovens are planned by Sen. Hart's (D-Mich.) Environment Subcommittee.

St. Petersburg CATV franchise has been awarded to TM Communications (L.A. Times Mirror) which reports it will build \$9 million system.

NAB ENTERS CIGARET SUIT: Court fight by 6 AM stations to have ban of cigaret advertising on radio declared unconstitutional was joined by NAB last week, which asked D.C. Court of Appeals for permanent injunction against enforcement of law on TV as well as radio. NAB asked Court for right to intervene as full party "because of the importance of this case as a constitutional precedent and because of our commitment to protect our members from injustices."

NAB said suit is discriminatory since it bans cigaret advertising only in broadcast media and that it violates right of free speech. TV-radio stations have been forced to "suffer severe economic injury and cannot escape the detrimental effects worked by the law without being subjected to criminal & civil sanctions," NAB charged.

Radio stations (Vol. 10:49 p4) & Justice Dept. have asked Court for summary judgment since facts aren't in dispute. Justice, however, contended Court should deny injunction, that stations should test law by carrying cigaret commercials and then defend themselves against prosecution. Impractical, say stations, because they'd be putting licenses in jeopardy.

Meanwhile, Ad Age reports that cigaret ads in consumer magazines more than doubled last month—first month broadcast ban was in effect—over Jan. 1970.

CBS NET INCOME DOWN 10%: Net income of CBS was down \$7.8 million in 1970, caused by "a severe cost-price squeeze, particularly in our broadcast operations," network announced. And things don't look so good for first quarter of 1971: "Compounded by the loss of cigaret advertising, the negative impact on first quarter earnings will be substantial. However, we are instituting company-wide cost-reduction measures which will reduce expenses significantly" (Vol. 11:6 p3). Cuts include 15% in Best. Group, 5-10% in other divisions.

Net income for 1970 was \$64.1 million (\$2.29 per share) on record sales of \$1.23 billion, compared with 1969 income of \$71.9 million (\$2.59), revenue of \$1.158 billion (see financial table). (CBS noted figures include revenue & earnings of CATV & program syndication divisions which CBS plans to spin off—subject to FCC approval—into Viacom.) Net income for 4th quarter was \$17 million (61¢) on sales of \$340.4 million, compared with same 1969 period figures of \$23.4 million (85¢) and \$342.7 million, respectively.

Under proposed spinoff, pro forma Viacom revenue would have been \$19.7 million, income \$1.8 million, in 1970—compared with \$16 million income and \$1.38 million revenue in 1969.

NAB research grants—up to \$1,000 each—have been made to professors & graduate students for 11 study projects in broadcasting. Grants, intended to stimulate interest in broadcast research, cover such wide-ranging subjects as response to community needs, decision-making, media exposure & candidate success, weather broadcasts, adolescent retention of TV documentary content.

"Ask Congress" is 25 1/2 min. TV program being produced, packaged & sold by House to TV stations at cost—\$130 per show, with station acquiring ownership of tape. Speaker Albert (D-Okla.) will be featured on first program. Rep. Wolff (D-N.Y.), formerly in TV & advertising, and Ted Cott are producers. Wolff said 22 stations expressed interest.

SCOTT ELECTION BILL READY: Senate Minority Leader Scott (Pa.) plans to introduce long heralded "comprehensive" campaign spending bill Feb. 22, but is now saying it won't be tagged "Administration's bill." Legislation has been studied by White House, will be introduced probably as single bill, and while it supposedly meets objections President Nixon outlined in message vetoing TV-radio spending bill last year, Administration decided last week it wouldn't publicly endorse it. Instead, White House will make its views known during Senate Commerce Committee hearings March 2-4.

On another front, Gallup Poll commissioned by Foote, Cone & Belding ad agency is expected to show that most Americans favor controlling political ads on TV. To be released Feb. 16, study reportedly says 75% of adult Americans favor controls. Of these, 65% want direct restrictions, while 9% advocate limiting duration of TV campaigns.

In House there are about dozen campaign spending bills scattered among committees with overlapping jurisdictions. Commerce Committee still hasn't organized subcommittees and is likely to put election reform on back burner to tackle pressing transportation problems. That leaves Ethics Committee holding ball, and Chmn. Price (D-Ill.) may start hearings when Scott's companion bill is introduced in House.

Equal blame was placed on CBS & KGLO-TV Mason City, Ia., for violation of FCC rules when station reduced power 20%—at CBS's urging—in order to get permission to carry Minnesota Viking-Green Bay Packer football game Nov. 22. Commission warned all stations that it mustn't happen again. Native Iowan Comr. Johnson dissented, said station should have been fined and that FCC should launch broad inquiry of all sports blackouts. Chmn. Burch, in concurring statement, used humor & sarcasm to answer Johnson: "For those readers in the east, south, central, and west, who peruse the prose of this Commission, the dissent of Comr. Johnson... was a little disappointing. As has become his custom in these matters, his rhetoric has outstripped the facts. A casual reader of Comr. Johnson's dissent could only conclude that (1) the monster of capitalism had again triumphed over a sleepy, overly-protective Commission, and (2) only the clear-eyed protector of all that is right and proper was aware of this menace; and like the biblical voice in the wilderness is crying out to protect the public... Well, enough of this tempest in a teapot. Grantland Rice once said, in effect, that it matters not whether you won or lost but rather how you played the game. On these facts, Comr. Johnson (1) has not played the game well, and (2) does not even care about the score. I think that he should have passed rather than kicked. But then, would there have been any publicity in that?"

"Pure hogwash" is "vast array of special services" promised by CATV proponents in Chicago, according to Frank Moch, exec. dir. of National Alliance of TV & Electronic Service Assn. Testifying before city's finance committee, he said such services aren't possible "because of the cost of necessary equipment on the users' end of the line and absence of trained operating personnel." He also attacked cable on basis of "esthetics," costs, etc. "Cable would foist upon this city," he said, "a highly potential monopoly that would put local set retailers and set service businesses out of business and would drain this community of sizeable revenue and jobs."

TV STATIONS ON AIR: KTSC (Ch. 8 ETV) began programming Feb. 2 from Southern Colo. State College using 890-ft. tower, 50-kw Gates transmitter. PBS affiliate plans full programming soon. James Dryden is gen. mgr. & program dir.; R. E. Oldfield, chief engineer; Clayton Roehl, production mgr. There are now 882 stations on air (590 vhf, 292 uhf), 683 commercial, 199 non-commercial.

WDCA-TV (Ch. 20) Washington is installing 220-kw Gates transmitter, extending tower's height to 909 ft., will start power increase early March.

WBKO (Ch. 13)—formerly WLTV—Bowling Green, Ky. began broadcasting from new 603-ft. tower Feb. 7. Original 600-ft. tower was destroyed in unsolved dynamite blast Sept. 26, 1969, and station has been operating from temporary 150-ft. tower. WLTV was bought July 24, 1970 by Lincoln International subsidiary Professional Telecast, now has all new equipment, mostly GE, re-modeled studios, color. Clyde Payne, ex-gen. mgr., KTHI-TV Fargo-Grand Forks, is exec. vp & gen. mgr.; Ray Hied, ex-KSHO-TV Las Vegas, operations mgr.; Randy Odil, sales mgr.; Mike Engel, ex-ABC, program & promotion dir. Rep, Savalli/Gates; base hour, \$150.

Charging a "consistent pattern of deceptive programming," Consumers Assn. of D. C. complained to FCC last week against WTOP-TV Washington and its network CBS. Assn. cited spots for 6 products, asked FCC to fine WTOP-TV \$1,000 per day for failure to police allegedly fraudulent ads. Complaint also seeks to require station to air 20 one-min. spots per week for at least year, informing viewers of "the forms of deception to which those who watched WTOP-TV have been subjected." WTOP-TV Vp-Gen. Mgr. John Corporon said complaint is "wholly without merit," that complainant had "picked out a single station (and a single network) as a vehicle for seeking to change the entire system of commercial broadcast advertising and its regulation."

Newsmen's Privilege Act, introduced early in session by Reps. Reid (R-N. Y.) & Koch (D-N. Y.), now has support from 30 congressmen who signed similar bill last week. Bill exempts newsmen from disclosing confidential information or sources. Privilege doesn't apply when information has been published or broadcast, or to grand jury investigations, or to defamatory information in civil suits where defense is based on reporter's source or information. Also, persons seeking newsmen's information may apply to U.S. District Court, which orders disclosure if information is required "to prevent a threat to human life, or espionage, or foreign aggression." Meanwhile, 20th Century Fund has named 11-member task force to define rights of subpoenaed journalists.

"Education & research program designed to help increase the public's voice in the future direction & development of the broadcast media" is announced goal of new National Citizens Committee for Broadcasting hq in Washington (1145 19th St. NW 20036; phone 202-833-8560). Warren Braren, ex-mgr. of N. Y. NAB Code Office who attacked self-regulatory efforts in House Commerce Committee hearings, is exec. dir.; Chmn. Thomas Hoving continues in N. Y. office. New to NCCB Washington staff: Inderjit Badhwar, ex-20th Century Fund, dir. of information & program development; Nancy Eposito, ex-Ralph Nader aide, research coordinator; Jean King, dir. of development.

Personals

Franklin A. Thomas, pres of Bedford-Stuyvesant Restoration Corp. (housing & economic development), Brooklyn, elected first black member of CBS Board; Thomas, 36, also is trustee of Columbia U., Robert F. Kennedy Memorial, Carnegie Corp. & H. J. Whitney Foundation, and is a dir. of Lincoln Center for the Performing Arts & N. Y. Urban Coalition.

Edwin T. Meredith III elected pres. & chief exec., Meredith Corp., succeeding **Darwin Tucker**, now pres., National Gypsum; **Robert Burnett** promoted to operations exec. vp... **George W. Harvey**, pres., WFLA-TV-AM-FM Tampa, elected chmn.; **William Faber** elected pres. & chief exec.; **John Alexander** promoted to vp, asst. treas. & asst. secy.

Carl Q. Anderson, gen. mgr. of KREX-AM-FM-TV Grand Junction, Colo., elected pres. of parent XYZ TV Inc., succeeding **Rex Howell**, who becomes chmn.; **H. J. Kendrick** elected secy., **Nancy L. Vories** treas., succeeding ex-Secy.-Treas. **Dave Allen**, retired; **James Meyer** named dir. of engineering... **Kenneth R. Frankl**, ex-CBS, named gen. counsel & secy., RKO General.

NAB Chief Counsel **John Summers** promoted to general counsel... **FCC Comr. Houser** has been named Spectrum Management Commissioner, coordinating Commission's "long-range program to promote more effective utilization of the crowded radio spectrum"; his term expires June 30.

Former Atty. Gen. **Ramsey Clark** speaks on "Dissent & Communications" at March 1 IRTS luncheon, Waldorf-Astoria, N. Y. ... **FCC Comr. Johnson** speaks on advertising at Feb. 19 luncheon of Financial Communications Society, Oscar's Delmonico, N. Y.

John Walters Jr. elected exec. vp., Harrington, Righter & Parsons... **Gwendolyn Wooten**, ex-KXYZ-AM-FM Houston, named community affairs dir., WTTG Washington... **Mike Donovan**, ex-KMOX-TV St. Louis, named promotion mgr., WBBM-TV Chicago.

Warren Fribley, veteran CATV operator, is recuperating at Medical Center of Vt., Burlington, from injuries suffered in plane crash Jan. 28 at Newport, Vt. He was alone in his 2-engine plane, crashed while landing when one engine quit. Injuries include fractures of neck, legs, face, plus damage to eyes.

Consumers will force govt. to move in unless business cleans house, FTC Gen. Counsel **Joseph Martin Jr.** told American Retail Federation in New Orleans. "Someone is going to put together a well-organized, well-financed consumer organization that will be one of the most effective pressure groups in the country," he said. But "I am thoroughly indoctrinated with the belief that business is better equipped than the government to solve the problems of the marketplace. It can do it more effectively, more thoroughly and more quickly."

Incumbents Peter Storer (Storer Bcstg.) and **William Grant** (KOAA-TV Pueblo, Colo.) are seeking reelection to NAB TV Board. Four other TV directors have served 2 consecutive terms, aren't eligible for reelection. Other reported candidates: **Wilson Wearn**, WFBC-TV Greenville, S. C.; **Robert Wright**, WTOK-TV Meridian, Miss.; **Fred Weber**, Rust Craft; **Robert Bennett**, WNEW-TV N.Y.

WEEKLY Television Digest

with
Consumer Electronics...

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Major shakeup of Republicans on House Communications Subcommittee: Ranking Republican Rep. **Broyhill** (N.C.) has been ousted by **Keith** (Mass.), who was ranking minority member of Commerce & Finance Subcommittee. It's understood GOP leadership wanted **Broyhill** to remain on Communications, but he'll join another Commerce subcommittee where he'll be ranking GOP member. In another Republican switch, **Harvey** (Mich.) moves off Communications to Transportation Subcommittee. Of 4 Communications Subcommittee Republicans who served last year, this leaves only Rep. **Brown** (O.), since **Brotzman** (Colo.) left full Committee for Ways & Means. Official subcommittee assignments on both sides will be announced soon by Commerce Committee Chmn. **Staggers** (D-W. Va.).

