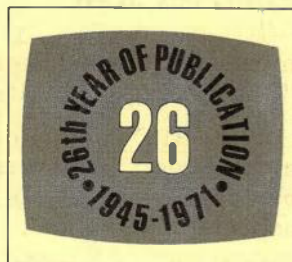


WEEKLY

Television Digest®

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consumer
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APRIL 5, 1971

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 11, NO. 14

Broadcast

'NEWS' TOP TOPIC AT NAB: Nixon & staff reach over networks to station owners. Walbridge accuses Capp of 'cheap shot' in switching from 'drug abuse' to attack on commentators. Reactions of Goldenson, Goodman, Stanton. Convention smooth. Though traffic is down, business outlook is up. (P. 1)

IMPACT OF KAHN'S STEP-DOWN at TelePrompTer: Shifts voting power to new chmn., attorney Lawler, & new Pres. Schlafly, but is bound to continue powerful influence from consultant's spot. FCC discusses cable April 15. CATV at NAB convention. (P. 3)

WASILEWSKI—'SYSTEM UNDER SIEGE': Cites 'duty to fight' crippling govt. restrictions in NAB speech. Attacks consumerism, FCC notice on song lyrics, 'pay-CATV', discrimination against TV-radio, threats against news, demands for access. (P. 4)

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CBS & 'PENTAGON' (Cont.): House Investigations Subcommittee orders full probe of documentary, eyes public hearings on network news. Salant, Frank & Friendly debate with Washington Post. (P. 5)

BURCH SOUNDS 'ACCESS' ALERT: Questions whether demands will 'choke off broadcasting altogether,' calls for full inquiry to preserve system. (P. 5)

NAB EQUIPMENT ROUNDUP: Upbeat sales foreseen by exhibitors, thanks to better time sales, vhf remote rules, automation. Major new developments scarce. (P. 6)

'NEWS' TOP TOPIC IN SMOOTH NAB CONVENTION: The news of NAB convention was "news." White House succeeded moderately in its continuing campaign of reaching over heads of newsmen to generally more sympathetic station owners. Campaign took these forms:

(1) Cartoonist Al Capp, highly effective satirist, obtained warm, but not rousing, reception with speech ripping acidly into network commentators critical of Administration. Audience stood & applauded at conclusion—interpreted by some as "standing ovation"—but practice is almost routine courtesy to NAB luncheon speakers.

Many in audience agreed with Capp, but what angered NAB officials is fact that Capp had been invited to speak on "drug abuse." Al Snyder, asst. to Communications Dir. Herb Klein, had suggested Capp as speaker, but he also understood that drugs were to be topic. Said NAB Chmn. Bill Walbridge: "It was a cheap shot."

(2) Nixon, in message to convention, and Klein, in news conference, stressed pleasure with development of local news. Nixon: "Particularly in the area of news & public service program—

MINORITIES, RENEWALS, FCC PANEL: More black faces at convention, easier exchanges. FCC staff explores renewals, lyrics, technical deficiencies, minority complaints. (P. 7)

PRIME TIME GETS 'PRIME TIME' consideration at NAB program conference. Panelists split 3-3 on desirability of 3-hour rule. Cox sees CATV 'as by far the most serious & imminent threat' to TV. (P. 8)

Consumer Electronics

VIDEOPLAYER RACE TEMPO picks up again as Sony demonstrates duplicator system, Packard Bell sets Cart-rivision showing, CBS plans EVR licensee announcement, new system appears, Philips marketing. (P. 12)

PANASONIC P.R. COLOR planned. Milovac looks to Yugoslavia for b&w portables. Tariff Commission opens 3 new cases. Foreign ventures make strange bedfellows. (P. 13)

CANADA'S COLOR MARKET rose last year, with 340,082 domestic & imported sets sold; b&w volume fell. Imports increase b&w market share, lose grip on color. (P. 15)

COLOR TV EXPORTS TO U.S. from Japan in Feb. down slightly while b&w posts 55% increase. Tape units, clock radios & radio-phonos up. Radios & phonos on down slide. (P. 15)

SONY SEES SALES & PROFITS up in half. Mitsumi prepares asset sell-off in reorganization. Other financial notes. (P. 15)

ming, local broadcasting plays an influential & creative role in the life of the community." Klein: "Outstanding job by local newsmen."

(3) HUD Secy. Romney, in forceful & long speech, pitched for revenue sharing by states—but also stated: "Supercritics are damaging to our efforts... Communications in the U.S. are dominated by the negatives... The President isn't getting credit... We need to emphasize the positive aspects of Vietnam... People in communications judge people in the manner of style... of the appearance of things."

(4) NAB Pres. Wasilewski, in news conference, said: "Agnew's doing himself more harm" than he's hurting networks, damaging himself because he now has "credibility gap."

(5) CBS affiliates board discussed "Selling of the Pentagon" (see p. 5) for more than half of 2-hour session with CBS brass, including Pres. Stanton. Affiliates raised questions, expressed unhappiness, but generally endorsed CBS News' efforts. However, no formal resolution was proposed.

(6) Stanton, NBC Pres. Goodman & ABC Pres. Goldenson, who hadn't heard Capp, didn't appear very concerned about his talk. Stanton & Goodman noted Capp had made such attacks before—"nothing new... emotional." Asked whether affiliates are showing concern about network news, Stanton told us: "Look at the clearances. There's no erosion. The 2nd run of 'Pentagon' had greater clearance & audience than the first." Goodman: "There was only one station which failed to clear one news special." What disturbed Goodman more was Washington Post's finding sloppy journalistic editing practices in "Pentagon." Said Goldenson: "The [Capp] charges were ridiculous on their face & their merit. I believe the commentators on the networks, including Howard K. Smith & Harry Reasoner on ours, are competent & skilled professionals who do a fine job."

What did Capp say? "The President and his cabinet, on any of our network nighttime talk shows, gets the same treatment as the novice in the nunnery with a case of VD... Walter Cronkite tries to be fair. Frequently he succeeds. Eric Sevareid is too high minded, or possibly too exhausted, to revile the President, but it's clear that he regrets him. David Brinkley & Frank McGee try to conceal their contempt for the President. But not very hard. John Chancellor makes no effort to conceal his. Not even in the President's presence—and vice versa. Harry Reasoner doesn't always snarl at the President. Sometimes he merely sneers. And their staffs—the Kalbs, the Kaplows, the Wallaces, the Agronskys, the Rathers—are honest men, too. They are honestly biased against him and they make an honest effort to conceal it. But they can't. They're too honest, I guess... The networks have been able to come up with only one man, Howard K. Smith, who respects the Presidency enough to give us a dispassionate picture..."

"If a mob can be inflamed enough by our sentiment molders to gather in Washington to kick out a President of the U.S., can it be inflamed enough to gather in New York to kick out the president of NBC, or CBS or ABC? You're damn right they can."

Despite foregoing to-do over news, resolutions adopted by convention made no mention of subject, but covered political expenditures, renewals, CATV, multiple-ownership & divestiture, vhf remote control, thanks to speakers.

* * * *

Generally speaking, NAB brass was happy with convention—"except for Capp," we were told several times. Registration was down 317, totaling 5,137, but a much bigger drop had been feared by some. Hundreds of others who usually clog hallways, elevators & hospitality suites—but don't pay registration fee—also were absent from Chicago last week. Some estimated over-all drop at 15-20%. Attendance at sessions was rated "good to excellent" by veteran NAB staffers. Though crowds were less, there was optimism about industry's financial health, reflected also in equipment-sales prospects (see p. 6).

NAB leadership was quite pleased with spectrum of "social relevancy" displayed by sessions and speakers. In addition to customary nuts & bolts business & technical sessions, speakers ranged from Notre Dame Pres. Theodore Hesburgh, who called for end of Vietnam war now, through black former EEOC Chmn. Clifford Alexander, who said that only black broadcasters can truly reflect black community (see p. 7), to Capp, Romney & Klein. FCC Chmn. Burch's concern about drift of fairness doctrine didn't sink in immediately, as delegates rushed to check out Wed.—but it's expected to penetrate (see p. 5).

TV Board elections produced customary warm contest, with 10 candidates vying for 6 seats (see p. 11 for winners). Only 4 votes separated candidates who finished 5th & 6th (who were elected) and 7th (who wasn't). Also successful was change which kept ballot boxes open 1-1/2 days—292 stations (about 60% of TV membership) voted this year, compared with about 165 last year. It's a cinch to be repeated.

As expected, local program plans for half-hour cleared by networks next fall was a dominant topic (Vol. 11:13 p1). Most stations indicated they'll strip 4 nights a week, though several still plan to expand local news. Barter is big & acceptable. "Even the network o&o's are doing it" was pointed out at program conference (see p. 8). Syndicators reported brisk traffic in hospitality suites, and they were happy that free-loaders & non-buyers of previous years were missing. Among hot syndication properties: New Lawrence Welk Show, Wild Kingdom, Doctor in the House, Lassie, and several other ex-CBS shows.

IMPACT OF KAHN'S TELEPROMPTER STEP-DOWN: Irving Kahn's step-down as TelePrompter chmn.-pres., remaining a consultant & board member, clearly is intended to deflect heat from company during legal proceedings over Johnstown & Trenton cases—and any others that may come (Vol. 11:13 p5). Stock market confirmed that impression, as TPT shares rose some 9 points when move was announced.

Though veteran copyright attorney T. Newman Lawler will become chmn. and will get Kahn's voting rights to Jack Kent Cooke's 500,000 (16.1%) of the 3.2 million shares outstanding and to Hughes's 168,000 shares (Kahn has "irrevocable trust" to vote them), and though Senior Vp H. J. (Hub) Schlafly will become pres.—it's impossible to picture Kahn without powerful influence on company from his consultancy spot. Kahn has been so intimately involved with every move of company for its 20-some years of existence that even most dissident stockholders would clamor for his help if he quit cold. For example: TPT plans \$30 million in construction of new systems & updating old ones, this year alone.

Company insists indictment cloud has had minor practical effects to date, pointing to city council approvals of following franchise awards or purchases since news broke: Beverly Hills, El Segundo, Santa Clara, Treasure Island, Seal Beach, Marina Del Rey & Newport Beach, all Cal., Galveston, Tex. & Haverhill, Fla.

* * * *

Among other cable developments: (1) FCC has set April 15 for first post-hearing crack at carving out decision. At NAB convention, Chmn. Burch said only this about cable: "I can only reiterate the Commission's objective—to integrate CATV into the nation's communications system in a fair & orderly way. And 'fair' is indeed the nub of the problem. We're not in business to guarantee the broadcaster an easy ride and an automatic profit. And by the same token we're not in business to hurt him or throw roadblocks in his way. We're out to serve the public interest in all its dimensions. And that is how this CATV issue is going to be decided. Our final decisions will probably please no one perfectly—and maybe that's the way it has to be."