Obituary

Morgan Murphy, 67, veteran broadcaster-publisher, died in Duluth Feb. 6 of stroke following cataract operation. He built WEBC Duluth-Superior in 1926, and at time of death controlled KXLY-TV-AM-FM Spokane, KAPP(TV) Yakima & KVEW(TV) Kennewick, all Wash., KTHI-TV Fargo, WISC-TV Madison, CATVs in Cal. communities of Pacifica, Daly City, Broadmoor, Half Moon Bay, Fremont, Sunset-Whitney Ranch & Brisbane, newspapers in Superior & Ashland, Wis., Hibbing & Virginia, Minn., Dunedin & Largo, Fla.

J. Robert Marlowe, 52, WGWR(AM) Asheboro, N. C. exec. vp-gen. mgr. and Dist. 4 NAB Radio dir., died Feb. 6 following heart attack. He had been gen. mgr. of station since it went on air in 1947, before that he was with WGBG(AM) Greensboro, N. C. Wife, 3 daughters survive.

Benedict Gimbel Jr., 71, Metromedia vp & dir. since 1960 and pres. & gen. mgr., WIP(AM) Philadelphia for nearly 30 years, died Feb. 5 in Philadelphia. He shunned family's department store empire, formed syndicate in 1958 to buy station from his family for \$2.5 million.

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 Jan. 29 (4th week of 1971):

	Jan. 23-29	1970 week	% change	Jan. 16-22	Jan. 1971 to date	Jan. 1970 to date	% change
Total TV	249,792	211,199	18.3	212,494	767,007	718,270	6.8
color	132,179	112,206	17.8	114,580	409,371	380,841	7.5
monochrome	117,613	98,993	18.8	97,914	357,636	337,429	6.0
Total radio	405,563	355,340	14.1	369,341	1,354,967	1,293,051	4.8
home, portable	196,889	194,481	1.2	134,750	499,251	565,125	-11.7
AM-only	128,372	128,748	-0.3	69,940	298,235	363,463	-18.0
FM & FM-AM	68,517	65,733	4.2	64,810	201,016	201,662	-0.3
auto	208,674	160,859	29.7	234,591	855,716	727,926	17.6
Total phono	91,583	73,446	24.7	72,148	288,874	233,208	23.9
portable-table	70,114	48,979	43.2	50,439	209,544	142,933	46.6
console	21,469	24,467	-12.3	21,709	79,330	90,275	-12.1

Color TV 5-week moving average: 1970-71-104,372; 1969-70-91,028 (up 14.7%)

JAN. SALES GIVE GOOD START TO '71: Bolstered by 2 good weeks in row, Jan. sales-to-dealers overcame slow start, registered gains of 7.5% in color, 6% in b&w—and whopping 46.6% in portable & table phonos (see State of the Industry, above).

In color, year's opener was 2nd best Jan. in history, exceeded only in 1969. Final week of month recorded advances over 1970 in all categories except console phonos & AM radio.

Heavier promotional activity than usual enticed bargain-hunters throughout month, continued unabated into Feb. Most reports from field indicate retail sales are, indeed, improved over last year. Manufacturers, by & large, refrained from glowing forecasts but kept eye on economic indicators. Real sales lift, they feel, will occur only when confidence in economy returns.

Motorola Consumer Products Vp-Gen. Mgr. Edward Reavey, for one, still sees "conservative year." He feels there'll be no real acceleration until 4th quarter, doesn't see color sales for year ending much higher than in 1970. He says, however, that consumer is becoming more reliability-oriented, less taken by "fancy gimmicks." Motorola's step-up color models with "Insta-Matic" feature (single-button color, tint, brightness, AFT), he says, have been sold out and production is being increased 30%.

Reporting on results of Philco-Ford's first "factory-authorized sale," Exec. Vp Leo Beebe told us that in last 5 weeks company's color sales rose 15% from year earlier, monochrome 18%, stereo consoles 77%, compact stereo 60%, with only radio declining.

TV electronics stocks continued to advance on Wall St., new 1970-71 highs being set by GE, Magnavox, Motorola & Zenith—latter hitting new highs 4 out of 5 days last week.

Zenith at week's end claimed title of "America's No. 1 selling color TV" in big trade-press ads. Company spokesman declined to elaborate, saying "it means exactly what it says." At RCA, beginning long holiday weekend, no officials were available for comment.

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HEW SEES NO X-RAY PERIL TO SERVICEMEN: Service technicians are not being over-exposed to X-radiation from color TV, HEW found on basis of exhaustive tests in Baltimore. Findings decrease—but don't quite eliminate—possibility of new component radiation standards which could "regulate" color tube rebuilders out of business.

Baltimore survey used new extremely sensitive solid-state detectors, as well as dosimeters in technicians' rings, eyeglasses & lapels (Vol. 10:14 p7, 10:30 p8). "We found essentially no radiation above 0.5 mR on anything," HEW Electronic Products Div. Dir. Robert L. Elder told us last week. "It indicates that TV repairmen aren't being over-exposed."

HEW currently has no radiation standards for components—only for end-products—and tube rebuilders have been concerned lest any standards preclude use of old-type glass which recently was replaced for new tubes by formula with more X-ray blockage. Since virtually none of independent replacement tube manufacturers has complete color tube production facilities—including equipment for placing screens on new bulbs—such a ruling could bring havoc to rebuilding industry, bonanza to major OEM tube manufacturers, and substantially increase replacement color tube prices.

"We are considering taking a look at a couple of aspects of the component situation—including what kind of glass they're putting in tubes," Elder told us, but indicated project had relatively low priority. "We will sample the kinds of glass used in both new & replacement picture tubes." He said HEW is testing rectifier & shunt-regulator tubes designed for replacement market, will report in spring.

He held out possibility that color TV radiation tests & reporting might be eased when industry goes to all-solid-state sets, be limited to picture tubes. "But based on what we know now," said Elder, "we have no plans to move against components. This industry has made a lot of progress, and...is doing a good job."

VIDEOPLAYERS—IS TV SCREEN NECESSARY? What about a home videoplayer which requires no new technology, doesn't tie up TV set, can retail for \$50-\$100, has material cost of perhaps \$3 per 30-min. color cartridge—and can be produced right now? Would it sell?

RCS thinks it would—and will—and is actively involved in demonstrations & negotiations with both equipment manufacturers and library owners. RCS is Retention Communication Systems Inc., publicly held developer of "MODule" film-&-tape system, now in production for audio-visual market and being actively pushed as home entertainment-educational system of very near future. RCS is headed by Chmn. Paul D. Catalano, ex-Charles Beseler Co. (film systems) and Pres. Nat C. Myers Jr., formerly Fairchild Educational & Audio-Visual Systems gen. mgr. and TelePrompter communications products & services vp.

We recently visited RCS hq in N.Y., saw pre-production prototype of audio-visual version of MODule which will sell for \$189.50 in industrial-institutional-educational market. Player is compact rear-projection machine, with about 10V" screen, also can be used to project larger picture on wall or screen. Cartridges are somewhat smaller than stereo-8 audio tape packs. Each has 2 compartments—one with super-8 color film, other with 1/8-in. audio tape, both in endless loops.

System was developed originally as filmstrip technique, now can show still pictures, animated diagrams or full motion. Big saving results from fact that it uses, on average, about 1/4 as much film as standard super-8 system. Tape in cartridge contains, in addition to sound track, cueing system which advances film frame-by-frame. When title or other still material is on screen, only one frame is used. Animation requires very slow film advance, while motion might use 6 to 24 frames per sec. System can advance film 0 to 48 frames per sec.

Tape-head is 4-track. Tracks 1 & 3 can be used for stereo sound; track 4 is cueing. Track 2 is for programmed-learning response, extra audio channel in different language or other use. Cost of MODules break down: Plastic cartridge 18¢, tape 12¢, film 10¢-\$3.

We viewed couple of cartridges—one with still diagrams, diagrams with motion, full motion; other was full-motion entertainment, played at various speeds. Screen was viewed in full fluorescent room light, with good color and completely adequate illumination. Sprocket noise was noticeable, but we were told production model is better.

RCS Pres. Myers says company expects to do extremely well in audio-visual market, which he estimates at \$60 million in software, \$40 million hardware. But RCS also has designs on home mar-

ket. "We have a year-and-a-half headstart," he said. "Ours is the only concept which can be introduced in 1971-72 with profit. There's no waiting for a technological breakthrough, no black boxes to connect with other black boxes. We use existing processing labs, existing tape cassette standards, existing duplicating facilities, existing technologies. No electronic scanning system can be sold at under \$250 even in million-unit production."

Although he says playing time could be extended to an hour, Myers doesn't think there's home market for feature films. Real market, he believes, is in how-to material and such entertainments as rock-&-roll. He envisions see-&-hear cartridges as inexpensive as records or books. Company has A-V machines made at 2 plants, has no desire to do own manufacturing for home market, prefers to license others.

Another film proponent, Eastman Kodak, is quietly talking with software proprietors, presumably to get information as much as to propagate the faith (Vol. 11:2 p7). Kodak is stressing it's not committed to produce videoplayer hardware, but indicates it might cost about \$500, attach to set's terminals, use same super-8 magnetic-sound cartridge as upcoming Kodak projector. Film will have 2 sound strips—2nd being for stereo sound, sync pulse or digital reference.

Kodak is thinking of educational-institutional as well as home market, presumably is experimenting with continuous pulldown (sprocketless) techniques. It foresees no quantity production of through-the-TV super-8 videoplayers before end of 1973.

CBS's EVR film system still has inside track in videoplayer race, and no other type is gaining on it. Strategy is to get current Motorola industrial-institutional Teleplayer into homes of those who can use it for business, thereby building up demand for entertainment cassettes. Several EVR distribution schemes are aimed at this home market—including incentive plan by paper trade association (Vol. 11:6 p9) and Videorecord Corp.'s Videorecord Club, which will supply EVR Teleplayers and 2 monthly programs to Equitable Life agents at \$50 monthly (Equitable will also supply instructional cassettes).

In addition to Motorola, EVR is building up substantial group of licensees which could serve U.S. market with players. In Japan, Hitachi, Mitsubishi & Toshiba are licensees of EVR Partnership (England), but are expected also to receive licenses from CBS, permitting them to export to U.S. At least couple more Japanese licenses are in works. Best guess: Matsushita (Panasonic) & Sony, latter possibly also becoming cartridge-processing agent for Far East. If Japanese licensees actually produce & export EVR players, this could put real pressure on U.S. manufacturers to decide whether EVR is, in fact, destined for success in American homes, and—if so—whether they're willing to be frozen out of market by Japanese.

GE reduced royalty rate on FM-stereo receivers, is renewing efforts to sign up U.S. manufacturers. New rate is 28¢ for FM-stereo reception devices sold after Jan. 1, 1970, and, presumably, lump-sum settlement for earlier sets. Previously, GE had sought 50¢. GE says it now has 18 manufacturing licensees, all of which have signed agreements in settlement of "all prior infringements" since Feb. 25, 1964, date of patent. All 18 GE licensees are foreign manufacturers. Zenith, which also claims basic FM-stereo patents, said it would license manufacturers at "reasonable" rate. Comment from Zenith on licensing situation was unavailable at press time.

Fat Chance Dept.: NATESA has asked set manufacturers to label all chassis with original producers' names & model numbers to help in procuring parts from alternate sources. NATESA notes that many imported sets are identical, although sold under different U.S. brand names.

Canadian Westinghouse is very much in monochrome picture tube manufacture, despite our indication to contrary last week (Vol. 11:6 p7). It is, in fact, only Canadian OEM b&w picture tube manufacturer. We regret the error.

Federation of service-oriented associations was proposed at National Electronics Service Conference in Dallas last week, will be taken up again in Chicago at NARDA convention April 19-22. Among proposals was establishment of computer technician data networks, to be operated, presumably, by manufacturers; repairman training & certification program; consumer-&-industry-oriented PR programs. Leading corridor-discussion topic was "threat to independent technicians," posed by RCA's expanding all-brand repair, ServiceAmerica, now Toshiba's service agent in Philadelphia.

Admiral is considering sale of color tube plant. Likely purchaser would be RCA or Westinghouse, but all 3 last week declined comment. Principal value to purchaser presumably would be contract to supply Admiral-like deal for Sylvania by GTE when it purchased Motorola plant (Vol. 10:14 p7, 10:15 p12).

"KS" mark, for Korean Standard, is being required by govt. as quality designation on all electronic products made for domestic market, and each manufacturer must hire quality control mgr. Eventually, mark is expected to be applied to exports, in same way "JMI" seal is required on many Japanese items.

TV DUMPING CASE BRIEFED: Last week marked end to argument of 3-year-old Japanese TV dumping case. Deadline for submission of final briefs to Tariff Commission was Feb. 10, and Commission's questionnaires to manufacturers, importers, distributors & dealers were due back Feb. 12.

Filing briefs in support of position that imports of less-than-fair-value Japanese TVs had injured domestic industry were EIA Consumer Electronics Group (CEG) and Parts & Tube Divs. Oppositions were submitted by EIA-Japan, Matsushita, W. T. Grant & J. C. Penney.

Filings concentrated on whether Commission should consider injury caused only by those Japanese sets actually dumped in U.S. market, as Japanese would like, or take broader view advocated by domestic interests (Vol. 11:5 p7). If Commission takes latter route it could accept any evidence of import-caused sales, profit or employment declines in domestic TV industry as attributable to dumping.

CEG brief argued against fragmentation by Commission, contained history of U.S. TV manufacturers entering, then being forced to drop, small-screen production—this to offset Japanese claims small-screen TV imports were non-competitive. CEG also said consumers who buy dumped small-screen imports are out of market for larger U.S.-made sets.

Charging that multi-national U.S. firms are using dumping action improperly, EIA-Japan claimed domestic producers were trying to push Japanese out of market here to make room for small-screen TVs made in U.S.-owned foreign assembly plants. While continuing to hold that imports haven't harmed U.S. producers, EIA-J urged that any positive determination issued by Commission exclude under-17V" color & under-10V" b&w sets.

Tariff Commission, meanwhile, opened probe into eligibility of former Emerson workers to receive import adjustment assistance. Petition was filed by IUE, which had filed RCA workers (Vol. 11:6 p7). NUE closed Jersey City plant & Jefferson-Travis cabinet facility in Canastota, N.Y. after contracting to buy from Admiral.

State Dept., as part of "free trade vs. protectionism" series, issued report showing that increasing imports haven't caused unemployment growth in U.S. Layoffs are attributed to economic conditions & poor management.

New sets & promotions: RCA launches "Dollar Dividend Days" for Feb. & March with 6 promotional color sets—18V" with 2 circuit modules (sound system, color demodulator), 23V" AccuColor table model, both open-listed, two 23V" AccuColor consoles at \$569.95 and 2 at \$579.95. An 18V" b&w set with cart is open-listed...GE nationally advertised specials include three 10V" Porta Colors at \$199.88 (regularly in \$209.95-\$229.95 area)...Electrohome introduces 23V" console with removable legs, AFT, preset tint, instant start, at \$549; cabinet is only 19-in. deep.

Philco-Ford opened southwest region distribution warehouse in Dallas, completing planned consolidation of 44 area warehouses into 6 regional units. Commenting on warranty & repair policies instituted last year, Exec. Vp Leo Beebe said "more than 91%" of customers sampled approved, and complaints reaching Philadelphia hq declined more than 50% in 1970.

LEAR STEREO TAPE SALE: Gates Rubber announced agreement in principle to sell Lear Jet Industries Stereo Tape Div. While purchaser & price weren't disclosed, buyer is understood to be group headed by Robert Moore, pres. of TV importer Broadmoor, Des Plaines, Ill. (Vol. 10:47 p11). In past, Gates placed \$4 million tag on div., including Mexican plant. Broadmoor has booked space for Lear Jet at Consumer Electronics Show, recently appointed ex-Grundig Pres. William Keepin as Broadmoor-Lear Jet sales rep for N. Y.

In other acquisitions, Japan's **Sharp** is buying 13.3% of Sanpo Electric Mfg., Taiwan TV component producer. Sanpo is to assemble complete Sharp-brand TVs & radios for export to U.S. Other Japanese firms with Taiwan TV export assembly plans include Hitachi (now in operation), Mitsubishi & Sanyo, others expected to follow. U.S. TV firms operating there include Admiral, Motorola, Philco-Ford, RCA & Zenith...EMI of England has acquired Danish retail chain, Fona Radio, for about \$3 million cash. Fona has 44 stores, 5 service centers...**Muntz Stereo** plans merger with retail buying co-op Disco-Tape, Gerron Distributors and Multi-National Corp., an international marketing organization, all headed by Ron Gordon. Gordon will be Muntz exec. vp-sales & mktg.

JAPAN'S TV OUTPUT: Color TV production outstripped b&w in Japan for first time last year, according to govt., which reported combined TV output up 4% from 1969 to 12.5 million.

Govt. totals, which differ somewhat from EIA-Japan's same way Commerce Dept. & EIA figures frequently don't match, put Japan's color 1970 production at 6.43 million, up 33%, accounting for 51.4% of total TV. B&w slipped 16% to 6.08 million. In 1969, b&w held 60% production share. Govt. also reported radio output down 0.5% to 32.5 million. Govt., more optimistic than industry sources, predicted Japanese 1971 color TV production would rise 12% to 7.2 million, exports up 15% to 1.5 million.

Tape topics: **Faraday Inc.** filed patent-infringement & breach-of-contract suit in Chicago Federal Court against 3M. Faraday charges 3M with producing audio tape covered by Faraday's lubricated magnetic tape patent, though 3M is licensed to manufacture only one type. Faraday obtained patents by buying Orrtronics...**Auction** in N.Y. Feb. 17 will sell assets of bankrupt tape duplicator Cassette Communications...**TEAC** enters car stereo tape field with auto-reverse, slot-lead cassette player at \$129.50. Also new in line are pair of 3-motor open reel decks at \$349.50 & \$449.50, latter with auto reverse. Both have removable wood sides which can be interchanged with accessory panels to permit mounting decks in various positions and matching trim to decor.

VIDCA—First International Market for Videocassette & Videorecord Programs & Equipment—is scheduled April 17-22 in Cannes, France. Featured will be demonstrations of EVR, Ampex Instavision, Philips CVR, Sony & Matsushita videocassette systems, perhaps others. Among other hardware exhibitors is France's Thomson-CSF, which is developing video disc system (Vol. 11:6-p9). Five-day symposium will share spotlight with hardware & software exhibits. VIDCA will be held simultaneously with MIP-TV—International TV Program Market. For information, registration, etc., contact John Nathan or Robert G. March, U.S. representatives, 250 W. 57th St., N.Y.C. (Phone 212-489-1360).

1970 IMPORT PICTURE: Average price of large-screen Japanese TVs imported last year held close to 1969 levels, while average for smaller sizes dropped 7-10%, Commerce Dept. indicates. In color, average for over-10V" was \$160.23, vs. \$157.69 in 1969, while small-size average fell from \$159.44 to \$148.09. Larger b&ws averaged \$50.29, up from \$49.75, as tinyvision averages declined to \$46.97 from \$52.34.

Screen-size import breakdowns, available last year for first time, show average price of Japanese color over 17V" at \$179.75, with 11-17V" averaging \$143.28; b&w over-17V" was \$60.06, 11-17V" \$47.48. Averages for Mexican b&w were: Over-17V" \$60.73; 11-17V" \$59.83; under 11V" \$57.69. Hong Kong 11-17V" b&w imports average was \$76.54.

Under-11V" b&w from Taiwan averaged \$40.90, 11-17V" \$41.82; large-screen \$30.87. Bulk of Taiwan TVs were imported under Tariff Schedule Sec. 807, which in-

dicates sets contain U.S.-made parts. Many of those were just chassis. Excluding sets with U.S.-made parts, Taiwan b&w averages were: Under-11V" \$45.35, 11-17V" \$45.93, over-17V" \$56.06. Color averages from Taiwan, with non-U.S.-parts, averages in parentheses, were: Under-11V" \$44.18 (\$135); 11-17V" \$87.30 (\$150.15); over-17V" \$77.14 (\$170.37).

Hong Kong replaced Japan as leading foreign supplier of transistor radios (excluding auto) to U.S., accounting for nearly 13.1 million, about same as 1969, while Japanese imports dropped 22% to 12.4 million. Offsetting Hong Kong's coup is fact that radios from Japan were valued at \$208 million, while total Hong Kong value was \$56 million. Japan retained commanding position as source of most other consumer electronics. Not shown in table below are 971,000 Canadian-made auto radios imported duty-free by U.S. car manufacturers. Following are figures from Commerce:

U.S. IMPORTS

	1970		1969			1970		1969	
	Units	Value (\$)	Units	Value (\$)		Units	Value (\$)	Units	Value (\$)
Color TV, over 17V"	351,433	63,308,005	853,934	134,036,414	Tube radio	190,474	1,950,821	240,361	2,559,246
Japan	334,493	60,124,057	820,377	129,364,157	Japan	162,371	1,548,524	207,688	2,136,743
Taiwan	5,859	452,000	21,900	1,559,403	Hong Kong	10,645	53,037	13,541	38,128
Canada	11,045	2,719,409	11,549	3,082,329	Auto radio	1,261,129	20,956,527	878,905	13,223,350
Color, 11-17V"* . . .	428,629	58,974,719	—	—	Japan	1,085,706	16,712,251	795,099	11,194,897
Japan	384,671	55,114,468	—	—	Transceiver	2,351,349	22,771,706	1,974,828	17,935,164
Taiwan	43,876	3,830,418	—	—	Japan	2,073,423	20,773,917	1,832,442	16,211,865
Color, 10V" & under	133,918	19,575,011	58,491	9,328,538	Radio-phonos	1,578,941	44,685,643	1,657,832	36,312,899
Japan	131,407	19,460,458	58,480	9,324,481	Japan	1,437,813	37,550,646	1,562,981	30,276,756
Taiwan	2,502	110,545	—	—	Phono, stereo	321,166	6,019,098	122,620	3,761,089
B&w TV, over 17V"	715,511	40,221,490	2,198,278	105,570,597	Japan	297,128	4,977,234	103,824	3,284,977
Japan	349,859	21,014,405	1,432,548	71,275,568	Phono, mono	140,136	1,751,153	282,560	4,326,485
Taiwan	114,512	3,535,242	506,146	17,850,876	Japan	120,559	1,298,334	245,628	3,492,390
Hong Kong	232	13,456	36,806	1,840,260	Record changers . . .	3,689,905	40,723,270	3,699,306	38,197,104
Mexico	242,271	14,712,993	207,749	12,954,881	United Kingdom . . .	3,207,336	32,028,302	3,450,228	33,322,035
Canada	8,406	890,094	14,546	1,579,289	West Germany	459,448	8,306,011	220,920	4,391,455
B&w, 11-17V"* . . .	1,805,261	84,042,365	—	—	Rcdrds., AC, stereo,				
Japan	1,215,667	57,723,957	—	—	cart	354,722	12,477,387	665,627	36,624,801
Taiwan	531,763	22,224,335	—	—	Japan	318,015	11,093,834	570,446	31,866,836
Hong Kong	31,523	2,412,926	—	—	Austria	20,632	684,308	56,310	2,570,208
Mexico	25,545	1,528,449	—	—	Rcdrds., AC, stereo,				
B&w, 10V" & under	1,074,858	49,402,765	923,108	46,845,250	reel*	641,713	32,456,044	—	—
Japan	875,547	41,129,509	776,678	40,652,651	Japan	606,393	29,471,363	—	—
Taiwan	193,228	7,903,514	143,325	6,019,886	Rcdrds., AC, mono,				
Hong Kong	60	2,313	2,781	140,062	cart	1,169,204	23,230,142	736,800	20,483,480
Mexico	5,224	301,380	—	—	Japan	1,129,595	22,574,642	662,796	18,235,402
TV-radio-phonos	3,425	161,073	499	74,644	Rcdrds., AC, mono,				
Japan	3,419	157,468	318	21,293	reel*	262,511	7,771,774	—	—
Canada	6	3,605	180	53,076	Japan	229,131	6,138,669	—	—
Clock radio*	3,647,696	41,091,795	—	—	Rcdrds., batt., cart .	3,484,913	60,319,594	4,850,691	85,635,215
Japan	2,060,485	27,141,765	—	—	Japan	3,293,595	57,153,057	4,284,333	74,492,478
Taiwan	425,151	4,836,409	—	—	Rcdrds., batt., reel*	666,920	8,204,097	—	—
Hong Kong	882,673	6,847,783	—	—	Japan	465,592	6,303,316	—	—
Tr. rad., AM, AC* . .	1,333,883	6,194,323	—	—	Radio-recorders* . .	1,497,535	57,792,173	—	—
Japan	375,328	2,996,272	—	—	Japan	1,479,465	57,261,610	—	—
Taiwan	139,534	533,262	—	—	Tp. player, auto . . .	2,778,982	60,351,459	2,526,591	58,089,718
Hong Kong	714,270	2,292,281	—	—	Japan	2,734,078	59,257,144	2,508,989	57,475,534
Tr. rad., AC, other*	3,819,129	86,274,282	—	—	Tp. players, other . .	2,519,480	60,522,315	2,505,285	61,116,874
Japan	2,911,252	75,317,729	—	—	Japan	2,451,975	59,096,553	2,278,899	58,277,831
Taiwan	405,777	5,476,145	—	—	Tp. players comb* . .	1,135,197	52,690,083	—	—
Hong Kong	351,413	2,710,669	—	—	Japan	1,131,666	52,510,880	—	—
Tr. rad., AM, batt . .	9,575,328	33,592,209	15,430,548	67,434,897	Video recorders . . .	24,216	8,779,132	13,420	5,186,177
Japan	1,971,228	12,723,524	4,722,720	31,823,294	Japan	22,817	8,624,056	13,295	5,097,134
Taiwan	1,067,691	3,711,293	2,294,827	9,941,086	West Germany	1,042	103,164	9	52,990
Hong Kong	5,869,590	14,991,016	7,657,493	22,157,106					
Tr. rad., batt, other	12,583,893	136,123,570	19,006,179	235,549,755					
Japan	5,121,126	90,028,588	11,275,035	187,956,401					
Taiwan	1,529,372	12,205,025	1,595,147	12,075,303					
Hong Kong	5,235,412	29,540,860	5,419,696	28,393,529					

*Not reported separately in 1969.