(2) President Nixon's message to NAB convention stated: "It is unquestionably in the public interest that America have a vigorous, free, responsible broadcasting industry... This is the approach govt. will be taking on each of the sensitive matters that mutually concern us—matters such as the tremendous potential of domestic satellite communications, the rapid development of cable TV systems, and the equal-time & political broadcasting regulations." In news conference, Nixon's Communications Dir. Herb Klein said Nixon "is in the process of evaluating" CATV & satellites.

(3) At NAB Secondary TV Market session, former FCC Comr. Cox repeated his view that cablemen are trying to get distant signals by promising grandiose, but vague, new services. Exec. Vp Paul Comstock termed distant signals "subsidy." MST counsel Ernest Jennes told his group that "wired nation" concept is beyond CATV's technology, that video-phone via cable "is like turning the DC-3 into an SST."

(NAB session even produced bit of humor—something rare in fight over cable—when radio broadcaster noted that CATV is being built in his town, plans coverage of city council. "What will happen," he asked, "if I subscribe then air the city council meetings on my radio station?")

WASILEWSKI—SYSTEM UNDER SIEGE: "It is not only our job, it is our duty to fight to preserve the system of broadcasting we have built in the past 50 years." So stated NAB Pres. Wasilewski—in speech more critical of FCC and others than he usually makes—to receptive NAB convention. Barbs were directed toward consumerism, FCC action on song lyrics, "pay-CATV," discrimination against TV-radio, "specious theory" of access to broadcasting, threats against news.

"The broadcasting system we have built... is under siege as never before," Wasilewski said. "I am not referring to the barbs & inanities of that elite few—that supercilious group who need to build their false sense of superiority by demeaning their fellow man for his low tastes in broadcast programming. We will always be plagued by that kind of carping... I am far more concerned about more serious problems..."

"Whether consumerism will be perverted to destroy or badly damage advertising, our economic base, and the source of our independence? Whether the threat of the loss of a license shall be used as the means of federal specification of program content? Whether a pay-CATV wired system to serve the few will displace the free system which serves all? Whether the specious theory of access will be used to remove control & responsibility from the licensee and hand it over to splinter groups and the government? These add up to an alarming package..."

Wasilewski said private demands for access "are paralleled by pressures from government interests who make broad allegations of bias & lack of objectivity about the reportorial functions of broadcasting. Each incursion against one element of broadcasting has serious implications for every licensee. A major question... is how do we maintain our journalistic independ-

ence—even, if you will, the right to be wrong—in a licensed medium. That is a challenge that all of you must face."

He was particularly incensed by FCC's "incredible proposal" on license renewals (Vol. 11:8 p1). "The end result will be that the government will inform a station what program it must broadcast, how often, and in what time period... This every 8th-day exercise [requiring licensees to announce renewal status] is designed to induce more complaints—starting a bureaucratic merry-go-round to insure full employment at the Commission—the whole process fueled with broadcaster dollars extracted from spiraling license & transfer fees... These proposals—which would produce a jumpy, responsive, subservient broadcasting system, eager to do anything & everything to please the Commission, and intimidated from doing anything that would displease it—are unacceptable."

Commission's notice warning broadcasters they must know lyrics of songs broadcast was labeled "censorship" by NAB pres. "If there ever was a better example of regulation by lifted eyebrow, I have yet to see it. By tying [notice] in with drugs, the Commission obtained more public exposure, more press coverage, and the broadcasters once again are maligned by a PR ploy... On your behalf, I take intemperate offense at this action."

(Note: Comr. Wells told APBE in Chicago that no licenses will ever be placed in jeopardy because of song lyrics. "The Commission would be laughed out of court," he said. "But the industry has over-reacted to the FCC notice." Record Industry Assn. of America will seek reconsideration in petition April 8. RIAA will say stations are now reluctant to play "I've Got You Under My Skin.")

TV CODE DELAYS DUES BOOST: Hoping to increase its \$457,000 annual budget by about \$140,000, NAB TV Code Board last week discussed 3 new fee plans but put off action until May meeting in Washington. Recommendation of Code Board must then be approved by NAB TV Board which meets in June.

Dues plans discussed, all on annual basis: (1) Highest hour rate, plus 40% (dues are now highest hour rate plus 15%); (2) Five times highest 30 sec. rate; (3) Six times highest 30 sec. rate. Under all 3, minimum would be raised to \$500 (now \$350), maximum to \$2,000 (now \$1,400). Of new money, \$83,000 is earmarked for additional staff, scientific consultants, travel by staff and more Board meetings. To meet deficit for current year (\$30,645), money will be diverted from \$183,000 reserve fund.

At NAB convention last week, Code Dir. Stockton Helffrich announced that "Working Code Manual of Bcstg. Self-Regulation" will be published this month. Covering "over 100 knotty problems" in radio & TV, manual will be given to all subscribers. Additional copies, \$10; to non-subscribers, \$20.

Joy Becker, TV-radio senior at U. of Ill., made rounds of NAB convention, concerning station executives, seeking job in TV news. Handing out resumes & pictures, she said: "Everybody has been so nice and offered helpful suggestions, but nobody has offered me a job. If you're interested, phone me at 312-935-8720."

"Bill of rights" declaring govt. has no authority to interfere in news & program content should be adopted by broadcast industry, ex-FCC Comr. Lee Loevinger told APBE in Chicago. TV-radio must improve public image, must secure support of other media, he said. "Broadcasting must constantly remind the American public that it serves the cause of freedom & democracy." NCTA Pres. Donald Taverner told APBE that educational broadcasters should plan with cable industry to take advantage of CATV's potential. WFBM-TV Indianapolis Vp Eldon Campbell said industry's problems "will never be solved by harassment & government regulations," that broadcasters must be afforded right to "equal opportunity to the market place of commerce, ideas, resources, copyright & talent." Washington attorney Joel Rosenbloom predicted more—not less—regulation by 1975 because "liberals & conservatives share one belief—that broadcasting should be regulated."

Public & commercial broadcasters should arrange an information & personnel exchange program, CPB Pres. Macy suggested to NAB convention last week. "We in public broadcasting need more of your discipline, skill & professionalism; and in turn, I think we offer to you an ideal broadcast laboratory by virtue of our greater freedom to innovate." He also said National Public Radio will offer interconnection service to about 100 stations by May 3. Meanwhile, Hughes Aircraft has amended its domestic satellite filing, will offer CPB 2 free channels instead of one.

CBS & 'PENTAGON' (Cont.): Dispute over CBS's "Selling of the Pentagon" escalated last week in Chicago (see p. 2) & Washington. While Washington Post & networks exchanged stinging comments over editing techniques, House Investigations Subcommittee met March 31, ordered staff to prepare complete report on documentary with eye toward public hearings into whole range of network news practices.

Hassle between Post & networks began March 26 with Post editorial praising documentary as "highly valuable & informative" but questioning CBS's editing of Q-&-A sequences between commentator Roger Mudd & Defense Secy. Henkin. "It is apparently common & customary TV procedure to foreshorten & rearrange interviews, to reduce a prolonged interview to a few minutes TV time, and to take considerable liberties with such an interview in terms of both completeness & sequence," Post said. It then recommended networks identify disjointed excerpts, and in cases of "serious rearranging" allow subject to at least look & argue about it.

This brought rebuttal from CBS News Pres. Richard Salant March 30: "To grant a subject such a right of review is to remove the basic journalistic function of editing from the hands of the journalists and place it... in the hands of the Pentagon... Nothing in the First Amendment suggests that we must be perfect, or that we are not human. And nothing suggests that if our responsibility is larger, our job tougher or our coverage broader there should be some new set of rules for our kind of journalism, as if to say the First Amendment is fine so long as it doesn't count for much. You don't seem to mind if our end of the dinghy sinks, so long as yours stays afloat."

Then April 2, NBC News Pres. Reuven Frank & former CBS News Pres. Fred Friendly also wrote Post, which responded same day. "I might wish you were more cavalier about your own practices and less about mine," Frank wrote. "It is frightening to... suggest that widely circulated news reports in another medium should delegate this choosing process to the most narrowly interested party, the man who made the speech... When the Washington Post can Agnewize in this fashion I hear a bell tolling." Commented Friendly: "By equating film & tape editing with staging, I fear that your editorial tends to cloud the fundamental issue. It is akin to the Vice President charging that your reporters' copy is being distorted by your editors."

Post editorialized April 2: "If [Agnewize] means anything at all, it means that [Frank] would have us surrender all discussion of news business to others—to people like Mr. Agnew... We believe there has been a long-developing deterioration of public trust in the news media... and that the way to deal with this is not to stand aloof but to talk about it..."

"Unselfish service" of broadcasters will allow them to "continue to occupy an honored place in your community," ex-NAB Pres. Neville Miller said last week in accepting Distinguished Service Award. But, he warned, "when you cease to do that, when you let selfish motives predominate, when you let government or segments of the public tell you what you can or cannot broadcast, then you shall find that there will soon be a reckoning." Much of speech was reminiscence of early NAB days and its major purpose—fight with ASCAP.

BURCH SOUNDS 'ACCESS' ALERT: FCC Chmn. Dean Burch thinks American broadcasting is the way to go—"the envy of the world, both for its independence and for its dedication to public service"—but he's gravely concerned that clamor for access to cameras & mikes may seriously damage system.

In speech to NAB convention, he listed series of FCC actions & court decisions, then stated: "The arguments that are being advanced come perilously close to turning broadcasters into mere common carriers—and turning both the agenda and this arena of public discussion over to the highest bidder. Ironically, in the name of the public interest, the power of the purse pure & simple could end up in command..."

"At what point does access choke off broadcasting altogether? As the burdens are piled on, when do we break the industry's back? Does the broadcaster exercise balanced judgment—or does he just compile each day's agenda for public debate, in narrower & narrower segments as the petitioners line up? Would this be broadcasting—which, imperfections & all, gives the public about what it wants & what it needs? Or would we end up with one dead goose and a shrinking supply of eggs, golden or otherwise?"

"I have no easy answers. But I do think that before commercial broadcasting is sacrificed on the altar of access, however beguiling, we must face up to the possible & probable consequences. It was more than 20 years ago when the last attempt was made to pull together all our accumulated experience in the fairness area... And perhaps it is time, as Sen. Pastore has also suggested, for an over-all inquiry precisely because it would afford an overview—because it would permit all interested groups to participate, and not just those embroiled in specific complaints or cases..."

"It's hardly a perfect system that you've built. But public attention to the performance of the broadcasting industry, and occasionally harsh criticism, is implicitly a compliment. The public is paying attention, and it cares about this valuable medium. The nation's bets always have been placed on a commercially based industry to assay a higher incidence and a higher quality of public service than any theoretical public alternative—and frankly that is where my bets remain."

Second season successes have pushed ABC-TV "closer to realizing its goal of being the No. 1 network," ABC Pres. Elton Rule told affiliates (via film because of illness) at meeting in Chicago. ABC-TV Pres. James Duffy said fall schedule is "both aggressive & balanced, one that cannot help but carry our momentum forward." He said that for first time CBS & NBC are "emulating ABC and its direction," confidence in new schedule is reflected in sales: "The advertising community has already evinced a really enthusiastic acceptance." Vp. Martin Pompadur called on affiliates to join network in PR campaign on behalf of all broadcasting. "Our industry has had few spokesmen willing to go on the line and defend its virtues," he said. "But more of us must make more of an effort to go to the people... with facts." ABC is establishing a speakers' bureau, he said.

Sylvania gets CATV contract of \$1.2 million to build systems in New England, Pa. & N. Y. (towns unspecified) for Colony Communications, Providence (George Sisson, pres.).

NAB EQUIPMENT ROUNDUP: Upbeat in equipment sales was generally reported by exhibitors at close of NAB convention last week. Checking with veteran manufacturers, we found consensus that market had bottomed out around Dec.-Jan. and that prospects look good for this year & next.

One major TV equipment producer attributed rising market to: (1) Better time sales. (2) Vhf remote rules adopted by FCC. (3) Automation. He also said his exhibit showed no reduction in traffic from last year despite lower attendance at convention. Another manufacturer predicted 10-15% business increase for industry, said he "hopes for a lot of business from educators; they've kept us alive."

Still another, though observing that his traffic was down somewhat, said shoppers were serious—"they left the tire-kickers home"—but, on other hand, he was disappointed to find fewer owners accompanying their engineers.

Vhf remote equipment itself is peanuts in dollar volume, say the marketers, but new rules spring purses open for new transmitters. They say station operators figure it's time to go all the way—site move, building, tower, antenna, the works.

When asked what he saw at NAB equipment exhibits that was new & different from last year's show, one engineer quipped: "The models are wearing hot pants instead of miniskirts."

Actually, there were some products which were completely new—but few major ones. Many items shown in prototype last year had reached production stage. Mainly, it was a hard-sell show, with little of the traditional blue-sky "products of tomorrow." Prices were up, but there appeared to be willingness to make deals. One manufacturer offered \$2,500 check made out to any station which ordered new color camera. There was continuation of trend to lower-priced packages for CATV and smaller stations.

With fewer exhibitors than last year, and some returnees taking smaller spaces (Vol. 11:13 p6), there were also fewer "sideshow" exhibits in adjacent hotels, many of those who perennially have unofficial exhibits moving to official exhibit halls in Chicago's Conrad Hilton Hotel, replacing those which quit entirely. Here's our view of some of the highlights:

Transmitters: Major buying interest seemed to focus on the unglamorous vhf transmitter—sparked by FCC's long-awaited authorization of remote operation (Vol. 11:12 p5). Almost every vhf transmitter had "ready for remote" or "meets FCC remote rules" sign on it. Manufacturers noted that average vhf transmitter was 10-15 years old, expected good replacement business. GE showed vhf unit with GE-built 60-kw kylstron, claimed to be highest-powered such tube ever made. RCA announced that all of its vhf transmitters made since 1964 were capable of remote operation, premiered new 50-kw unit designed to improve color signal performance by 2-to-1 margin over older ones. Philip's Swedish-built 17.5-kw unit transmitter IF modulation was said to have been designed for remote operation. Ampex & Gates also used remote operation as theme for pitches.

Video recording: RCA & Ampex showed production models of broadcast video cassette (or cartridge) re-

corders, designed to handle station breaks or other combinations of short segments automatically. Both now may be purchased with automated control system, eliminating necessity of tying them in with standard VTR. Ampex's complete system is \$165,000, RCA's \$135,000. Although they differ markedly, compatibility may eventually be achieved; SMPTE standards group is working out parameters for interchangeable hubs on which film may be spooled for shipment, designed to slip into Ampex cassette or RCA cartridge. Both companies have indicated willingness to explore compatibility. RCA announced its first cartridge machine had been shipped to WBAY-TV Green Bay, Wis.; 2nd will field test at WMAQ-TV Chicago.

Production version of high-speed videotape contact duplicator for quad tape, running at 10 times broadcast speed, was shown by Ampex. Price for master unit which makes one copy at a time is \$80,000; each slave unit, capable of making 2 more copies simultaneously, is \$80,000. First unit goes to NET, Ann Arbor, Mich.

IVC demonstrated "first fully equipped broadcast quality helical-scan recorder" with time-base corrector to permit intermixing with quad tape or live material, at \$35,000 complete. TeleMation, with vastly expanded display & product line, announced it had taken over Data Memory Inc. (DMI) video disc recorder, which it will manufacture at own new plant.

Memorex showed tape of operation of new, completely automated film-tape editing system being produced by CMX, joint CBS-Memorex corporation, and announced new Chroma 90 broadcast videotape, with claimed signal-to-noise improvement and better head wear.

Cameras: Improved versions of units introduced last year were in spotlight, with much attention going to Philips' PC-100 digitally controlled 3-Plumbicon unit, now in production at \$89,000. Newly formed U.S.-based Marconi Electronics Inc. demonstrated what it called completely automated color camera at \$77,000, with built-in test pattern, completely automatic color balance and automatic check-out of 33 different points. German Fernseh camera showed up at 2 exhibits—Robert Bosch Corp. and Sarkes Tarzian. Tarzian will handle national distribution of computer-controlled \$60,000 camera, which weighs only about 70 lb. RCA announced improvements in basic TK-44 camera—antilag system and servo-driven shuttering device to eliminate blur in action shots.

Only 2 really new color cameras were introduced—both designed for relatively low-cost installations: IVC's 500, capable of operating at 10 ft.-candles, using Texas Instrument's new Tivicon silicon diode tube for red pickup, Plumbicons for blue & green, at about \$29,795, with 60-day delivery. TeleMation showed mockup of own-make camera, scheduled for 4th-quarter production, to be available for use with Plumbicons, vidicons or silicon diodes, priced at \$20,000 for camera head.

In camera accessories, Angenieux attracted attention with brand-new 15-to-1 zoom lens same size & weight as former 10-to-1, completely automatic, at \$11,800.

Super-8 film as medium for local production drew first interest from major manufacturers, 2 of which showed film-chain cameras designed for this system. GE's Mini-Telecine contains complete package for

showing color 16mm, super-8 & slides, with camera capable of being used live, at \$27,535. Philips' unit, with same complement of film-slide inputs, is \$32,000.

ABTO Inc., marketer of optical system which makes possible color reproduction from coded b&w film & slides, introduced complete station package—specially modified 16-mm film camera, 35-mm slide camera, and film & slide chain, available for 3-year lease at \$15,000 annually, cancellable by station after first year. ABTO also demonstrated feasibility of home videoplayer system using simple untreated vinyl film (see p. 13).

Miscellany: Relatively low-cost color standards converter, translating NTSC to PAL color & vice versa (SECAM model also available), at \$100,000-\$150,000, was demonstrated by Fernseh... CBS Labs demonstrated automatic color corrector, designed to let broadcaster transmit consistent color values from variety of encoded signal sources. Ampex adapted CBS Labs unit into color corrector/programmer which produces color-balanced master tapes from film or tape program sources... Among new monitors were several types using Sony Trinitron color tube, from World Video and Tektronix, and first we've seen using 25V" black matrix tube, by Miratel (Ball Bros.).

MINORITIES, RENEWALS, FCC PANEL: There were more black faces at NAB convention this year—both on podia and in audience—and more of them wearing call letters on badges, participants rather than observers. More & more, speakers are calling for black ownership & management of facilities—as well as for the access & employment sought in earlier years.

There was no letup in demands by blacks (and a Chicano), but NAB audiences seemed more comfortable about it than in recent years when minority spokesmen first addressed NAB.

Washington attorney Clifford Alexander, black former chmn., Equal Employment Opportunity Commission, noted, among other things: (1) There's no black among 2,522 executives in top 50 corporations listed in Poor's Index. (2) At FCC, of 251 employees in top 5 Civil Service grades (GS-18 to 14), 3 are black. (3) No TV station is owned by blacks—and only 9 radio. Alexander concluded:

"We will watch to see if those of you who profess equality, those of you who operate under public regulation, those of you who say that you're interested in showing a true & accurate picture of society, will give us the money (much of it provided to your advertisers by black purchasing power), the proper time & facilities, to produce for you our picture of white America. Don't put us on; it would be interesting to have an answer from you soon..."

Substantial audience at "early bird" workshop on minorities & renewal challenges brought:

(1) Mrs. Arnette Hubbard, black Chicago attorney—Stations take position "we know what the public wants," but only minority owners & employees can reflect minority needs. And "don't feel threatened by unreasonable demands."

(2) Domingo Nick Reyes, National Mexican-American Anti-Defamation Committee—Asked for code of conduct toward Chicanos, ascertainment of needs, im-

proved hiring & non-discriminatory testing, sensitivity in commercials, free ads for entrepreneurs, investment in their businesses. As for stations' efforts so far: "Well, tokenism is better than zeroism."

(3) Edgar Holtz, white Washington attorney—"I disagree that Nick Johnson is responsible for petitions to deny. FCC should encourage them... If you're a bigot, hand in your license now... Minority programs are negotiable. Talk, talk, talk. You can't put yourself on your own couch... Don't hit the panic button when you get a petition." However, he rejected economic demands—such as free ads, depositing in minority banks. "It's a form of extortion," he said. "FCC is not in favor of these... In Texarkana, they virtually gave their station away... Abandonment of responsibility... I don't think they quite expect the kitchen sink."

One broadcaster rose from audience to complain bitterly about being lumped with other stations in city—when minorities agree he does excellent job. Panelists said he needn't worry, but he still looked unhappy. One Southern broadcaster charged "the colored" with unfairness, in light of his efforts to assist them in many respects. Black panelists winced visibly at use of "colored," despite broadcaster's good intentions.

* * * *

First day of FCC panel discussion was so dominated by broadcasters' concern about operator requirements that Commission staff begged for other subjects next day. They got some. Among comments:

Robert Cahill, asst. to Burch—New renewal procedures reduce burdens on stations, helps FCC... Action on drug lyrics "widely misinterpreted in the press"... Burch won't drag feet on CATV decision.

William Ray, Complaints & Compliance Div.—"As an old broadcaster, I'm appalled at the stuff broadcast, but we're not telling them what they can broadcast. We're still operating under the First Amendment and Sec. 326."

Robert Rawson, Broadcast Bureau—Answering complaint that small stations don't get copies of FCC proposals, so they can file comments, he said FCC can't afford mass printing & mailing, urged state associations to distribute documents, suggested broadcasters write for copies, noted that trade publications summarize proposals.

Harold Kassens, Broadcast Bureau—Appalled that 20% of AMs report their DAs are out of adjustment, in documents filed with FCC—"and this doesn't include what FCC catches in its inspections." Also noted that Ch. 6-FM interference problem, now subject of inquiry, includes harmonics troubling higher vhf channels.

In Q-&-A period, one broadcaster asserted that minority programming appeals only to small fraction of his community, brings complaints from "95%." Said Cahill: "That's what minority programming is all about. You're getting reaction. It's fine—as long as you know what you're doing."