Trade Personals

Anthony A. Mirabelli, ex-Motorola audio products planning mgr., takes similar post with Bell & Howell... **William O'Connell**, ex-Sylvania, joins Allied Electronics Div. of Tandy Corp. as purchasing dir., succeeding **George Seykoski**, resigned... **George W. Snell**, ex-Norge, joins Zenith Sales Co. as regional mgr.

Robert W. Ripley, ex-Motorola East regional sales mgr., appointed Emerson TV of Ohio branch mgr.; **William Platt**, ex-L&P Electric (former Motorola N. Y. C. area distributor) named Emerson Radio of Pa. gen. mgr., replacing **Edward W. Adis**, who resigned as pres. to become pres. of Music Products Inc., record & tape distributing subsidiary of Raymond Rosen & Co., Philadelphia RCA distributor.

John P. Woodman, ex-GE Visual Communications, joins CBS EVR Div. as customer services mgr. at processing facility in Rockleigh, N. J... **Bertrand M. Lanchner** appointed business affairs dir. for Videorecord Corp., videoplayer software producing & mktg. firm... **Graydon S. Carlson**, Certron secy.-treas. & finance vp, named to board.

George A. Rubinstein appointed International Importer pres., succeeding **Paul M. Davidson**, now chmn.; **Raymond E. Anthony** named mktg. vp... **Kazimir C. Bakowsky**, former Mallory Battery of Canada mktg. mgr., named Mallory Battery (U.S.) consumer & industrial products mktg. mgr., replacing **J. David Ehlers**, now managing dir. of Australian subsidiary... **Joseph V. Malek** named Amphenol Canada pres., succeeding **Robert Ely**, who has left firm.

Marc S. Aspesi, ex-Harman-Kardon, joins speaker system producer Elite Electronics as engineering mgr... **Joseph A. Palmieri** promoted at Atlas Sound from asst. sales mgr. to distributor sales mgr... **Armas Markkula**, ex-Fairchild Semiconductor, joins Intel as North American mktg. mgr... **Stanley Kukawka** advanced at Bourns from mgr. of component plant operations to gen. mgr. of Trimpot Products Div., succeeding **Albert Snider**, resigned to join Whittaker Corp.

GTE Sylvania's indicated 4th-quarter profits rose 20.7% from 1969 period, while sales increased 2.9%, according to full-year breakdown from GTE (for GTE data, see financial table). For 1970's final quarter, Sylvania's earnings are computed as \$10,661,000 on sales of \$218,873,000 up from \$8,829,000 on \$212,674,000 in 1969. For full year, Sylvania's net income was \$24,557,000, down 24.5% from 1969's \$32,543,000 while sales declined 3.3% to \$815,935,000 from \$843,488,000. GTE Pres. **Leslie H. Warner** said Sylvania's percentage decline in TV set sales last year "was substantially lower than the decrease experienced by the total industry." He forecast gradual improvement in business activity this year.

Obituary

Edward J. Poor, 88, who served as Sylvania chmn. 1931-1946 and was one of 3 brothers who founded company, died Feb. 7 in Ft. Lauderdale, Fla. Poor is credited with Sylvania's entry into electron tube & fluorescent lighting fields, helped change merchandising of radios in 1920s by developing plan (with Philco) for shipping receivers with tubes installed. Wife, daughter, 3 sons survive.

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
Ameco			
1970-6 mo. to Dec. 31	1,072,392	(107,246)	--
1969-6 mo. to Dec. 31	1,953,050	(364,913)	--
Avco			
1970-year to Nov. 30	757,801,000 ^a	21,251,000	.40
1969-year to Nov. 30 ^b	901,695,000 ^a	51,758,000	3.07
Cablecom-General			
1970-qtr. to Dec. 31	3,543,103	70,848	.03
1969-qtr. to Dec. 31 ^b	3,158,464	120,960	.05
Canadian Westinghouse			
1970-year to Dec. 31	233,000,000	2,900,000 ^c	1.12
1969-year to Dec. 31	223,000,000	2,700,000	1.07
Capital Cities Bcstg.^d			
1970-year to Dec. 31	85,858,000	9,475,000 ^e	1.35
1969-year to Dec. 31	85,187,000	11,383,000	1.65
CBS^f			
1971-year to Jan. 2	1,230,534,000	64,132,000	2.29 ^g
1970-year to Jan. 3	1,158,912,000	71,944,000	2.59 ^g
1971-qtr. to Jan. 2	340,432,000	17,036,000	.61 ^g
1970-qtr. to Jan. 3	342,722,000	23,394,000	.85 ^g
Columbia Cable Systems			
1970-qtr. to Dec. 31	954,000	97,000	.10
1969-qtr. to Dec. 31	788,000	74,000	.08
GTE			
1970-year to Dec. 31	3,439,219,000	208,204,000 ^e	1.93
1969-year to Dec. 31	3,261,998,000	237,417,000	2.23
Grass Valley Group			
1970-year to Dec. 31	3,443,000	575,000	.39
1969-year to Dec. 31	3,734,000	751,000	.51
Hazeltine			
1970-year to Dec. 31	59,418,160	1,027,879 ^h	.52
1969-year to Dec. 31	76,229,045	2,877,088 ^h	1.47
Lafayette Radio & Electronics			
1970-6 mo. to Dec. 31	35,802,997	1,701,436	.70
1969-6 mo. to Dec. 31	35,030,092	1,601,604	.66
Morse Electro Products			
1970-9 mo. to Dec. 31	56,919,327	1,580,850	.67
1969-9 mo. to Dec. 31	41,479,599	1,974,463	.98
1970-qtr. to Dec. 31	26,495,751	832,421	.35
1969-qtr. to Dec. 31	18,685,107	944,811	.47
Starr Bcstg.			
1970-6 mo. to Dec. 31	3,657,293	245,936	.50
1969-6 mo. to Dec. 31	1,574,433	163,918	.36
Tenna			
1970-6 mo. to Dec. 31	18,040,338	1,007,521	.34
1969-6 mo. to Dec. 31	20,347,823	1,553,773	.52
1970-qtr. to Dec. 31	9,339,394	507,186	.17
1969-qtr. to Dec. 31	10,645,357	853,971	.28
TRW			
1970-year to Dec. 31	1,585,188,000	79,315,000 ⁱ	2.40
1969-year to Dec. 31	1,588,396,000	78,230,000	2.36
Viacom International			
1971-year to Jan. 2	19,779,000	1,803,000	.48
1970-year to Jan. 3	16,093,000	1,275,000 ^e	.34

Notes: ^aSales. ^bRestated. ^cIncludes special credit. ^dPreliminary. ^eAfter special charge. ^fIncludes Viacom International. ^gAdjusted. ^hAfter litigation expenses. ⁱRecord.

WEEKLY

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FEBRUARY 22, 1971

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

RENEWALS—SERVICE & INVOLVEMENT stressed by FCC in proposed rules seeking to define 'substantial service,' increase 'dialog.' Percentages proposed for local, news, public affairs. Annual reporting by TV. Lowest-ranking stations to be 'closely scrutinized' (p. 1).

CUTBACKS MILD, NAB OPTIMISTIC as convention time approaches. Pre-registration up from year ago, hospitality suites at premium, exhibitors fill available space. 'Social & political problems' and TV program seminar highlight agenda (p. 2).

NATPE & 3-HOUR RULE: Stations in void while networks 'lie, jockey & strategize' over fall schedules. Houston convention hears Harris urge 'more guts.' Whitehead calls for 'profound sense of professionalism' (p. 3).

WHITEHEAD'S CATV DO'S & DON'T'S: OTP dir. advises black officials to avoid exclusive franchises & municipal ownership, to set nominal fees, be 'wary' of free channels, skirt utility connection (p. 5).

NAB RADIO POTPOURRI: Change in by-laws give Board seats to Krelstein, Hilker. Small Market Committee wants fall conferences continued (p. 5).

Consumer Electronics

NEW ALLIANCES in picture tube business resulting from moves to trim overcapacity. RCA expected to purchase

Admiral tube facilities, ship them to its overseas plants. Canadian Westinghouse dropping TV & console phono production, buy from RCA Ltd. (p. 7).

IMPORTS TOOK 37% of U.S. TV market last year. U.S. absorbed 12.3 million domestic & foreign sets, down 7.8% from 1969. Domestically made factory shipments slipped 16%, giving imports all-time-high color & monochrome market shares (p. 8).

FIRST 500 EVR PLAYERS ready for delivery in 2-3 weeks from Motorola, most going to Equitable Life & 3 program libraries. Cartrivision production date delayed to early 1972. ABC entering videocassette programming (p. 8).

'WE'RE NO. 3,' SAYS GE, pointing to TV comeback and claiming rapidly increasing sales in both color & monochrome, projects 40% increase for first quarter. Will stress big-screen sets in policy change. RCA reiterates No. 1 color position in sales to consumers (p. 8).

MOTOROLA CONSUMER DIV. operated at loss in 1970, but Warwick moved into black in 4th quarter. Westinghouse consumer profits shrink while sales rise (p. 10).

PITCH FOR TAPE PIRACY in trade ad by cartridge duplication system maker arouses record industry by urging retailers to enter do-it-yourself bootlegging trade (p. 10).

MILOVAC TO MAKE CONSOLE stereo this year, utilizing cabinets made in North America; changes name from Selectron International (p. 11).

RENEWALS—SERVICE & INVOLVEMENT: FCC wrapped up its thinking about license renewals last week, issued proposed rules in attempt to do 2 basic things: (1) Define what "substantial service" is—so station can determine whether or not its performance leaves it vulnerable to renewal challenges. (2) Set up system to increase station's "dialog" with community, thus making it more responsive to public's needs. Then, while rulemaking is pending on foregoing, Commission is issuing "primer" to guide stations in complying with existing renewal procedures. Comments on proposed rules are due May 3, replies June 3.

"Substantial service" concept was propounded by FCC in Jan. 1970. Its purpose was to tell licensees that if their performance were adequate they needn't fear renewal challenges. Industry was pleased with that—except it doesn't know what FCC considers substantial. Now, Commission is trying to define it, giving some numbers for station to shoot at. In addition, FCC proposes new annual reporting form in which licensee would show his "community involvement"—as substitute for present survey-of-needs every 3 years. ("Substantial service" and annual reporting form proposals apply only to TV now—AM & FM to be considered at some future date.)

Here's what FCC suggests as "substantial": (1) Local programs, 10-15% of time, with 10-15% of it in prime time. (2) News, 8-10% for affiliates (8-10% prime time), 5% for independents (5% prime). (3) Public affairs, 3-5% (3% prime).

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But some stations can afford such programs more than others, FCC says, so it suggests those in top-50 markets with revenues over \$5 million must hit top percentages; those with less than \$1 million, bottom of range; those \$1-5 million, between. Independent uhfs and losing stations are exempt.

Commission emphasizes that numbers aren't sacred; that it's open to suggestions; that quality can outweigh quantity; that maybe news & public affairs might be lumped; that "canoe safety" (an old FCC joke) shouldn't be equated with issues of "great public concern," etc. Nothing is "fixed or immutable," Commission said.

Now, for annual reporting: Each station must list, by Sept. 1, most important issues (up to 10) in his area during preceding year—and describe programs he presented to deal with them. Purpose, FCC said, is "a continuing dialog between station & community—not a triennial spurt; to actual performance in crucial areas rather than elaborate surveys..."

If foregoing proves impractical, FCC said, "one obvious alternative is simply to develop our policies in this area through a series of ad hoc decisions, with any over-all policy awaiting the accumulation of greater experience." Vote was 5-2—Bartley & Wells dissenting; latter will issue statement. Burch & Johnson concurred, will issue statements. In other proposed rulemaking, applying to TV & radio, Commission seeks to increase interaction with community with such measures as:

(1) Announcement every 8th day (prime time for TV, 7-9 a.m. or 4-7 p.m. for radio) stating that license was granted on X date; that station must operate in public interest; that it must determine & meet needs of community; that TV station's annual filing with FCC is available for inspection; that audience suggestions & criticisms are requested; that comments may be made to Commission (address given); etc.

(2) Renewals would be filed 120 days before expiration (instead of 90). Applications to deny could be filed until 30 days before expiration. Oppositions to petitions to deny would be filed within 30 days after the petitions; replies 20 (currently 10 & 5 days).

(3) Starting 6 months before expiration, station must broadcast "pre-filing notice" every 8th day, stating much the same material as in (1) above, plus fact that license is due to expire; that renewal application may be inspected at station; that anyone can file comments about station up to 30 days before expiration—and FCC welcomes such material; that booklet (to be furnished by FCC) is available at station with details about renewal procedures; etc.

(4) FCC will then analyze station's performance—on basis of "community feedback," actual programs—particularly in local, news & public affairs, plus any violations—and "closely scrutinize" those ranking lowest in their classes. "Lowest," FCC says, may be bottom 10%. "Classes" may be defined, Commission suggests, "by market, by revenues, or by a combination of factors." Furthermore, a station's ranking will be "made a matter of public record." Vote on this was 7-0—Wells "concurring in the result."

None of proposed rules was issued last week; they were described in public notices. They'll be distributed this week. No copies of primer were available. Primer's purpose, FCC said, is "to clarify and provide guidelines to its requirements and policies applicable...on ascertainment of community problems." Vote was 7-0.

Principal staff draftsman on "substantial service" proposal was Special Asst. Henry Geller, former gen. counsel. "Dialog" proposal was work of young consultant Barry Cole, Indiana U. prof. who has made renewals a long-time specialty, attracting attention of Commission while doing research at FCC for book.

CUTBACKS MILD FOR NAB CONVENTION: Early indications are that major economy moves undertaken by just about all segments of broadcasting—including NAB (Vol. 10:52 p4)—will have only minor impact on March 29-31 NAB convention in Chicago. Registration is 300 ahead of same time last year (when record 5,498 attended). Equipment manufacturers—124 strong—will occupy 54,000 sq. ft., using several rooms in Conrad Hilton in addition to exhibit halls. A few major manufacturers have cut back on total space—but unlike NAEB and other shows, none of big ones have dropped out.

Hospitality suites are at premium. NAB Secy.-Treas. Everett Revercomb said: "We are out of suites in choice locations." Another NAB official expressed guarded-to-warm optimism: "We've heard about the network cutbacks in personnel attending, but many of those people didn't register for

the convention. Some members are talking about 'going late and leaving early', but our early reservations haven't indicated this will be the case. On the other hand, I'm not predicting an attendance record this year, as has been the case at each convention the past several years."

One cutback is disappointing TV delegates—and hundreds of others who attend uninvited—and that's total absence of TV network cocktail parties. All 3 networks have dropped parties for first time, but they'll continue hospitality suites. Until few years ago, they all had big, expensive dinners with top entertainment. Bcst. Pioneers will host March 30 banquet (for members & guests) at Sheraton Blackstone. Stipend is \$17, and reservations for tables of 10 can be made through Exec. Secy. M. H. Shapiro, BMI, 589 5th Ave., N. Y. 10017.

Only commissioners presently on agenda (though one may be added to TV session) are Wed. luncheon speaker Chmn. Burch and Comr. Wells at engineering conference: Other luncheon speakers are Notre Dame Pres. Father Hesburgh (Mon.) and cartoonist-humorist Al Capp, who will make serious talk on drugs (Tues.).

Some holes still are to be filled in formal convention agenda (Mon. afternoon combined session; Tues. morning secondary market TV; engineering conference luncheon speakers), and NAB staff hopes to lock it all up this week. Traditional Mon. opening will feature keynote by NAB Pres. Vincent Wasilewski and awarding of DSA to former NAB Pres. Neville Miller. HUD Secy. George Romney and attorney Clifford Alexander, ex-chmn. of Equal Employment Opportunities Commission, will speak at Mon. afternoon TV-radio joint session. Also on agenda are discussions of ecology and "social & political problems facing broadcasting."

TV delegates will hold brief Mon. afternoon session to nominate candidates for TV Board. In change from past, ballot box will remain open through Tues. afternoon in hopes of getting more TV stations to vote. (In previous years, candidates were nominated & elected Wed. morning.) In case of tie for one or more directorships, those who voted in Chicago will be sent special mail ballot to break tie. Add to TV Board candidates published last week (Vol. 11:7 p6): Earl Hickerson, vp-gen. mgr. of WCEE-TV Rockford, Ill.

Secondary Market TV Committee meets in Washington Feb. 24 to program Tues. morning session. Running at same time, radio sessions Tues. & Wed. mornings will feature FCC, political involvement, CATV, public affairs & editorials, NAB services, news & promotion. RAB will make sales presentation. Panel of top agency executives will discuss "Radio As We See It," and James Hayes, pres. of American Management Assn., talks about administrative problems. "If you don't know where your station is going to be in 10 years, then you are a problem as a planner," he said in recent speech.

Prime interest of TV delegates is expected to focus on 2-hour "Program Conference—71" Wed. morning. Top-level station, network & program executives will be featured, along with a black actor, still to be selected. Focus undoubtedly will be impact of FCC's 3-hour prime-time rule. TIO Dir. Roy Danish will report on new Roper study at same session. For first time in many years, TvB won't make presentation at convention.

Engineering sessions will feature popular FCC panel—moved from Wed. to Mon. afternoon to provide more time for questions. Defense Comr. Wells will moderate emergency broadcasting panel. Anticipating FCC will approve remote control of TV transmitters before convention, NAB has panel on it. Spate of technical papers will cover recent developments in several areas.

Popular 7:45 a.m. "early bird" sessions—inaugurated year ago—will be repeated. Subjects: Minority employment, TV news, legal problems, station security (from bomb threats, natural disasters, etc.), radio news, labor clinic.

As always, there'll be galaxy of satellite meetings. Among largest and most popular: NAFMB, APBE, AMST, ABC-TV affiliates (other networks don't plan business sessions), TV Stations Inc. breakfast, BMI Board, TV Code Board.

NATPE—HOLDING PATTERN AT HOUSTON: "The same void, that same dilemma that existed before we came, is still there." That comment at close of NATPE convention last week in Houston from one of 403 programmers who attended appeared to sum up attitude of whole industry to FCC's 3-hour prime-time network rule. Networks, which usually rush to announce fall schedules, are holding back to see which half-hour, 7:30-8 p.m. or 10:30-11 p.m., competition surrenders to affiliates. That leaves

stations right in middle, unable to make program commitments and possibly even more discouraged after ABC Vp Ed Vane predicted "a lot of lying, more jockeying & strategizing" by networks.

"Can you send someone who can give us answers?" was most popular question going at affiliate meetings. When none came, meetings generally turned into ho-hum affairs marked by same local peeves—no communication with networks, too many news specials, preemptions, etc. Most affiliates expected networks to program same time, despite earlier announcements from CBS to run 7:30-10:30, ABC & NBC 8-11. Most thought if CBS stuck to decision, other networks would have to change. NBC was only network that didn't send representative, but no one complained. NBC affiliates took straw vote showing nearly unanimous agreement among those attending that network's news is declining in local ratings. Most thought new faces might help, didn't like features early in news programs.

Despite despondency which enveloped whole convention, there were more positive tones. MST Pres. Jack Harris: "What we need is guts in this industry. We have been fat. It's been easy... This half-hour rule should be a challenge to every station. You cannot justify your existence unless you are an integral part of your community. I don't think a station is licensed to make an unlimited amount of money." Telecom Vp Don Menchil stated: "Call off the wake. Stand on your own 2 feet... What TV needs now is a new visual literacy... When your license renewal comes up, whose neck will be on the line if the renewal is challenged on the basis of non-recognition of community needs? If you don't take a stand now, if you don't come up with something significant now, you won't be there tomorrow."

With OTP Dir. Clay Whitehead in audience, Harris lashed out at Administration. "Many of us had thought & hoped that when the Republicans came into office a couple of years ago, the trend toward increasing control from Washington would diminish. You all know how forlorn was that hope." At luncheon, Whitehead replied. "It's fashionable to criticize TV, particularly TV programming. I think by & large it's a bum rap. You are doing just what we have set the system up for you to do... There is only one place where the public interest can be mediated. That is the federal government, and that's a dangerous thing." He urged broadcasters to assume "a profound sense of professionalism" to offset govt. control, and not feel "prostituted, crucified or paranoid."

Convention was hardly a seller's market from production & syndication companies' viewpoint, and panel entitled "Does the Advertiser Give a Damn?" may have been too candid for advertisers stepping into syndication. "I guess the answer is in all honesty, no," said Young & Rubicam Vp Donald Foote Jr. "As a general rule, advertisers are in syndication because they view it as an opportunity to get something for nothing... It is especially appealing during a period such as we are experiencing... Advertisers have heard that there's a great gold mine out there somewhere and the only requirement for participation is a barter program, the cheaper the better." Does the station care? "Again, I'm afraid the answer is no, especially in today's economy. By & large, stations are interested in maximum return for the least investment."

U.S. Steel is looking for more local programs to sponsor, according to Advertising Mgr. L.A. Douglass. "There aren't enough local special events programs available," he complained. "How about sponsoring a local program on pollution?" someone asked. "We've considered it," Douglass replied. "That would be a difficult one for us."

"Virtually 100%" of all movies released for TV that were produced since 1950 is promise of Southern-Western Cablevision Network, formed to provide 4 channels of programming for CATV systems. Company offers 3 channels (movies, variety, children's) for \$1 per month per subscriber under 5-year contract. Local origination (news, sports, weather, etc.) channel will carry commercials, with systems & Network sharing revenue. Company said it hopes to provide nationwide cable hook-up eventually. David Hunt, ex-Warner Bros. TV vp, is pres.; M. R. Young Jr., vp-production; James T. Johns, vp-sales. Hq: 3303 Lee Parkway, Dallas 75219. Phone: 214-522-2640.

"Not guilty" pleas were entered last week, as expected (Vol. 11:7 p3), by TelePrompTer, its Pres. Irving Kahn and Johnstown, Pa. city officials—in alleged CATV bribery case.

TV Communications has bought 2 systems & 10 franchises in Boston area from Cablevision Corp. of America (CCA) for about \$3 million in stock & assumption of liabilities. Systems are 2,400-subscriber 85-mile dual-cable operation passing 17,000 homes in Malden, Mass. and 2,600-subscriber 94-mile single-cable setup passing 10,300 homes in Nashua, N.H. Franchises acquired: Salem, Lowell, Peabody, Everett, Medford, Somerville, Winthrop, Brockton, Amesbury, Foxboro. TVC also reports it has built 300 miles of projected 1,100-mile Akron system, is serving about 10,000 homes there.

British public will pay more for right to watch TV beginning July 1, when annual licenses become \$16.80 per set (from \$14.40) b&w, \$28.80 (from \$26.40) color.

Work day for NAB staff has been cut by 30 min. New hours are 9-5, instead of 5:30 p. m.

WHITEHEAD's CATV DO's & DON'T's: Advice on handling cable, given by OTP Dir. Clay Whitehead to CATV workshop of black elected officials (Vol. 11:7 p3): "Go slow and don't lock yourselves in. The great heyday of cable is not 1971—or '72 or '73. It will take time to develop; its potential and its nature will evolve. It is easy to add restrictions as the need arises; it is almost impossible to remove privileges once they are granted." He gave these specific recommendations:

(1) "Exclusive operating rights are unnecessary & unwise... To be sure, in many towns once a single operator is in, there may continue to be only one. If that turns out to be the case, and if the operator gives good service, there is no need for exclusivity. If this turns out not to be the case, the city and its citizens will be the worse for having granted exclusivity."

(2) "Franchise fees should be nominal... Excessive fees can discourage innovative & modern system operators, encourage graft, and retard the growth of cable services... Let it grow, and tax it like any other business."

(3) Municipal ownership is no good. "It is the exclusive franchise carried to the absurd. Cable systems require large amounts of capital and the revenues are far in the future; a municipally owned system would almost inevitably be an obsolete, limited system. Municipal ownership of various service industries was a fad at one point in our history, but it is contrary to all the best current thinking on the subject, liberal & conservative alike."

(4) "Be wary of 'free' channels reserved for special purposes... Reserved 'free' channels for cable will pass the costs on to the consumer in a regressive way. We do not reserve movie houses for blacks or for educational films; we do not require so many hours of free film for poor people or provide free trash collection to public interest groups... Access & subsidy can be achieved in more direct ways that raise far fewer political headaches and better serve the public."

(5) "Don't automatically treat cable as a public utility... Many vital public services are best achieved with minimal, but purposeful, municipal involvement... Simple requirements on the cable operator of nondiscriminatory access, equal service to all households, and the like, might well achieve your end objectives far better than extremely detailed municipal or federal regulation ever could."

CATV-regulation bill—very general—suggested to Congress by FCC last year (Vol. 10:11 p5), was introduced last week by Sen. Pastore (D-R.I.) as S-792. Brief measure would authorize FCC to regulate CATV with "general guidelines and eschew detail," as Commission requested. For example, FCC is authorized to regulate cable "with due regard to the orderly accommodation of both the community antenna and broadcasting industries, in order to secure maximum diversity of programming through the maintenance and expansion of broadcasting and the provision via [CATV] of multiple reception, origination and related services..."

Waiver of prime-time rules, sought by NBC to keep Disney program on Sun. (Vol. 11:6 p5), was granted by FCC, Johnson & H.R. Lee dissenting. Commission said it didn't think waiver could hurt and that it's "highly desirable in the public interest" to present programs for children.

NAB RADIO POTPOURRI: Retroactive change in bylaws is expected to give 2 candidates defeated in 1970 elections seats on NAB Radio Board. Membership has "overwhelmingly approved" proposal to authorize Radio chmn. to appoint candidate who was runner-up in last election to Board if seat for which he ran becomes vacant. New procedure, made retroactive, abolishes requirement for special election.

Immediate beneficiaries will be Plough Bcstg. Pres. Harold Krelstein, runner-up to Perry Samuels (who resigned), ex-Avco Bcstg., for Class A dir., and Robert Hilker, WCGC Belmont, N.C., 2nd to late Robert Marlowe in Dist. 4 contest year ago. They are expected to be contacted this week, offered spots on Radio Board.