Cox Cable is buying Cable TV of Santa Barbara for unannounced price. System has about 28,000 subscribers, brings Cox total subscribers to 230,000. Cox-Cosmos is selling Charlotte system to Charlotte Cablevision (Samuel Street).

PRIME TIME GETS 'PRIME TIME': Prime-time access rule was bandied about, cussed & praised at high-interest TV program session March 31 during NAB convention. Most in audience (including at least 4 commissioners) regretted that it ended so soon, and FCC Chmn. Burch & Comr. Houser immediately went to front to commend panelists, who were split 3-3. As expected, Group W Pres. Donald McGannon & ex-FCC Comr. Kenneth Cox had great praise for FCC rule. Opposing were NBC-TV Pres. Donald Durgin, NATPE Pres. John Comas & Senior Vp Richard Pinkham of Ted Bates & Co. TelCom Chmn. Herb Jacobs called problem "temporary and far from urgent."

Moderator Jules Power asked panelists for the major problem facing industry. Answers: McGannon—minority employment & programming. Durgin—children's shows. Comas—research into future of broadcasting. Pinkham—fresh, new ideas. Cox—crisis in relations with public. Jacobs—"Let's adjourn the meeting." Panelists brought out that most stations plan to strip off-network or new non-local product at 7:30 p.m. this fall and that barter of programs is big & accepted. Asked by Pinkham what FCC would do if 3-hour rule doesn't work, Cox said "you'd better hope it doesn't fail," because if it does it could lead to more regulation and would mean that stations cannot do an adequate job "without being hand led by the networks." McGannon objected to question, called it "a red herring...loose and somewhat reckless." Cox suggested that under 3-hour rule, affiliates should be required to carry all network programs unless they showed it would be in public interest ("not movies") to pre-empt for locally-produced show. Durgin countered that NBC clearances aren't a problem "and never have been."

Durgin said rule deserves chance, but "I think experience will prove the fallacies inherent in the rule. As a broadcaster, I hope it will be rescinded." He expressed concern about low-budget programming and local station commercial clutter in the half hour. (Lawrence Welk, as network show, has 6 commercial minutes per hour, for example; under barter deal which many stations have signed, it'll have 10 min.) Durgin saw as major objection to 3-hour restriction its impact on specials: "We have had to stop buying additional specials for 1971-72 and have notified a number of advertisers that we are unable to accommodate their specials...so limited are the number of hour and 90-min. periods we can exempt. The irony of this is that...the public appetite for specials has never been greater...The coming years will see exciting program developments, but they will not come from regulations or alternate systems. They will come from the understanding that we are a mass media with extraordinary capacity for growth. The networks will grow because they have the resources and the ability to experiment, to gamble."

McGannon's view was considerably different. He saw future successes based on what stations do in response to 3-hour rule. "Bold, courageous action... can produce a level of public opportunity in the 70's & 80's beyond any previously experienced...Inaction will create an even greater rigidity & resistance to change and such an opportunity will probably be lost for all time." He said that a major industry problem is a "credibility gap" with its audience. "The First Amendment should not be substituted for adequate & respon-

sive explanation...Our integrity is not being taken for granted and hence we've got to find ways of demonstrating it by performance." He thought "demeanor" of industry leaders when under attack leaves much to be desired.

Jacobs said stations shouldn't strip beyond first year of rule—during which FCC permits off-network reruns. "The fact of the matter is, that [stripping] is exactly what they're doing," Power said. Jacobs thought there will be more regulation if stations continue to strip and don't offer local programming. He said biggest concern is not next fall's problem in filling extra half hour, but future years. "There must be a greater display of social responsibility," he said. Jacobs argued there's plenty available to fill time—9,943 hours of "current viable programming...almost 3,000 hours first run...a lot of it as good as some of the network reruns." Of 1,862 hours being bartered, most are "backed by some of the nation's largest advertisers & agencies who would not lend their reputations to junk...I fail to see a problem. What I really see is excitement. What you really have is a question and that is how to program. Nothing more."

Cox said much more needs to be done in several program areas—minority ("the networks have an obligation to lead in correcting the situation"), children, local origination. He saw CATV as "by far the most serious & imminent threat" to local stations. "I'm not sure the FCC is going to continue to adequately protect our broadcast service." If CATV needs subsidy of distant signals to survive, it should be granted by Congress and not at expense of local stations, he said.

"Will agencies & advertisers supply new shows?" Pinkham asked himself. "The answer is a small yes and a big no...There simply aren't enough advertisers with the motivation and the money to develop them... It's high time that a new source of programming energy emerged to rescue this great medium from mediocrity. And the finger points to you [stations]. Beware of the easy game show solution to those new time periods. They are nice & cheap but their audience profiles skew old," and advertisers demand 18-49 age group.

Comas said nobody has pat solutions for filling time. "We'll simply have to feel our way. And you really can't fault us for that for we must work around a network schedule." On FCC proposals for more regulation (kids' TV), he said: "Many of us are seriously concerned about the philosophy behind the gradual transfer of control over programming matters from the licensee to others, whoever they may be."

Favored applicants in race to obtain networks' satellite business appear to be Comsat, RCA and Western Union, TV networks told FCC last week. Their proposals "now appear best designed to meet program requirements," ABC, CBS & NBC said after extensive discussions with 7 satellite applicants (Hughes Aircraft had withdrawn bid to networks). Annual charges will represent about 60% of networks' current payment to AT&T. Networks said they plan to use others' satellites but asked FCC to "avoid any policy determination" preventing them from filing own application if negotiations aren't satisfactory. Commissioners will be briefed by staff in closed session April 13, continue discussions next month.

COMPROMISE FOR CAMPAIGN BILLS: Despite political bickering in last week's campaign spending hearing, there's good chance Senate Commerce Committee will put it all together following Easter recess. Expected is compromise bill setting over-all spending limits on all media, full disclosure and no bars on individual contributions. Hearing was reopened at GOP's request for testimony of Justice Dept. (JD) and several college professors (Vol. 11:13 p7). After 2-day hearing, Communications Subcommittee Chmn. Pastore (D-R.I.) said Deputy Atty. Gen. Richard Kleindienst offered basis for "a good compromise. I don't think we're far apart at all." Sen. Baker (R-Tenn.) agreed that "only a few issues" remained.

Kleindienst proposed: (1) Repeal of Sec. 315 for all federal candidates, not just Presidential & Vice Presidential candidates as existing Committee draft would do. (2) Political ads should be sold by all media at lowest unit cost. There's broad Committee support for this, but it's also understood Committee thinks low rates should apply only specific number of days before primaries & general elections.

(3) Over-all dollar limit on all advertising to allow candidate choice of media. Committee draft suggests 7¢ per vote limit on broadcasting and 10¢ on print. There's good chance now this part will be shelved in favor of ceiling based on so many cents per eligible voter as determined by Census. (4) Full & timely disclosure of sources & amounts of all campaign contributions. Kleindienst said JD "strongly opposes" any limits on contributions, and here GOP has drawn line. "There's going to be real trouble," one Republican told us, if Democrats try to push contribution limits "down our throats." There's good chance, however, that Democrats will back off here, at least now, leave it up to Rules Committee.

There are other disagreements in Committee, particularly over limiting campaign spending on behalf of candidates by outsiders. As drafted, such ads would be prohibited unless authorized by candidate. Republicans claim whole bill could be bypassed by creating "unauthorized" outside committees. "How can you limit an organization's right to speak out?" Pastore asked. But Baker said that without it bill would contain "a loophole big enough to drive a truck through." Kleindienst called it "a difficult" problem, left final solution up to Committee.

White House neither "cleared" nor endorsed testimony of Kleindienst who said Atty. Gen. Mitchell had approved it and promised to submit written statement later this week saying whether these views were shared by White House. Week earlier, President Nixon jolted Senate Republicans by breaking long silence and solidly endorsing spending limits for all media (Vol. 11:13 p7). Before that, GOP was emphasizing disclosure, and last week Senate GOP Leader Scott (Pa.) said it was "a mistake" for Administration to keep its congressional supporters in dark so long.

In Chicago last week, NAB convention passed resolution endorsing "comprehensive legislation to reform political campaign financing which would repeal Sec. 315, place limitations upon the candidate rather than upon the media and insure fair & equitable treatment for all media."

TV 'BELIEVABILITY' INCREASES: Newest Roper study for TIO found public's rating of TV "as the most believable mass medium is at a record high," and that 80% of public opposes more govt. control of programming. Results of 7th Roper study since 1959 were announced at NAB convention by TIO Dir. Roy Danish.

He said results refute much criticism "directed at TV by persons who claim to speak for the public. But what [they] allege seems to differ from the findings of a scientifically-conducted survey of public opinion." He said several independent studies, using same questions & techniques, validate Roper data. Among results:

Americans selecting TV as most believable mass medium increased from 44% to 49%; TV is source of most news for 60%; 69% said TV presents opinions of public figures fairly; 74% approve commercials in kid's programs; 42% favor limiting political expenditures in all media, 16% in TV-radio only; 58% said they'd most want to keep TV if they could have only one medium; 75% favor editorials; hours of TV watching per day increased 3 min. to 2 hours & 50 min.; 32% said they get most of their information about candidates from TV, vs. 37% preferring newspapers—but print media were 14% ahead in last Roper study.

TV-radio blackout of Frazier-Ali fight, which produced wave of congressional reaction against closed-circuit TV (CCTV) encroachment on pro sports, would be prohibited under legislation introduced last week by 5 House Republicans—all former athletes. Sponsored by Reps. Sandman (N.J.), Ford (Mich.), Kemp (N.Y.), Mizell (N.C.) & Mathias (Cal.), bill requires promoters of championship sports to obtain broadcast permit from FCC. Commission would insure that "each type of electronic medium" had chance to bid competitively for broadcast rights. Sandman said he'll introduce companion bill later amending anti trust laws to prohibit exclusive rights to any one type of media. Bill by Rep. Aspin (D-Wis.) would ban CCTV from virtually all sports, while Sen. Proxmire (D-Wis.) reintroduced bill prohibiting TV blackout of home pro football games which are sold out. A bill by Rep. Udall (D-Ariz.) would limit broadcast seasons of major sports (Vol. 11:13 p8). Meanwhile, football commissioner Pete Rozelle called "ridiculous" reports that Super Bowl would be sold to CCTV within 5 years. He said same thing last year about pay TV.

WHMC(AM) Gaithersburg, Md. has been denied renewal by FCC, which agreed with hearing examiner that Nick J. Chaconas operated in "negligent & inept manner," misrepresented facts, falsified log. Commission gave him 180 days to close down. In separate action, Broadcast Bureau's Complaints & Compliance Div. Chief William Ray said KNX-AM-FM L.A. violated fairness doctrine by refusing to allow response to its editorial on Cal. judges. Station said person seeking reply didn't represent "bona fide group representing a significant body of community opinion." But Ray called that judgment "unreasonable," added that determination should be based on individual's proposed reply, not his membership in an organization.