Allen Page, KGWA Enid, Okla., is chmn. of ad hoc committee to study make-up of Radio Board, including possible reapportionment of 17 districts. Critics of present system cite wide variances in number of stations represented by some directors—i.e., Dist. 3 (Pa., W.Va., D.C., Md., Del.) has 475 commercial stations; Dist. 12 (Okla., Kan.), represented by Page, only 185.

Small Market Radio Committee last week approved its portion of convention agenda (see p. 3), recommended that NAB fall conferences be continued. Small Market Chmn. Clint Formby, KPAN Hereford, Tex., also is chmn. of special subcommittee to re-evaluate conferences.

"Dimensions of Radio 1970" detailing medium's growth over last decade has been issued by NAB. Booklet is full of facts & figures, is available from Radio Vp Charles Stone,

White House is "committed to competition in communications," and work of various agencies is "a team kind of effort" in which "procedural niceties aren't important," according to Justice Dept. (JD) antitrust chief Donald Baker. Speaking at Federal Bar Assn., he said he consults with Office of Telecommunications Policy, "but there's no clearance slip or that sort of thing... Our views are not filtered through the White House." He said JD & OTP are not likely to differ, but "we might put weight on antitrust, while they might put it on something else." As for regulatory agencies' attitude toward competition, which tends to be lukewarm, in his opinion, Baker said: "Competition can disrupt nice regulatory schemes."

WHDH-TV Boston lost in D.C. Appeals Court last week, Court declining to grant rehearing. Court had upheld FCC decision to give Ch. 5 to Boston Bcstrs. Court also told Boston Bcstrs. it would hold things in status quo for 60 days, giving WHDH-TV that period to seek review by U.S. Supreme Court. It's understood that 60 days were specified instead of customary 90, so that Supreme Court would have time to act this session.

Action for Childrens TV—which persuaded FCC to start inquiry looking toward restrictions on TV entertainment & advertising directed toward kids (Vol. 11:4 p1)—is going after grassroots support. Meeting is planned March 2 in Larchmont, N.Y. to form ACT auxiliary chapter. Session is co-sponsored by Christian Family Movement, which announced plans for "similar efforts all over the country."

Corinthian-Dun & Bradstreet merger doesn't warrant antitrust action, Justice Dept. last week advised principals, and latter then urged FCC that road is clear for approval.

Personals

Glover Delaney, vp & gen. mgr., WHEC-TV-AM Rochester, promoted to pres.; **Cecil Monson**, vp & gen. mgr., Ontario Cable TV, Geneva, N. Y., elevated to pres.; both succeed **Grover Cobb**, ex-Gannett broadcast vp and now NAB station relations exec. vp.

Frederick Houwink elected senior vp, Evening Star Bcstg. Co., Washington; **Richard Stakes**, gen. mgr., WMAL-TV-AM-FM Washington, also elected Evening Star vp & dir.; **Andrew Ockershausen**, asst. gen. mgr., also becomes secy.-treas. & dir., Evening Star... **John Comas**, programming vp, WSJS-TV Winston-Salem, elected NATPE pres., succeeding **Herbert Victor**, KGO-TV San Francisco; **Roone Arledge**, ABC Sports pres., received NATPE "Man of the Year" award.

Burton C. Person, ex-CBS corporate planning dir., shifts to similar post with CBS/Bcst. Group... **John F. Feeney**, ex-NBC promotion dir., appointed KHON-TV Honolulu station mgr... **Richard Hunt** elected vp, A. C. Nielsen.

Sidney James, ex-Time vp, elected chmn., WETA-TV-FM Washington, succeeding **Dr. Max Kampelman**, now honorary chmn.; **William McCarter**, gen. mgr., elected pres... **Edward Sivigny**, ex-Edward Petry, named sales development, advertising & promotion mgr., NBC TV Stations Div.

Art Elliott, ex-KOTV Tulsa, named program mgr., KHOU-TV Houston... **William Mandel**, advertising mgr., WCBS-TV N. Y., promoted to ad & promotion dir.

Elected NAEB dirs. for terms expiring Dec. 31, 1974: **Robert Ellis**, KAET Phoenix; **Martin Busch**, KBHE-TV Rapid City; **Ruane Hill**, WUWM(FM) Milwaukee; **Hubert Cordier**, WSUI(AM-FM) Iowa City; **Richard Meyer**, WNET N. Y.; **John Montgomery**, Iowa Educational Bcstg. Network; **James Macandrew**, WNYE-TV-FM N. Y.; **John Rugg**, KRMA-TV Denver.

Anthony Zaitz, ex-pres., St. Leo College, Tampa, named asst. to NAEB Pres. **William Harley**; **Judith Elkin** promoted to personal services coordinator; **Timothy McLean**, ex-Broadcasting magazine, joins PR staff... **Candace Martin**, ex-KQED San Francisco, named asst. to CPB TV Activities Dir. **John Witherspoon**.

Robert L. Lawrence, chmn., & **Henry S. Bonner**, pres., Monitel (cable program service), resign, plans unstated... **Jay Phillips** elected chmn. General TV Inc. (CATVs in Md., Del.)... **Bruce Lang**, ex-Reeves Production Services pres., named medical programs exec. dir., Teletronics International... **Duane Swetnam**, ex-United Telephone, named communications cable specialist, southeastern Atlantic Coast, Essex International's Communications & CATV div.

James V. Dolan, **James H. Pipkin Jr.** & **James L. McHugh Jr.** become members of Washington law firm Steptoe & Johnson... **Thomas Nelson** named dir., State Dept.'s Office of Telecommunications, succeeding **William Miller**, who joins U.S. mission in Geneva... **Samuel Melcher**, exec. vp & gen. mgr., Sterling Drug's Lehn & Fink Consumer Products Div., elected ANA Radio Advertising Committee chmn., succeeding **Peter Forsch**, who remains on Committee.

Ross Baker, KCCO-AM-FM Lawton, elected pres. of Okla. Bcstrs. Assn.; **C. Hewell Jones**, KTOK(AM) Okla.

City, first vp... **Bob Collett**, pres., C-A Cablevision, Carlsbad & Artesia, N. M., elected N. M. CATV Assn. pres.

Paul Bergquist promoted at RCA to TV camera & projection equipment mgr.; **Walter Varnum** succeeds Bergquist as western broadcast sales mgr.; **Verne Mattison** elevated to TV transmitter product mgr... **James Jensen**, ex-International Video, named video systems mktg. mgr., Audiotronics Corp... **Joel Sacco** promoted to southeastern sales engineer, AEL Communications; **Patrick Bartol**, to northern CATV engineer.

Cliff Ogden promoted to national sales mgr., NBC Films... **Julian Linde** promoted to business affairs vp, Screen Gems; **Ken Page**, ex-managing dir., CBS Europe, named European operations vp... **Chuck Queenan** resigns as publicity dir., Paramount TV.

Stephen Miller promoted to Creative Play Things Div. gen. mgr., CBS Education & Publishing Group... **George Linn**, ex-administrative asst. to former Rep. Button (R-N. Y.), named CPB legislative affairs dir.

FCC Chmn. Burch named "Man of the Year" by CATV magazine... **Harold P. Westman**, who retired May 1969 after 24 years with ITT, receives Marconi Memorial Gold Medal of Veteran Wireless Operator's Assn.

Stephen Labunski, ex-WMCA(AM) N. Y., appointed vp, Chuck Blore Creative Services... **Noel Dalton**, **Thomas Fitzgerald** & **Roland Dreier** promoted to account executives, Nielsen Clearing House Div... **Thomas Burchill**, ex-Edward Petry, joins Blair Radio, N. Y.; **Vance Harrison**, ex-WCBS-TV N. Y., joins Blair Represented Network.

Robert Bryan, ex-vp & gen. mgr., WPHL-TV Philadelphia, named exec. vp, Edward Libov Assoc., advertising, N. Y... **Max Bauman** promoted to transportation & duplication mgr., NBC Burbank; **Willard Hanes**, to purchases mgr.; **Elliott Kallick**, to treasury operations mgr.

Move of N. Y. vhf stations to World Trade Center (WTC) shouldn't be granted unless stations directionalize to keep signals from increasing toward Philadelphia, urge uhfs WPHL-TV & WTAF-TV Philadelphia. They state that move will shift N. Y. stations' Grade B contours 1.8 to 4.5 miles closer to Philadelphia, increasing impact on uhfs. They note that the 3 Philadelphia uhfs' combined losses since 1966 ranged \$3.5-\$4.5 million yearly while 3 uhfs' profits ranged \$20.2-\$21.9 million. Also, uhfs say, N. Y. move would increase CATV's impact; there's doubt that move to WTC is needed, because interference doesn't seem to be developing as predicted; there'd be violation of co-channel & duopoly rules, etc.

Copies of films or tapes of children's programs and commercials should be furnished to FCC and interested groups, for Commission's inquiry into children's programs (Vol. 11:4 p1), according to petition filed by 4 organizations critical of programs: ACT and Church of Christ (Earle Moore); Council of Children, Media & Merchandising (Robert Choate); National Citizen's Committee for Bcstg. (Warren Braren). Unless actual material is available for inspection, groups stated, broadcasters will furnish "self-serving characterizations of programming & commercials." Groups ask for material 30 days before May 3 comments-filing deadline.

Employment non-discrimination rules for CATV, similar to those for other services, are in works at FCC.

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label only), from EIA, for week ended Feb. 5 (5th week of 1971):

	Jan. 30- Feb. 5	1970 week	% change	Jan. 29- Jan. 2	1971 to date	1970 to date	% change
Total TV.	185,525	160,699	15.4	249,792	952,532	878,969	8.4
color	103,532	87,009	19.0	132,179	512,903	467,850	9.6
monochrome	81,993	73,690	11.3	117,613	439,629	411,119	6.9
Total radio	353,012	272,934	29.3	405,563	1,707,979	1,565,985	9.1
home, portable	127,040	153,006	-17.0	196,889	626,291	718,131	-12.8
AM-only	76,135	109,776	-30.7	128,372	374,370	473,239	-20.9
FM & FM-AM	50,905	43,230	17.8	68,517	251,921	244,892	2.9
auto	225,972	119,928	88.4	208,674	1,081,688	847,854	27.6
Total phono	70,662	60,013	17.7	91,583	359,536	293,221	23.0
portable-table	52,587	38,378	37.0	70,114	262,131	181,311	44.6
console	18,075	21,635	-16.5	21,469	97,405	111,910	-13.0

Color TV 5-week moving average: 1971-102,581; 1970-93,560 (up 9.6%)

NEW ALLIANCES IN PICTURE TUBE BUSINESS: Overcapacity in picture tube industry—estimated last year at 6.5 million color, 6.3 million b&w units (Vol. 11:5 p9)—is being whittled away in most obvious manner, simply by closing plants and sending equipment overseas.

RCA's negotiations to buy Admiral's color tube production equipment (Vol. 11:7 p9) were confirmed last week by both parties, but at week's end there was no indication that formal agreement had been signed. Situation is reminiscent of last year's purchase by GTE International of Motorola's color tube machinery for shipment to Sylvania tube plants overseas (Vol. 10:14 p7, 10:15 p12). RCA presumably would also ship equipment to its color tube plants in England and/or Mexico; there's little need for it here. RCA currently is phasing out Lancaster, Pa. color tube facility, redistributing equipment to Scranton & Marion plants.

Byproduct of deals such as Sylvania-Motorola & RCA-Admiral is more important than purchase of equipment. This, in effect, is acquisition of a customer. Sylvania gained much of Motorola color tube business, and presumably RCA would get increasing business from Admiral. Admiral's plant has been producing 23V" color tubes. It's believed to have capacity of 600,000 tubes yearly but has been operating at far lower rate.

With RCA ending manufacture of monochrome picture tubes, big new customer comes on market for both new (OEM) & replacement units. Most of RCA's new-tube b&w business is believed to be going to Westinghouse, with various Canadian & U.S. rebuilders sharing in supplying rebuilds. GE came on b&w tube market in big way last year when it shut down its own plant; Clinton Electronics got that contract. Zenith also dropped b&w tubes last year, and Clinton got at least some of its business. Clinton also supplies Admiral, and probably is only one of the 3 remaining U.S. b&w tube makers now at or near capacity. Clinton also has b&w tube facility in Taiwan. Of other major set-&-tube-maker alliances, most significant ones are Warwick-Sylvania & Magnavox-Westinghouse.

* * * *

Latest victim of attrition in consumer electronics is Canadian Westinghouse, which announced last week it would drop TV & console phono production by Sept., purchase all sets from RCA Ltd.

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(Canada). CW Pres. William Leesman said 1970 sales in the 2 categories represented less than 5% of company's \$233-million revenues, meaning less than \$12 million. Sales, service & design staffs will be retained, and company said new models won't be similar to those under RCA brand name.

Move follows by 28 months U.S. parent's decision to abandon TV-stereo production. At that time, CW launched 100% expansion in Brantford, Ont., partly in anticipation of sizable orders from U.S. Westinghouse (Vol. 8:48 p8, 8:51 p12). In U.S., Westinghouse spokesman told us closing would have no effect on profitable hotel-institutional TV business here, since bulk of sets are coming from Japan and U.S. private-label suppliers.

IMPORTS NOW 37% OF U.S. TV MARKET: Imports made sizable gains in share of shrinking U.S. TV market last year, according to data EIA supplied Tariff Commission during TV dumping probe (Vol. 10:7 p10). Figures indicate U.S. market absorbed 12.3 million TVs last year, down 7.8% from 1969, and that U.S. factories supplied just 63.2% of these sets, domestically produced share of market slipping 16.3%.

Factories here sold about 7.8 million U.S.-made TVs in 1970, including 4.3 million color, down 18.5% from 1969, and about 3.5 million monochrome, down 13.5%. Declines for U.S.-produced factory sales are larger than those recorded for 1970 distributor-to-dealer sales (Vol. 11:4 p8), reflecting work-off of inventories and fact that distributor sales totals include U.S.-brand imports.

Increases posted by TV imports in 1970 (Vol. 10:6 p9), combined with total-market declines, gave imports all-time high TV market share. In color, imports took 17.5% of 5.2 million market; b&w share was 51% of almost 7.1 million. Total color market was off 15.7% from 1969; b&w volume declined 0.9%.

Penetration of b&w imports has increased rapidly. In 1968, imports held just 29% of U.S. b&w market. In 1969, as U.S. offshore TV export assembly operations hit stride, import share jumped to 43.9%. Import's share of color in 1968 was 10.7%, increasing to 14.7% in 1969.

Combined b&w TV imports from Taiwan, Hong Kong & Mexico, where U.S. manufacturers have own plants, accounted for more than 16% of market last year, up from 12.6% in 1969 and 5.8% in 1968. Japan's share of U.S. b&w market last year was 34.6%, up from 31% in 1969 & 23% in 1968. Japan still supplies nearly all color imports.

FIRST 500 EVR DELIVERIES IN 2-3 WEEKS: After some delays, Motorola is preparing to deliver first run of 500 EVR Teleplayers within next 3 weeks. Some early production players are already in field—including "14 working in a school system with excellent results"—according to Motorola Systems Vp Lloyd Singer.

First big batch was held up largely by requirement for various test cassettes for adjustment of players. The 500 machines await only test & adjustment. Motorola next will produce players in runs of 5,000. "We could have lots of sequences in 1971," Singer told us, "production could be exceedingly good." First sets will go to Equitable Life, American Program Bureau (Boston), Videorecord Corp. of America & Bellevue Pathe (Canada). Latter 3 firms have software-hardware packages in EVR format.

Production of Cartrivision home VTRs has been pushed from late 1971 to early 1972, according to Cartridge TV Vp Sam Gelfman. Company is well along in preparation of cartridge plant in San Jose, Cal. and VTR production facilities in Richmond, Ind. & Huntsville, Ala., he said.

Parent organizations of all 3 TV networks have now announced intentions of entering videocassette software field. ABC is joining with British commercial program contractor Associated TV Corp. (Sir Lew Grade) in new firm for "production & distribution of videocassette programming covering educational, industrial training & specialized home entertainment."

'WE'RE NO. 3,' SAYS GE: GE's road back in TV from 1967-69 difficulties has been long & bumpy one. Now, with most of production consolidated in Portsmouth, newly designed product and streamlined management, TV Business Div. is making claims of vastly improved competitive position. "When you're No. 3 in total TV unit sales, you may as well talk about it," says Vp-Gen. Mgr. Irving L. (Chuck) Griffin.

Change in color product policy is under way, Griffin strongly hinted. With introduction of 10V" Porta Color in 1965, GE was first in U.S. market with small-screen color, has long had a dominant

position in that increasingly crowded field. But company's greatest recent gains have been in large-screen area, Griffin said, and in future "we will emphasize big-screen color." Although large-screen trend is generally downward in total units, he forecast that 20V"-25V" will still represent 40-50% of industry dollar volume by 1975.

GE's TV production is now at record level, Griffin told us, following "biggest Jan. in our history," with plants working overtime & Sat. In Jan., he said, GE's color sales to dealers were up 21%, monochrome 61%, over 1970 period, and its total TV production was up more than 40% in first 3 Feb. weeks. GE is projecting 40% TV sales increase for first quarter, is geared to 28% higher production rate than 1969 for full year. "If sales continue at this rate, we'll have to increase it," Griffin said.

Last year ended with bang—GE color sales up 18% in final 4 months, mono up 23% at time when total-market color (including imports) gained 6% and mono remained same as 1969. For full year 1970, GE total TV unit sales were down 2.7% from 1969, dollar volume down 4-5%—but operating income was up as result of new chassis, increased efficiencies. GE's progress is best measured against 1968, domestic industry's best color TV sales year. In 1970, total-market color sales were 16% below 1968, but GE's were up 30%. Griffin says average price of GE's TV sets (color & monochrome) was unchanged from 1969 to 1970, with factory's monochrome profit margins unchanged, color margins actually up.

Why the gains in market share and relative profitability? "We're getting recognition from our dealer structure, getting business from dealers who haven't sold our sets for a long time. Our organization is streamlined; most of our marketing people are from distribution. Our salaried headcount is down 15%. Our quality is up; complaint letters last year were down 80% from 1969. We're getting the payoff now from quality beef-up & cost control." GE's private-label business is up, too, but "our growth has been in the GE brand."

GE was last major U.S. TV manufacturer to buy sets overseas—it imports 9V" b&w from Hitachi's Taiwan operation. "We are competing with the Japanese in every size above that." Company's Singapore component plant is ahead of schedule, now hiring, could be in production in week or so. Initially it will make coils & sweeps; next step could be circuit boards. Plant, only 50,000 sq. ft., isn't suitable for making complete TV sets, but Griffin doesn't rule out overseas end-product manufacture. "That would be a way off," he said, but indicated that GE probably would favor Singapore.

* * * *

RCA had no official reaction last week to Zenith's advertised claim to "America's No. 1 selling color TV" (Vol. 11:7 p7), but company spokesmen said latest editions of independent surveys showed that RCA remained No. 1 in sales to consumers.

Long-gestating hi-fi standards of EIA are approaching parturition. Proposed final rule will be considered this week by Engineering Dept.'s Audio Equipment Panel in Chicago. Panel also is expected to discuss FTC's proposed rule on audio amplifier claims (Vol. 11:3 p10). Draft of EIA position on rule for presentation at April 13 hearing is expected to emerge from first formal meeting of Consumer Electronics Group's Audio Div. at EIA spring conference next month.

Livingroom is favorite location for color—even small-screen—according to 3rd-quarter 1970 Trendex survey of 146 buyers of new sets 16V" & smaller. Some 42% of sets were in livingroom, 33% in bedroom, 13% in playroom or study. Of sets 13V"-16V", livingroom had 44.5%, bedroom 27.7%, playroom or study 15.6%. Breakdown of sets 12V" & smaller shows 39.7% in bedroom, 38% livingroom, 9.5% playroom or study, 3% kitchen—one set (1.6%) in bathroom.

IC color TV, Japan's first, is set for June introduction by Toshiba. In new 19V" size, set will have 15 ICs plus transistors, listing at more than the \$475 charged for similar solid-state models. Initial output is 1,000 monthly, no export plans announced.

Akai's first own-brand product in U.S., due for N. Y. press preview this week, is quarter-inch helical scan, battery portable VTR with built-in 3V" monitor, mike-equipped camera, AC adaptor-recharger, at \$1,295. System was first shown at 1969 CES by Roberts, which continues to handle Akai's audio recorder line (Vol. 9:25 p11). Akai has named Stoneham & Summers, Sherman Oaks, Cal., to handle U.S. ads.

Another PAL-compatible receiver has been developed in Japan. General Corp. said sales to Europe of 12V" models would begin in June, with 16V" to follow. Target is 10,000 sets monthly. As did Sony earlier (Vol. 11:6 p10), General said circuitry doesn't violate AEG-Telefunken's PAL patents. Hitachi holds Japan's only PAL license, is excluded from Germany & Italy. Telefunken is expected to fight Sony & General claims in court.

Tariff Commission turned down import-adjustment aid requests filed last Dec. by speaker cone producer Fibre Form Corp. & employees. Trade concession granted by U.S. had not resulted in increased speaker imports which may have injured company, Commission ruled.

MOTOROLA, WARWICK REPORT: Motorola's Consumer Div. operated at loss in 1970 and Warwick moved into black in 4th quarter, according to financial reports issued last week (see financial table).

Motorola's 1970 earnings declined 24% on sales decrease of 9%, with 4th-quarter earnings off 44% and sales down 12%. Govt. restraints, consumer apathy, strikes in related industries and softening in some overseas markets were cited as reasons. Communications Div. had record sales and was largest contributor to both sales & earnings; Automotive Div. sales held even with 1969; Semiconductor Div. sales declined less than 10%. Communications & Govt. Divs. reported increased earnings. Company expects "continuing softness through the first quarter of 1971, with improving results as the year progresses," estimates increased sales & earnings for full year.

Warwick's \$2-million net profit in 4th quarter partially offset 9-month losses, bringing 1970 loss to \$10,870,000. Sales for year increased about \$27 million and net loss was reduced by \$2.5 million as result of change in policy whereby Sears now purchases finished merchandise as produced rather than when shipped. Company called 4th-quarter results "most encouraging," forecast "modest sales increases" for industry during 1971.

Westinghouse annual report, giving breakdown of operations, shows its Consumer Products Co. profits declined to \$195,000 last year from \$9,449,000 (or 6% of corporate total) in 1969. Consumer products sales, however, increased to \$716,591,000 (17% of total) from \$708,670,000 (18%). Broadcasting, learning & leisure time represented 7% of sales but contributed 20% of Westinghouse profits.

Tape topics: Ampex offers recorded reel tapes by mail to consumers in experiment. Customers pay list for first tape, get \$1 discount on future buys, larger discounts on multi-reel orders. Firm emphasizes program is not a club, but is attempt to reach 10 million open-reel machine owners not being properly serviced by dealers who prefer to stock cartridge tapes... **TDK's** low noise (Super Dynamic) tape will be used in first cassette offerings of Musical Heritage Society, which specializes in Baroque music. TDK also announced first availability of endless-loop cassettes, in 1-, 3- & 5-min. lengths, \$4.75-\$5.50... **Home Dolby** noise-reduction unit for tape-recorder hobbyists is now being delivered, under Advocate brand name, by Advent Corp. at \$125... **Panasonic** will feature auto shutoff at end of tape in 1972 model portable cassette recorders. Firm's Auto Products Div. added 8-track players & cassette player priced \$49.99-\$119.99, including FM-stereo, adjustable control shafts to permit either in- or under-dash installation.

Colorful b&w TVs will be featured in Panasonic 1972 line. Japanese styling pacesetter is abandoning black-&-chrome path it blazed to emphasize decorator shades and wood trim. Colors include red, gold, white, avocado. On many models, traditional knobs are replaced by thumb-wheels & slide controls.

First Jamaican hotel with TV in every room is Sheraton-Kingston, which has installed 403 monochrome Sylvania receivers built by GTE Jamaica Ltd.

TAPE PIRACY PITCH: In midst of campaign to drive illegal tape cartridge duplicators out of business, legitimate tape makers went into tizzy last week over ad in Billboard for do-it-yourself tape piracy system, from Make-A-Tape Inc., Fraser, Mich.

Bannered "Bootlegging is Over," ad decried fact that illegal dupers are taking over industry, urged retailers to fight by making own copies "in matter of seconds" on firm's machines. Ad said dealers could cut inventory by 90% yet never be out of hot selections, reduce cartridge cost 50%. Dealers could also offer to re-record cartridges customers no longer used.

Billboard's embarrassment over ad was expressed by spokesman, who said content hadn't been checked. He & RIAA Exec. Vp Henry Brief said legal depts. of recording companies will contact Make-A-Tape.

Paving way for purchase of Coronet Industries (carpets, fabrics, furniture), RCA stockholders voted Feb. 19 to increase authorized common shares from 80 to 100 million (Vol. 10:42 p11). Coronet holders voted same day in favor of merger. Unexpectedly stormy special RCA stockholders meeting in N.Y. took on aspects of mini-revolt by small shareholders. Many attendees spoke out, accusing RCA of "conglomeratizing" and abandoning electronics. Others raised point that Coronet Chmn.-Pres. Martin (Bud) Seretean (most pronounced his name "Serutan") would end up owning or controlling some 1.5 million RCA shares, becoming largest individual stockholder. RCA Chmn.-Pres. Sarnoff said that more than 75% of company's activities are in electronics and "we will continue that balance." He pointed out that Seretean could not control RCA's 82 million shares. Although majority of 500-plus stockholders at meeting appeared to oppose merger, share increase was approved by 52.5-to-2.3-million-share vote. Merger is scheduled to be consummated Feb. 24 with one-for-one exchange of Coronet for RCA common shares.

Growth slowdown in desk-top calculator business, competition from U.S. firms and increased use of LSIs are combining to force IC production cutbacks by Japanese manufacturers. Nippon Electric & Mitsubishi have reduced output 10-20%, Toshiba announced unspecified reduction and Hitachi is expected to follow. Calculator producers expect sales this year to rise 30-40% vs. 100% jumps in past, and are turning to LSIs to reduce cost & size. U.S.-brand ICs are available in Japan as low as 20¢ each, well under Japanese prices.