Cox Bcstg. plans 120,000-share stock offer at unannounced price, from holdings of Pres. J. Leonard Reinsch who wants to diversify for estate planning purposes.

Discrimination against newspapers as a class in ownership of TV-radio-CATV "is clearly beyond the authority of the FCC," ANPA said last week in opposing Commission proposal to prohibit newspaper ownership in same market. "Even if FCC had the authority...it would be contrary to the public interest," ANPA said. Newspapers seek only equal consideration, added ANPA Gen. Mgr. Stanford Smith. "Diversity can best be promoted by not ruling out any class of potential owners and by letting those who best serve the public hold the electronic licenses for radio, TV or cable systems. The record of public service of radio & TV stations owned by newspapers supports our position." ANPA submitted 3 volumes of studies to back its arguments. It said that forced divestiture would affect 96 TV stations valued at \$1.6 billion, 229 AMs & 151 FMs at \$313 million. Such divestiture would depress market value of these stations by 20-40%, and would also lower value of all stations. ANPA said it's very unlikely there would be any swapping of facilities with newspapers in other markets. Also, ANPA said, "it has not and cannot be shown that new ownership of these stations would significantly reduce the so-called concentration of control of mass media. In fact, there is reason to believe that the proposal...would actually increase multiple station ownership and it would surely increase absentee ownership...It has not and cannot be shown that services to the public would in any way be improved by displacing newspaper ownership. In fact, the contrary is a more likely probability." Opposing study was submitted by Center for Policy Research, which examined programming of 279 TV stations in 145 markets, concluded: "There is not one shred of evidence that newspaper ownership has [created diversity]. Hence, the Commission can hold to its longstanding commitment to decentralize media control without risking any serious reduction in the level of diversity." Non-newspaper stations normally "outclassed the newspaper owner" in news, local & public affairs programming. "Divestiture should start at once in situations of greatest potential danger—the 9 markets where the only daily newspaper holds majority ownership in the sole TV station," Center concluded.

Comr. Bartley's crusade to stop multiple owners from obtaining more stations will get private airing before FCC April 6. He wants Commission to seek legislation permitting it to weigh public interest questions of sales by allowing it to consider potential buyers other than applicant. Burden for proving transfer would better "over-all structure of broadcasting would fall on buyer. Almost sure to go to hearing under proposal would be any group owner acquiring another station, out-consider buying out local group, newspaper owner, etc. Proposal is similar to bill introduced in 1963 by Rep. Harris (D-Ark.) (Vol. 3:28 p5).

Hard-liquor spots were favored by more than half of TV-radio stations who responded to survey by rep Savalli/Gates. Firm said 646 stations answered, 359 favored liquor spots, 246 stations opposed, 41 undecided. Of 344 TV stations, less than half (151) were affirmative, 161 opposed, 25 undecided. Radio stations were heavily in favor—208 yes, 78 no, 16 undecided.

CPB has awarded \$150,000 to National Center for Experiments in TV, San Francisco, for research & training project started in 1967 by KQED.

Fate of all-channel radio bill doesn't look promising, Sen. Moss (D-Utah) told NAFMB Convention in Chicago last week, but he urged association to assert more pressure on Congress & auto industry. "The American public is getting short changed in its broadcast bill of fare," Moss said. "As there are too few FMs in the broadcast picture, too many of the AMs are of the peanut variety." NAFMB had target of raising \$250,000 to push FM requirement through Congress, but received only \$30,000, and that was eaten up in administrative cost. "No one wanted to put his money where his mouth is," said NAFMB Pres. John Richer. New drive is now underway to swap time with barter houses for campaign telling public AM is "only half a radio." Richer also said that NAFMB membership of 300 out of 2,200 FM stations is "an atrocious fact." He aims to increase membership 100 next year. Auto industry was invited to send representatives to convention, but only 2 from Delco Electronics showed up. Broadcasters were particularly peeved over windshield antenna, saying it produces "swishing" effect on FM reception when wipers are used.

Truth in News Broadcasting bill has been introduced by Rep. Minshall (R-O.) to prohibit broadcasters from editing, altering or staging news events unless they're so labeled. "Many of us have personally witnessed TV & radio crews actually encourage and even rehearse 'demonstrations'...or record only one point at congressional hearings," he said. Another bill, by Rep. Schmitz (R-Cal.), forbids FCC from considering "political or ideological content" of station's programming as grounds for revocation, unless court finds program defamatory or advocating violation of law. NBC has rejected Democratic National Chmn. O'Brien's request for time to respond to President Nixon's remarks on Today Show. Network said interview was more philosophical than political, but O'Brien indicated Democrats may go to court. He made same demand on ABC, which aired Presidential interview with Howard K. Smith.

FTC Chmn. Kirkpatrick strongly disagrees with President Nixon's Ash Council recommendation that Commission be abolished in favor of a federal antitrust board and a trade practices agency. "There is an intricate interrelationship between consumer protection and antitrust enforcement," Kirkpatrick said. "Only an agency such as the present Commission, with responsibilities over both consumer protection & antitrust enforcement, is capable of creatively developing the law in both fields." Ironically, it was Kirkpatrick, who in 1969 was chmn. of ABA committee to study Commission's shortcomings, recommended either drastic reform or abolition.

Agreement has been reached between BMI and TV Music Licensing Committee whereby stations will pay BMI 58% of ASCAP rate. Committee Chmn. Robert Smith, WCYB-TV Bristol, Tenn.—who was replaced by Leslie Arries, WBEN-TV Buffalo, at NAB convention—said ASCAP & BMI contracts continue through 1977, with either party having right to terminate in 1973. He said industry savings under both contracts will exceed \$60 million.

America is short-changing itself by not using technology, CBS Labs Pres. Dr. Goldmark told NAB. He reiterated his plan for "the new rural society" (Vol. 10:51 p5) using broadband communications to reduce pollution, crime & traffic of big cities.

Personals

Richard Chapin, pres. of Stuart Enterprises and chmn. of NAB Radio Board, unanimously nominated chmn., NAB Joint Board; he's unopposed, and election is in June... Elected to NAB TV Board: **William Grant**, KOAA-TV Pueblo, Colo.; **Earl Hickerson**, WCEE-TV Rockford, Ill.; **Leonard Patricelli**, WTIC-TV Hartford; **Peter Storer**, Storer Bcstg.; **Wilson Wearn**, WFBC-TV Greenville, S.C.; **Robert Wright**, WTOK-TV Meridian, Miss.; Storer & Grant were reelected, others are new.

William Warren, KOMO-TV Seattle, elected chmn. of ABC TV Network Affiliates' Assn., succeeding **George Koehler**, Triangle; elected to Affiliates' Board: **George Hagar**, WQXI-TV Atlanta; **Richard Stakes**, WMAL-TV Washington; **Samuel Johnston**, WKRC-TV Cincinnati; retiring from Board: **Koehler**, **Morton Cohn**, WLOS-TV Asheville; **Donald Perris**, WEWS-TV Cleveland.

Don Durgin, NBC-TV Network pres., named to 3-year term on Ad Council board as NAB representative... **Raymond Spence** designated FCC chief engineer, as expected; **Saul Myers** advances to deputy chief, succeeded as head of Frequency Allocation & Treaty Div. by **C. Phyll Horne**, ex-asst. to Chmn. Burch.

John Pennybacker, La. State U., elected APBE pres., succeeding **Thomas Bolger**, WMTV Madison, Wis.; other APBE officers: **Clark Pollock**, Nationwide Communications, vp; **Robert Snyder**, Wis. State U., secy.-treas.; **Harold Niven**, NAB, exec. secy. (re-elected).

Willard Walbridge, Capital Cities, elected to AMST board, succeeding **Harold Stuart**, ex-KVOO-TV Tulsa; **Harold Dorschug** appointed to Technical Committee... **Robert C. Ardrey**, gen. mgr., WWCO (FM) Waterbury, Conn., elected NAFMB chmn.; **John L. Richer**, WFIL-FM Philadelphia, re-elected pres.; atty. **Edward Kenehan**, re-elected secy.; **Don Le Brecht**, WBT-FM Charlotte, eastern vp; **John McGuinness**, KADX (FM) Denver, western vp.

FCC Comr. Wells addresses Southern CATV Assn. convention April 5, Memphis; **Comr. Houser** speaks May 4 to Pa. CATV Assn., Marriott Motor Hotel, Philadelphia.

William Lamb, ex-senior vp, N.Y.'s Educational Bcstg. Corp., elected pres., Sterling Manhattan CATV, succeeding **Charles Dolan**, who remains chmn. & pres.-chmn. of parent Sterling Communications... **G. Norman Penwell**, NCTA engineering dir., joins consultants Malarkey, Taylor & Assoc. as research vp in mid-April... **Frank Herman**, ex-CBS Enterprises, appointed western programming mgr., TelePrompTer.

Lawrence Klamon, gen. counsel, Fuqua Industries, elected senior vp; **Robert Hart** promoted to gen. sales mgr., KLZ-TV Denver... **Francis Byrne** elevated to local sales mgr., WKBF-TV Cleveland, succeeding **Thomas O'Connell**, now gen. sales mgr.

Richard Puttkamer promoted to program & production sales mgr., WTTG Washington; **Charles Morgan**, to account exec... **George Drase**, WBBM-TV Chicago, advanced to dir. of sales development & retail sales... **William Aldins**, ex-WKBF-TV Cleveland, named art dir., WKBD-TV Detroit... **Jack Rossin**, ex-WKBS-TV

WEEKLY Television Digest

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Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

Also publishers of annual Television Factbook and weekly TV, AM-FM & CATV Addenda, CATV Atlas and other special publications

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Philadelphia, joins WKBG-TV Boston as information services dir... **Virginia Griffin** promoted to public affairs dir., WSTV-TV Steubenville.

Henry Roder promoted to asst. to mgr., Washington TV Code Office; **Kevin Fielding**, ex-CBS-TV, who joined N.Y. Code Office in Nov. 1970, promoted to editor... **Howard Klippel** advanced to national sales mgr., Scientific-Atlanta... **James Barrett**, ex-WNET N.Y., named National Public Radio (NPR) public information dir.

"Serious potential" for news management by White House officials should be recognized by FCC in policy statement warning licensees not to censor or alter programming as result of govt. pressure, NCCB said last week. Asking Commission to issue statement, NCCB alleged several incidents of White House coercion, asked that stations be told that submission wouldn't be in public interest.

Truth in Advertising Act, requiring advertisers in all media to substantiate all claims and offer documentation to consumers upon request, has been introduced by Sens. McGovern (D-S.D.) & Moss (D-Utah). "It is clear that public disclosure and the scrutiny of a free press would provide the most powerful sanction" against false ads, McGovern said. Moss, who chairs Consumer Subcommittee, plans hearings soon.

House Communications Subcommittee has scheduled FCC oversight hearing April 29, all 7 commissioners expected. Other hearings: April 21-22—resolution by Rep. Van Deerlin (D-Cal.) objecting to purchase of time by govt. agencies (particularly Defense Dept.) (Vol. 11: 11 p5). April 27-28—bills prohibiting programs defaming ethnic groups.

Latin American broadcasters have formed Ibero-american TV Organization (OTI) to exchange programs via satellites. Thirteen countries are members.

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label only), from EIA, for week ended March 19 (11th week of 1971):

	March 13-19	1970 week	% change	March 6-12	1971 to date	1970 to date	% change
Total TV	172,262	158,421	8.7	177,058	2,107,343	1,902,279	10.8
color	88,988	77,817	14.4	100,749	1,142,764	984,040	16.1
monochrome	83,274	80,604	3.3	76,309	964,579	918,239	5.0
Total radio	359,880	283,631	26.9	324,810	3,815,569	3,434,495	11.1
home, portable	139,290	106,120	31.3	139,087	1,449,049	1,492,973	- 2.9
AM-only	87,719	65,248	34.4	84,366	874,566	962,067	- 9.1
FM & FM-AM	51,571	40,872	26.2	54,721	574,483	530,906	8.2
auto	220,590	177,511	24.3	185,723	2,366,520	1,941,522	21.9
Total phono	62,066	62,127	- 0.1	58,844	818,233	677,960	20.7
portable-table	46,711	39,937	17.0	44,496	617,585	429,409	43.8
console	15,355	22,190	-30.8	14,348	200,648	248,551	-19.3

Color TV 5-week moving average: 1971—105,386; 1970—84,810 (up 24.3%)

VIDEOPLAYER RACE TEMPO QUICKENS: Major contestants in videoplayer race stepped up position jockeying last week with these developments: (1) Sony showed off duplication system, revealed marketing plans & named supporters in Japan. (2) Avco's Cartrivision gained tentative new adherent in Teledyne Packard Bell. (3) CBS readied announcement on U.S.-market EVR hardware licenses. (4) Another way to do it turned up at NAB in Chicago.

Amidst acrid smoke from nearby subway fire, which filled hall at Americana in N. Y., Sony Exec. Vp Akio Morita put firm's videocassette-duplication system through paces (Vol. 11:11 p13). New accessories are unpriced high-speed rewinder for duplication console, freeze-frame adaptor for player. Latter is instant-replay magnetic disc which continually records & erases frames fed from normally operating player. Push button stops player, feeds single frame from adaptor to monitor. Adaptor will sell for about \$400. Player recording attachment, Morita said, will run over \$200; price last year was \$100-\$150 (Vol. 10:38 p8).

First Sony players will be on market here as early as next Jan., Morita said, about 3 months after introduction in Japan. By then, Sony will have own custom duplication center in N. Y. (minimum order 50 copies); firm has no plans to enter software distribution, he said. Other Japanese firms may have Sony-type players on market by fall. Matsushita & Japan Victor Co. have "made firm agreement" to adopt Sony standard for any 3/4 in. tape videoplayers they market, and 5 other companies there are ready to go along, he said.

Agreement statement apparently signals end to confusion over details of Sony-Matsushita-JVC pact (Vol. 11:2 p7). Still up in air is Japan-wide agreement on 1/2-in. color VTR standard. Standard is now 3 months behind schedule, and, we understand, has run into trouble. Major source of conflict appears to be Sony which wants its open-reel system to be industry standard. Sony was forced to convert production from own to EIA-Japan Type I standard for 1/2-in. b&w VTR last year, doesn't want same problem in color.

Packard Bell will give dealers look at Cartrivision (CV) during May sales meeting in Hawaii. With Cartridge TV Inc., Avco subsidiary & developer of system, in registration with SEC (Vol.

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11:11 p13), all concerned declined to discuss showing. It appears, though, that PB has not become CV licensee and that main purpose of display is to get dealer reaction to home videoplayer concept. In more direct move, CBS plans to announce "new EVR licensees" April 7. It's believed announcement will be of U.S. marketing rights given foreign firms which already hold hardware licenses from EVR Partnership of London, including Hitachi, Matsushita, Mitsubishi & Toshiba. Motorola's exclusive U.S. rights expire at year end.

Newest videoplayer concept was given feasibility demonstration last week in Chicago at NAB convention exhibit of ABTO Inc., developer of broadcast system which produces color images from b&w film (Vol. 10:15 p6). For low-cost consumer system, ABTO doesn't even propose film, but simple clear uncoated vinyl tape reproduced by pressure-printing process similar to that used to make phono discs. In demonstration, vinyl slides were played through version of Sylvania Color Slide Theater. Pres. Frank Marx told us playback equipment could be made from off-the-shelf hardware, including flying-spot scanner. He said ABTO had no plans to develop system itself but might cooperate with others.

Ampex demonstrated high-speed video tape contact duplication system at NAB (see p.6), estimated world-wide video equipment sales this year at \$128 million, with broadcast-CATV gear at \$72 million, institutional sales of \$49 million, information systems at \$7 million. By 1976, annual market of \$640-\$850 million is predicted, with sales to homes, in \$200-\$300 million range, accounting for largest share. Broadcast-CATV is put at \$90-\$100 million, institutional \$150-\$200, information \$200-\$250.

Meanwhile, in Holland, Philips said color videocassette recorder production will start in Aug., with first deliveries late this year, full-scale shipments in 1972. First model will be for PAL system, include tuner & timer, list at about \$600. One hour blank cassette is \$30.

PANASONIC COMMITS TO P.R. COLOR PLANT: Even as Tariff Commission prepared to open 3 new import adjustment cases and issued indecisive verdict on 4th, Japan's Matsushita (Panasonic) announced go-ahead for Puerto Rican color program, and importer Milovac International—formerly Selectron—confirmed it would have b&w portables made in Yugoslavia.

Latest in long string of import adjustment eligibility probes involve Sprague & RCA. Sprague has asked for corporate aid, while IUE made 2 filings, seeking help for employees at 8 Sprague plants and for workers displaced by phase-out of RCA solid state & tube facility in Cincinnati (Vol. 10:49 p9). Following pattern set in case involving RCA Memphis TV plant workers (Vol. 11:13 p10), Commission issued "no findings" report on aid eligibility of former workers at Emerson's Jersey City plant. Vote was 2-2, as members were believed split on whether to blame tariff concessions for increase in imports—a necessary finding for assistance grant. Emerson case now joins RCA's in President Nixon's office, where deciding vote will be cast.

Expansion into big-screen color is behind Panasonic's P.R. push. Company, which had announced tentative decision to enlarge assembly facilities there last year (Vol. 10:50 p8), said capitalization of P.R. subsidiary would be boosted from \$100,000 to \$3.1 million and employment doubled, in stages, from present 250. Current operations include assembly of hi-fi & clock radios. Production of 2,000 color sets monthly in over-21V" sizes was indicated. Initial output is expected to be 25V" solid-state consoles, containing Japanese & U.S.-made parts. Front runner for picture tube contract is RCA, which said Panasonic had samples, but hadn't placed order.

Though it's first such venture on U.S. territory by Japanese company, operation isn't precedent. Delmonico International was first importer to assemble big-screen TVs here using Japanese chassis plus U.S. picture tubes & other parts; Matsushita & Sanyo have North American TV assembly operations—in Canada; Curtis Mathes was first with P.R. color.

Hoping to be first successful marketer of Europe-made TV, Milovac has contracted for 12V" b&w portables, assembled from local, U.S. & Japanese parts by Yugoslavia's Iskra. While not recognized here for electronics ability, Yugoslavia has 4 TV producers, does healthy export business with West Germany & East Bloc countries, is getting ready for colorcasting & set production.

It's understood Milovac will supply Iskra with U.S.-made tuners, kits of Japanese parts—Toshiba is believed important supplier—and may support plant expansion. Milovac's decision was based, in part, on fact that Yugoslavian TVs will get duty-free treatment as import from less de-

veloped country (LDC), under preferential tariff agreement U.S. signed last year (Vol. 10:42 p9), while LDC status of Hong Kong, Taiwan & Mexico is uncertain. Japan & Common Market countries are set to put LDC plan in effect July 1; President Nixon is supposed to submit enabling legislation to Congress this session.

Foreign joint ventures are often more involved than they seem. RCA's surface partner in Taiwan b&w picture tube producing venture is Chunghwa (China) Electronics Development Corp. Owners of CED, we've learned, include: China Electronics (Admiral licensee), Tatung Engineering (Toshiba affiliate), Taiwan Kolin (affiliate of Nippon Columbia, which is in turn a Hitachi subsidiary). Corning Glass's partner in Taiwan picture tube glass venture is Japan's Asahi, a member of Mitsubishi group.

PARTS MAKERS' SLUMP DEEPENED IN 4TH QTR: Unlike consumer electronics manufacturers, whose financial results for 4th quarter were better than for year as whole, key component manufacturers showed poorer sales & profit situation in final quarter 1970.

Our tally of financial returns of 13 parts & semiconductor makers showed aggregate sales down only 5.4% from 1969 for full year 1970, but profit decline of 71.8% (after subtracting total losses from total net income). Only 3 in our compilation (Globe-Union, Griffiths Electronics & Sprague) reported sales increases for year, and 3 (Aerovox, Globe-Union, Griffiths) had rise in profits. In 1970, 4 firms reported net losses vs. only 2 in 1969.

Fourth-quarter compilation is based partly on "indicated" results, obtained by subtraction, since most parts firms didn't report final-period figures. The 12 companies included in tally aggregated total loss for period—that is, losses totaled more than profits. Steepness of decline is indicated by fact that aggregate loss for 1970 quarter was \$198,000 vs. \$12,845,000 net profit in 1969. Aggregate sales decline for 4th quarter was 12.3%.

In 4th quarter, 3 of 12 increased sales, while fully half of the companies had gains in profits, declines in losses or went from loss to profit column. In 1970's final quarter, it's indicated that 5 of the 12 operated at loss vs. 6 in 1969. Our arithmetic indicates that 9 of the 12 firms lost money either in 4th quarter 1969 or 4th quarter 1970, or both.

Included in our tabulation were Aerovox, Buckbee-Mears, Clarostat, CTS (full year only), Fairchild, Globe-Union, Griffiths (9 months & quarter to Jan. 31), International Rectifier (6 months & quarter), Mallory, Oak, Sprague, Standard Kollsman, Texas Instrument.

Tape cartridge confusions in audio field promises to get worse, rather than better. With 4-track & Play-Tape now off of scene, 4 new systems have popped up to fill void. (1) Faraday Inc., which acquired Orrtronics last year, said it would revive latter's "loopette," an endless loop cartridge containing same playing time as 45 rpm EP disc. System was first revealed here in 1969 (Vol. 9:48 p11). (2) Japanese group headed by Pioneer Electronics has smaller 8-track system, dubbed Hipac, as challenge to Lear Jet system, for marketing in Japan later this year. Cartridges will carry 4 tunes, be adaptable for use on Lear-type machine as well as those designed for Hipac. (3) Unidentified English firm is showing reel-to-reel EP cartridge. (4) Castagna has received patent on 24-track system using one-in. tape contained in 1 1/2" cube. Aimed first at commercial market, systems give 4-min. playing time per track, has 6-sec. rewind time. Several players are planned, including one permitting listener to start tape at any point on any track. Prototypes may be ready in time for CBS showing.