Distribution notes: **Teledyne Packard Bell** appoints Avec Electronics, Richmond (former Zenith distributor), replacing Mansco Inc., which continues in Md. & adjacent areas... **M&W Appliance**, El Paso (Motorola), opens Albuquerque branch to handle area formerly served by Albuquerque-Allied Appliance Co.

Interchangeability guide listing 191 color picture tubes which can be replaced with 19 Sylvania types is available from GTE Sylvania Ad Services Center, 70 Empire Dr., West Seneca, N.Y. 14224.

Panasonic's Parts Dept. is being separated from service & general warehouse operation. New setup has 80,000 sq. ft. in Woodside, N.Y.

NHK income from TV set licenses in 1971 is expected to be \$275 million, up \$26 million. Fee is \$1.29 monthly for color, 88¢ b&w.

CANADA'S 9 MONTHS: Canada's TV market shrank in first 9 months of 1970 from same 1969 period, according to Dominion Bureau of Statistics, which shows factory-sales-plus-imports of 585,319 sets, down 1.6%.

Canadian market absorbed 197,496 color sets (up 2.7%) and 387,823 b&ws (down 3.7%). Domestic producers suffer 11.8% decline in total TV sales, against 22.6% rise in imports. Loss for manufacturers all came in b&w, off 21.1%, as color sales jumped 10.6%. Color imports were off 11.5%, while b&w imports were up 44.8%. Result was that imports increased share of Canada's b&w market from 26.4% in Jan.-Sept. 1969 to 39.7%, slipped back in color share from 35.8% to 30.9%.

Canadian industry had looked for 350,000 total color market in 1970, now seems headed for about 326,000, still up from 318,000 for all of 1969. Continued loss of b&w market to imports is also disturbing domestic producers, who are considering development of "standard" 18V" b&w chassis. While idea is welcomed by component manufacturers, who now supply only about 20% of local industry needs, at least some of 9 set producers have expressed strong doubts. They cite potential conflict with Canada's antitrust laws, difficulties in getting all firms to agree on component & quality specifications and need for some producers to get clearance from U.S. parent firms, among other stumbling blocks. Should industry as whole turn project down, smaller group may go ahead anyway.

Following are Canadian 9-month 1970 consumer electronics factory sales & imports, with year-earlier results for comparison:

CANADIAN FACTORY SALES*

	9 months 1970	9 months 1969
Total TV.....	370,358	419,680
color.....	136,488	123,414
b&w.....	233,870	296,266
Total radios.....	490,650	771,818
home.....	31,811	40,693
auto.....	458,839	731,125
Radio-phonos.....	79,490	102,228
Phonographs.....	88,242	119,445

9 MONTH IMPORTS

Total TV.....	214,961	175,262
color.....	61,008	68,943
b&w.....	153,953	106,319
Transistor radios....	1,118,698	1,101,376
Auto radios.....	363,907	237,332
Radio-phonos.....	143,038	110,701
Phonographs.....	25,667	42,768
Tp. rec. & players...	718,814	559,752

*Includes "Made-in-Canada" sets only.

Union Carbide will establish dry cell plants in Indonesia & Pakistan this year. Firm has plants in 7 Latin American nations, Australia, Canada, Ceylon, India, Iran, Ivory Coast, Ghana, Greece, Kenya, Malaysia, New Zealand, Philippines, Singapore.

GE Youth Electronics will open N. Y. C. showroom early next month in lobby of 200 Fifth Ave. Bldg., in heart of city's wholesale toy district.

Milovac to Consoles: Milovac International (formerly Selectron International) plans expansion into stereo consoles, according to Mktg. Mgr. Jerry Peterson. Firm distributes own "Milovac" line, also imports & distributes Aiwa brand.

While most successful import-console assemblers—Morse, Capehart, et al.—buy knock-down furniture from Yugoslavia and other European countries, Milovac will stick to North American sources (presumably Canadian), Peterson said. First consoles may be on view at next Consumer Electronics Show in Chicago, for which Milovac will have double its 1970 space. Also on view will be color and b&w TV, some expected to come from Taiwan subsidiaries of Japanese firms. Contrary to trade reports, Peterson said, Milovac has no plans to have TVs produced in Europe. TV procurement from Japan has become problem, he said, predicting some non-manufacturing importers will drop out or sharply reduce number of TV models offered at CES.

Investing in Japanese ventures can be highly profitable for foreign firms, with single year gross profits frequently far in excess of original capitalization, according to report from Boston Consulting Group. Listing of 200 most profitable Japanese firms in which foreign partner holds at least 20% interest shows Texas Instrument's 1969 pre-tax gross from Japan at 526% of equity. Indicated 1969 returns for other listed companies include: International Rectifier 476%, Sony-Tektronix 363%, Matsushita Electronics (with Dutch Philips) 270%, Toshiba Musical Industries (EMI-England & Capitol-U.S.) 220%, Sumitomo 3M 213%, Yokogawa-Hewlett-Packard 112%, IBM 111%, Ray-O-Vac 93%, Memorex 90%, National Mallory 73%, Nippon Dia Clevite 65%, CBS-Sony Records 34%, New Japan Radio (Raytheon) 34%, Toamco (Ampex) 21%.

Further cutbacks in domestic plant & equipment investment plans for year are being made by Japanese firms. Hitachi last year scheduled capital outlay of about \$166.6 million for fiscal 1970 (ending next March), later lowered total to \$133.3. Spending is being further reduced by \$11-\$14 million, and 1971 expenditures are expected to be around \$111 million. Matsushita's first-half (through May) spending will run about \$28 million, down from \$41.6 million last year. Sanyo's 1971 capital expenditure budget is being trimmed 20-30% from 1970 spending of \$19.7 million.

Clairtone is expected to cease operations soon, currently has only 20-30 employees involved in "clearing-up" operation. Pres. G. A. MacDonald said company has no plans to go into receivership. Nova Scotia provincial govt., which has \$20-million investment and owns 72% of the TV-stereo maker, is expected to lose at least \$16 million. Company says losses in 2nd half of 1970 exceeded first half's \$1.6 million deficit.

Price cuts on color and b&w TVs sold in Japan retail market, 12%-21%, have been announced by Hitachi, Mitsubishi, Nippon Columbia, Nippon Electric & Toshiba. Similar moves were made earlier by Matsushita, Sanyo, Sharp & Sony, all responding to call for lower prices from govt., which urged TV producers to halt practice of setting artificially high suggested retail prices and to streamline distribution methods (Vol. 11:3 p14).

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
Aerovox			
1970-year to Dec. 26	30,568,000	733,000 ^a	.54
1969-year to Dec. 27	32,242,000	(2,634,000) ^a	--
Allied Artists			
1970-6 mo. to Dec. 26	1,696,300	(423,700)	--
1969-6 mo. to Dec. 27	4,683,400	653,200 ^a	--
Ampex			
1971-9 mo. to Jan. 31	221,913,000	2,730,000	.25
1970-9 mo. to Jan. 31	229,601,000	11,444,000	1.06
1971-qtr. to Jan. 31	82,953,000	1,350,000	.12
1970-qtr. to Jan. 31	80,332,000	4,018,000	.37
Combined Communications			
1970-year to Dec. 31	26,120,802	1,628,836 ^a	.84
1969-year to Dec. 31	18,359,835	1,036,805 ^a	.60
Comsat			
1970-year to Dec. 31	69,598,000 ^b	17,501,000	1.75
1969-year to Dec. 31	47,034,000 ^b	7,129,000	.71
Conrac			
1970-year to Dec. 31	52,776,402	1,577,085	1.12
1969-year to Dec. 31	52,314,611	1,750,321	1.26
1970-qtr. to Dec. 31	12,538,979	385,723	.27
1969-qtr. to Dec. 31	13,159,878	237,489	.15
CTS			
1970-year to Dec. 31	73,859,913	4,462,445	1.32
1969-year to Dec. 31	80,070,854	4,809,208	1.40
Cypress Communications			
1970-6 mo. to Dec. 31 ^c	4,275,000	(400) ^d	--
1969-6 mo. to Dec. 31 ^c	2,698,272	(38,055) ^d	--
General Electric			
1970-year to Dec. 31	8,726,738,000	328,480,000	3.63
1969-year to Dec. 31	8,447,965,000	278,015,000	3.07
1970-qtr. to Dec. 31	2,568,409,000	167,010,000	1.85
1969-qtr. to Dec. 31	1,941,353,000	18,893,000	.21
Gross Telecasting			
1970-year to Dec. 31 ^c	5,081,674	947,287	1.18
1969-year to Dec. 31 ^c	4,143,201	878,691	1.09
1970-qtr. to Dec. 31 ^c	1,697,085	366,910	.42
1969-qtr. to Dec. 31 ^c	1,260,012	211,888	.26
Metromedia			
1971-52 wks. to Jan. 2	158,891,998	4,259,659 ^d	.75
1970-53 wks. to Jan. 3	160,478,365	2,101,146 ^d	.38
Motorola			
1970-year to Dec. 31	796,418,521	24,240,440 ^d	1.82
1969-year to Dec. 31	873,224,220	33,792,573	2.74 ^e
1970-qtr. to Dec. 31	208,017,208	5,472,920	.42
1969-qtr. to Dec. 31	234,993,103	9,698,050	.78 ^e
Rollins			
1971-9 mo. to Jan. 31	92,959,604	6,668,911	.82
1970-9 mo. to Jan. 31	89,771,011	6,563,971	.81
Teletronics Industries			
1970-6 mo. to Dec. 31	377,550	20,659	.05
1969-6 mo. to Dec. 31	552,227	41,034	.10
1970-qtr. to Dec. 31	130,313	(14,109)	--
1969-qtr. to Dec. 31	349,456	13,688	.03
Times Mirror			
1970-year to Dec. 31	487,711,355	30,146,787 ^d	1.80
1969-year to Dec. 31	472,719,906	38,646,162 ^a	2.31
1970-qtr. to Dec. 31	135,358,544	6,902,581 ^d	.41
1969-qtr. to Dec. 31	129,591,693	9,567,774	.57

Company & Period	Revenues	Net Earnings	Per Share
Warwick Electronics			
1970-year to Dec. 31	182,912,000	(10,870,000)	--
1969-year to Dec. 31	166,396,000	(2,847,000)	--

Notes: ^aIncludes special credit. ^bOperating revenues. ^cRestated. ^dAfter special charge. ^eAdjusted.

Trade Personals

Monroe Schuller moves up at Consolidated Mds. (Webcor-Viscount) from exec. vp to pres., succeeding **Victor Reichenstein**, who continues as consultant; **Martin Bronson** advanced from administration vp to exec. vp, continues as treas. **Edward L. Dodelin** promoted at Motorola Consumer Products Div. from New England sales mgr. to eastern mgr. **Harry Anger**, ex-special products mktg. & services mgr., promoted at RCA Records to mds. & mkt. planning dir.

Ed Traynor, named SelectaVision mktg. mgr., RCA Canada; **John G. Sutherland** appointed corporate projects vp, succeeded as vp-gen. mgr. of Commercial & Govt. Systems Div. by **I. A. Mayson**.

Donald N. Frey, ex-General Cable pres., joins Bell & Howell as chmn. & chief exec. officer, succeeding **Peter G. Peterson**, resigned to head govt.'s new International Economic Policy Council. **James E. Denning** moves up from exec. vp to pres., MCA Technology Inc. (high-speed tape duplication gear, studio recording systems, heads, components, storage & retrieval); he succeeds **C. J. Savant Jr.**, resigned. **Robert Harris**, Audio Magnetics special products dir., adds duties as head of new Export Div.

Abdulgafor M. Serang, ex-head of discontinued hybrid microelectronics operation, shifts at Sylvania Components to business planning mgr. **Richard D. Oldham** resigns as Lancaster Glass Electronics Div. technical mgr. to become consultant; Lancaster is among clients. **Donn L. Williams**, ex-pres. of Autonet Div., named pres. of North America Rockwell's new Electronics Group; **E. O. Ethell** named business development vp.

Harro K. Heinz advanced from Bogen engineering vp to operations vp; **Raymond Vanaria Jr.** named administration vp, continues as controller. **E. Leopold Dieck** joins Sprague as mgr. of West German manufacturing subsidiary. **James S. Womack**, G. T. Schjeldahl Co. chief operating officer, named pres., succeeding **George L. Freeman**, resigned.

William M. Oliver, ex-Power Transformer Div. mktg. mgr., advanced to Westinghouse corporate mktg. communications dir., responsible for corporate ads, trade shows, visual communications & internal buying data. **Maurice Alpert**, Olympic Detroit mgr., adds duties as midwest mgr.; **Henry J. Berwanger**, ex-Philadelphia branch mgr., now northeast mgr. **Daniel Honig** (Qatron), **Edward Gamson** (Certon), **Bruce McFarlane** (Ponder & Best) & **Jim Levy** (Time-Life Audio) named to International Tape Assn. advisory board.

Mktg. mgr., TV products, is being sought by Sylvania Entertainment Products Group in trade publication display ads.