Multinational TV receiver, 12V" b&w portable, sold in Japan by NEC, has switch permitting reception of U.S.-Japan 525-line or European 625-line standard. Power sources accepted: 110, 120, 220 or 240V, 50- or 60-cycle AC, & 12V DC.

Videoplayer systems "can become more important to education & to communication technology than even their corporate press releases have intimated," and system promoters' confidence in educational market sales "will be well rewarded, especially if federal funds can be used," National Assn. of Educational Bcstrs. says in 60-page "memorandum to educators." Booklet details system features, discusses application to education. Copies: NAEB, 1346 Connecticut Ave., NW, Washington. Also out is "Audio Video Software," bulletin on "facts, opinions & literature" in field, published quarterly by Dutch Philips subsidiary Centrex Publishing, Box 76, Eindhoven, Netherlands. Yearly cost: \$2.50.

"Optical Image Deblurring Methods" titles article in Feb. Naval Research Review (Office of Naval Research, Arlington, Va. 22217), by State U. of N. Y. Prof. George W. Stroke, states: "Greatly sharpened images may be extracted from photographs which have been blurred either by accident or deliberately (for instance when coded in view of special image processing applications). In simple words, it has recently become truly possible to turn a bad photograph into a good image in a great number of situations, including cases when the photographs were blurred by motion, imperfect focus & by atmospheric turbulence." System uses holography.

CANADA'S YEAR: Canada's total TV market last year fell slightly behind 1969, as increase in color TV sales all but offset b&w decline. Sold last year were 888,377 receivers, off 1.9%, with color up 6.9% to 340,082, monochrome off 6.6% to 548,295.

Sales of Canadian-made TVs were off 11.8%, as 14.6% gain in color volume was eroded by 24.9% b&w drop. TV imports gained 19.2%—color falling 6.9% and b&w jumping 36.2%. With own-brand imports included, Canadian firms sold 623,090 TVs last year, down 9.9%, holding 70.1% market share, compared with 76.4% in 1969. Domestic-brand share of color was 73.8%, b&w 67.9%. Breakdown for 1969 isn't available. Domestic-brand totals include operations of Matsushita's Canadian manufacturing subsidiary.

Consoles accounted for 46.6% of domestic-made factory TV sales, portables 42.5%, table models 9.6%, combinations 1.3%. Screen-size breakdown shows 23V"-&-larger accounting for 46.5%, 19V" at 36.1%, 17V"-&-under 10.1%, 21V" at 7.3%.

Imports increased in quantity & market share in all areas except color & phono. Radio-phonos, up 37.2%, provided largest percentage increase for importers, while tape recorders & players logged highest unit gains. Following are statistics from Dominion Bureau of Statistics:

CANADIAN FACTORY SALES (Made-in-Canada only)

	1970	1969
Total TV	543,022	615,564
color	233,965	204,238
b&w	309,057	411,326
Home radio	50,909	62,956
Auto radio	599,059	1,030,101
Radio-phono	130,757	158,907
Phono, stereo*	100,870	114,541
Phono, mono*	95,307	132,630

CANADIAN IMPORTS

Total TV	345,355	289,673
color	106,117	113,986
b&w	239,238	175,687
Transistor radio	1,698,991	1,519,293
Auto radio	476,715	400,956
Radio-phono	231,377	168,697
Phono	39,459	57,064
Tp. recorder & player	1,048,263	871,479

*Indicates production totals.

GE 18V" COLOR \$298: "GE National Sale Days" April promotion will feature special nationally advertised suggested pricing on sets from regular line, including 18V" portable color at low \$298. Other specials include 25V" color console at \$569, two 10V" Porta Color sets at \$209 & up, 9V" AC-battery b&w set at \$134 including battery pack, 12V" b&w at \$88 and 15V" b&w.

New Heathkit catalog highlights deluxe 25V" solid-state color set with 10 plug-in circuit modules & black-matrix tube, in kit form, at \$579.95 less cabinet, including built-in dot generator. Also using solid-state modular chassis are 23V" kit at \$539.95, 20V" at \$489.95, 18V" at \$399.95 and "the only American-made 14-in. solid-state color set" at \$349.95. Tube-type color sets are reduced to \$449.95 (23V"), \$379.95 (20V") & \$329.95 (18V"). Solid-state monochrome 12V" portable kit is \$124.95.

JAPAN'S FEB. EXPORTS: B&w continued as growing export-to-U.S. item for Japanese producers in Feb., according to Finance Ministry, which shows shipments up 55.4% from 1970, while color held about even. Exports of complete TVs, color & mono, were up 39% in month to 265,000.

Largest increase was in clock radios, up 10-fold; auto radios were 85%, radio-phonos rose 75.8% to 127,000 units, radio-recorders had 60.4% gain, while unit exports of tape recorders & players jumped 26.4%. On down side were transistor radios (off 32.2% to 523,000), transceivers & phonos. Following is tabulation:

JAPANESE EXPORTS TO U.S.

	Feb. 1971		Feb. 1970	
	Units	Value (\$)	Units	Value (\$)
Total TV	270,895	19,786,944	191,879	16,100,678
color	56,807	9,398,800	56,869	9,367,103
b&w	208,224	10,183,386	133,990	6,698,367
b&w chassis & kits	5,864	204,758	1,020	35,208
Rad.-phono, stereo	48,068	2,641,839	72,255	1,766,969
Rad.-phono, mono*	78,941	915,711	—	—
Rad.-recrds. & other comb.	282,315	11,362,722	175,994	7,622,864
Clock radios	184,019	2,817,414	16,028	403,106
Tr. rads. w/FM	311,335	7,894,933	499,931	11,022,078
Tr. rads., other	211,583	1,134,786	271,844	2,345,778
Auto radios	135,409	1,995,292	73,120	1,142,556
Trcvrs., under 100 mw.	95,117	352,028	100,971	336,806
Trcvrs., other	24,841	931,106	40,047	808,958
Phonos	10,644	181,908	48,958	698,419
Recrds. & players	735,785	15,588,453	582,144	12,486,156

*Not reported separately in 1970.

SONY SEES PROFITS UP: Sony reported consolidated first quarter profit gain of 9.5% on 34.7% sales increase (see financial table). Spokesman predicted that operations of parent firm only would show profit & sales gains of nearly 7% for 6 months ending April 30. Sales are seen approaching \$203 million, with pre-tax profit over \$25 million, after-tax net about \$8.3 million. In "conservative" estimate made last Dec., Sony predicted sales of \$194-200 million (Vol. 10:50 p12). Sony said color TV export sales are enjoying unexpected steady increase, and shipments to U.S. haven't been hampered by dumping finding.

Mitsumi Electric, one of Japan's largest TV-radio tuner producers, said it would start asset sell-off in reorganization program. Firm reported loss of \$1.93 million in 1970, compared with year-earlier \$3.24 million profit, with sales off 11%. Loss included \$220 million inventory devaluation, \$792,000 in bad debts. . . **GRT**, which had been in default on loan & music license contract agreements, said it had obtained up to \$2 million in new working capital through combined interest credit line & placement of subordinated debt. GRT had reported \$3.9 million loss in fiscal 1971 first half, instituted major cost cutting program. . . **Dutch Philips** reported 6% drop in 1970 earnings, recommended reduced dividends. . . **Andrea** omitted dividend. . . **Schlumberger Ltd.** said its Heath Co. has experienced sales pickup since Jan. following sharp decline in 1970. . . **Muter Corp.** reported \$1.7 million loss last year, including \$510,000 inventory mark-down. . . **DeSoto Inc.** said TV & stereo cabinet-making subsidiary MPI was hard hit by sharply reduced demand last year.

Trade Personals

C. Gus Grant, group exec. for Teledyne Consumer Products, adds duties as Packard Bell pres., succeeding **Robert Godell**, advanced to asst. group exec., Teledyne Semiconductor Group... **Anthony Cangemi**, ex-Dodge & Delano ad agency, named Bell & Howell Consumer Products Group mktg. service vp, new post.

Jim Horstman joins Panasonic as PR mgr., replacing **Larry Yates**, resigned to teach.

John Fennessey, ex-Bankers Trust, appointed North American Philips asst. treas... **David Jones**, former RCA Brazil Record Div. mgr., advanced to managing dir. & chmn. of RCA Ltd. (Australia), succeeding **William Walsh**, now mktg. vp for RCA Records in U.S.

Jerry Waugh, ex-BASF & RCA, appointed Audio Magnetics video products project engineer & chemical development mgr... **Avak Avakian**, former IC mfg. mgr. in discontinued semiconductor operation, named Sylvania Electronic Systems Eastern Div. mfg. mgr.

Jack McCarthy, RCA Solid State Div., named solid state mktg. mgr., Europe, new post; **Kenneth Ketchner** appointed Europe sales mgr.; **Dale Ludlum** now European mktg. services mgr.

ANNUAL REPORTS: Admiral detailed financial woes in annual report, said it had renegotiated payment terms of \$31.9 million in long-term debt at higher interest rates and obtained waiver of working capital maintenance requirements. Shutdown of small color TV picture tube production resulted in \$809,889 loss, and additional \$972,145 charge reflects anticipated loss from planned sale of plant & equipment. Somewhat brighter picture was painted by subsidiary Admiral International which reported sales of foreign manufacturing operations: Canada \$58 million, Taiwan \$23.2 million, Mexico \$12.2 million, all up from 1969, though only Mexico had profit improvement. Admiral Taiwan made first TV exports to countries other than U.S. last year.

Magnavox had largest sales-billed month in history in Dec., President Robert Platt said in report. Calling imposition of extra dumping duties on Japanese TVs a "favorable development" which will "help restore some degree of fair competitive conditions," Platt said "other restraints" are needed, and company is "vigorously participating in efforts to achieve a more equitable environment against foreign competition." Magnavox, report says, has "reorganized personnel & practices" in effort to resolve dispute with FTC over franchising & pricing policies (Vol. 10:8 p8), adds "issue may not be settled for many years," and outcome is uncertain.

Philco-Ford's institutional sales & leases to hotels & motels doubled in volume last year, while consumer product sales overseas increased 8%, according to Ford's annual report, which also notes already reported increases in domestic color, b&w & stereo sales.

TV X-ray standards meeting was called for April 5 by Robert Elder, head of HEW Radiological Health Bureau Electronic Product Div., at request of EIA. Attending, to discuss measurement procedures under 3rd & final phase of progressively tightening radiation standards, will be representatives from U.S. & Japanese industries and HEW officials.

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
AEL			
1971-qtr. to Feb. 28	7,586,993	131,431	.08
1970-qtr. to Feb. 28	6,950,453	(220,108)	--
Avco			
1971-qtr. to Feb. 28	187,010,000 ^a	4,932,000	.07
1970-qtr. to Feb. 28	193,472,000 ^a	6,513,000	.20
Cablecom-General			
1971-qtr. to Feb. 28	3,642,130	72,389	.03
1970-qtr. to Feb. 28	3,086,900	57,738	.02
Chris-Craft Industries			
1971-6 mo. to Feb. 28	26,889,000	(1,917,000)	--
1970-6 mo. to Feb. 28	39,622,000	175,000	--
Grey Advertising			
1970-year to Dec. 31	197,199,000 ^b	1,394,000	1.15
1969-year to Dec. 31 ^c	203,642,000 ^b	1,647,000	1.42
Muter			
1970-year to Dec. 31 ^d	13,830,719	(1,708,250) ^e	--
1969-year to Dec. 31	15,666,553	(267,909)	--
A.C. Nielsen			
1971-6 mo. to Feb. 28	55,197,714	4,114,314	.78
1970-6 mo. to Feb. 28	51,940,397	3,530,407	.67
Silicon Transistor			
1970-year to Dec. 31	2,325,000	(2,155,000)	--
1969-year to Dec. 31	4,219,000	(783,000)	--
Sony			
1971-qtr. to Jan. 31	128,465,000	8,739,000	.22 ^f
1970-qtr. to Jan. 31	95,354,000	7,980,000	.21 ^f

Notes: ^aSales. ^bBillings. ^cRestated. ^dPreliminary. ^eAfter special charge. ^fPer ADR.

Marriage of 4-channel matrix systems occurred last week when Electro-Voice agreed to "assume responsibility" for patents & further development of Scheiber system. E-V Pres. Lawrence LeKashman said move will establish industry-wide standard for matrix quadrasonics, clear way for growth. Scheiber is known to have decoder which can handle his as well as E-V system, and, along with E-V, is reputed to hold basic patents in field. LeKashman told us "substantial number" of manufacturers have placed orders for IC decoders for 1972 lines, said Radio Shack has made commitment to introduce E-V type 4-channel hi-fi gear in store chain this summer.

Consumer electronics shipments should grow about 6% annually in next decade, rising from \$3.3 billion in 1970 to \$3.5 billion this year and \$6 billion by 1980, according to Commerce Dept.'s U.S. Industrial Outlook report. Forecast said unit color TV shipments probably will reach 5.2 million domestic-label sets this year, up from 4.8 million in 1970. Commerce Dept. predicted that major new home communication products—such as videophone, fax, videocassette systems and color cameras—could expand consumer electronics market by 1980.

WEEKLY

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APRIL 12, 1971

VOL. 11, NO. 15

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

STAGGERS-CBS CONFRONTATION ON NEWS: Network won't give Subcommittee material not broadcast on 'Pentagon,' risking contempt, ready to go full court route on First Amendment. FCC shying from interference in news-handling. (P. 1)

FCC SEEKS MANAGEMENT STUDY: Burch says outside evaluation is 'essential' in House testimony seeking \$29.99 million for fiscal 1972. Bcst. Bureau seeks 26 new people, 10 for Complaints & Compliance. Nine ticketed for CATV Bureau. Congressmen hit FCC on land mobile, TV violence. (P. 3)

'RECKLESS GAMBLE,' NAB says of one-to-a-market proposal, asking FCC to end rulemaking. Plan is 'drastic...radical...could impair or destroy' broadcasting effectiveness. (P. 4)

WHITE HOUSE BACKS SCOTT & JD in campaign spending reform. Kleindienst calls Scott's election commission most effective. Pastore objects. (P. 4)

FCC 'UNDER MY SKIN': Record industry & broadcasters clamor for drug notice reversal, accuse FCC of setting 'vague standards.' RIAA calls it 'rallying cry for vigilantes.' Pacifica claims First Amendment protection. (P. 5)

WVNY-TV BURLINGTON, VT. leaves air, sues GE for 'faulty' antenna. New stations: WCJB Gainesville, Fla.; WNJT Trenton, N.J.; WSVN-TV Norcross, Va. (P. 6)

STAGGERS-CBS CONFRONTATION ON NEWS: Potentially critical conflict on fundamental Constitutional freedom-of-press issue escalated suddenly last week over CBS's "Selling of the Pentagon" case—when network declined to give Rep. Staggers (D-W. Va.) mass of background non-broadcast material sought in subpoena from his Investigations Subcommittee. And it looks as if FCC will decline to serve as tool of Subcommittee, White House or others eager to muzzle network news critical of Administration, congressmen or govt. generally.

CBS stands ready to risk contempt citation, go full route to U.S. Supreme Court, if necessary. Pres. Frank Stanton said CBS is ready to give Subcommittee film & tape of material actually telecast, but: "The subpoena also demands all outtakes & other materials used in connection with preparing the broadcasts, but not actually broadcast. It therefore raises an unprecedented issue in the history of the relationship between the federal government & the press in this nation. No newspaper, magazine or other part of the press could be required constitutionally to comply with such a subpoena with respect to material gathered by reporters in the course of a journalistic investigation but not published.

Consumer Electronics

BACK TO DRAWINGBOARD for home VTR? New tape formulation of Graham Magnetics claimed to make possible videotapes 4-5 times slower. Four major Japanese firms get U.S. EVR licenses, promise early 1972 export. (P. 7)

PORTABLES & TABLE MODELS had 57% share of 1970 color market, 50.2% of domestic-label. Breakdown of 1970 TV sales by type & size. (P. 8)

1972 NEW-LINE CALENDAR indicates many manufacturers will unveil early this year. Chicago displaces Las Vegas as top show site. (P. 9)

COUNTRY OF ORIGIN must be shown in mail-order catalogs, FTC says. Agency also moves to outlaw spiffs. (P. 9)

CONSUMER ELECTRONICS SALES in 1970 lowest since 1967, Commerce Dept. says, putting factory-plus-import volume at \$4.57 billion, off 15% from 1969. (P. 10)

RCA-ADMIRAL TUBE DEAL, approved by Justice Dept., gives RCA Admiral's equipment for overseas production, makes Admiral major RCA color tube customer. (P. 10)

MEXICO EXPANDS FREE ZONE rules to permit export-assembly outside border, give new tax break to domestic exporters. Zenith in Mexico, Westinghouse in P.R. (P. 11)

"Unlike other instances in which a committee of the Congress has subpoenaed broadcast materials, this subpoena appears to involve no question of alleged violation of criminal law on the part of the broadcaster and no question of any governmental interest in whether the broadcaster has evidence pertinent to the criminal prosecution of third persons. Rather, the sole purpose of this subpoena, so far as we can ascertain it, is to obtain materials which will aid the committee in subjecting to legislative surveillance the news judgments of CBS in preparing 'The Selling of the Pentagon'."

It was difficult to determine just where Staggers stood. UPI reported that Staggers spoke with Stanton after subpoena was issued then said: "I think we'll work this thing out all right," adding that Subcommittee was just trying to get to the truth and "we're not out to prosecute anybody." However, here's Television Digests' interview with Staggers:

"Q—What will you do about CBS's refusal? A—I imagine the Committee will force the issue [on outtakes & other non-broadcast material]. The Committee has the right to know. Q—Are a print reporter's notes different from TV's outtakes? A—I've always believed they were different. You know that. Q—Do you have power to subpoena my notes from this interview? A—No. Q—What if I were a reporter for TV talking to you on the phone? A—Well, then, that would be different. The Committee could subpoena your notes. Q—Why? A—TV is different. It's very important that the networks be accurate. Q—Is a congressional committee qualified to determine what's accurate? A—Yes. By using the outtakes, then we can determine if what was aired was fair & accurate... There's such a furor in the country that the Committee thinks it ought to be settled... Of course, there will be public hearings."

Other members of Staggers' Subcommittee are: Democrats Blanton (Tenn.) & Helstoski (N.J.), Republicans Springer (Ill.) & Shoup (Mont.). Vote was unanimous. Shoup told us: "We're not on a witch hunt. Do the people have the right to expect the truth in news? We owe it to the people to find out." Asked if Subcommittee has right to subpoena print reporters' notes, he said: "I don't know... The basic question is how much are you regulated. We might find out that broadcast newsmen don't have to [surrender outtakes]." Other members of Subcommittee had no comment or couldn't be reached.

Stanton told us he hadn't yet heard from journalism groups which traditionally resist govt intervention in news-gathering—ANPA, ASNE, RTNDA, Sigma Delta Chi, etc. However, RTNDA spokesman said group "deplores this action," is preparing formal protest to Staggers. ANPA Gen. Mgr. Stanford Smith told us (through his secretary): "We have no comment." Newbold Noyes, pres. of ASNE, editor of Washington Star, hadn't full details of subpoena yet, said issue would come up at ASNE meeting this week, and: "This whole thing is one hell of a problem... We're all in the same boat."

NAB Pres. Wasilewski was first major spokesman to back CBS to hilt, stating: "Under constitutional guarantees of free speech & free press, we believe the notes & background material used by a reporter regardless of the media—print, broadcast or other—are not subject to subpoena. If our freedom as a nation is to continue, then the guarantees of journalistic freedom must be maintained."

Stanton told us some broadcast executives have always had problems with news: "Many of them come up from the business or entertainment side. The businessman wants to keep the client happy. The entertainer wants to be loved by the audience. When they broadcast news that makes people unhappy, there's a wrench." He noted that owners of affiliates with newspapers "have no problems broadcasting news... They have a tradition. Their business is news." He said CBS rejected subpoena immediately in order to support its news operation, praised News Pres. Richard Salant: "He's doing a hell of a job. There's no question about his leadership of the news division." CBS, incidentally, is expected to get Peabody award for "Pentagon," and on April 18 it will air documentary dealing with issues raised by "Pentagon."

Staggers also issued subpoena to NBC, asking for outtakes, etc. of Jan. 8 "Say Goodbye" documentary on wildlife. This was widely regarded as Subcommittee afterthought to show it isn't singling out CBS. Charges have been made that scene allegedly showing shooting of mother polar bear actually was a take of bear shot with tranquilizer before tagging. Program was bought from Wolper Productions, which also is expected to get subpoena.

Some members of Subcommittee—particularly Springer, longtime bitter critic of networks—are pressing for hearings into whole range of network news practices.

* * * *

FCC discussed complaints about "Pentagon" April 8, came to no vote, is understood planning to resume April 14. Though some members believe program included some distortion, majority currently has absolutely no intention of telling CBS how to report news. They may find some infraction of fairness doctrine—but this is unlikely, too. One commissioner probably represents majority with this comment to us: "I think government intervention would be worse than what CBS is doing."

FCC Broadcast Bureau & Gen. Counsel urged Commission to find that CBS engaged in deliberate distortion and fairness-doctrine violation. It's understood that Bureau & GC pressed commissioners to tell CBS it reached such conclusions and to order network: (1) To comment on charges that documentary deliberately distorted answers by Asst. Defense Secy. Henkin to several questions by CBS newsman Mudd. (2) Furnish Commission with statement of policies on editing news sources' statements. (3) Tell FCC whether issues covered in "Pentagon" are controversial and whether network will give opposing views similar exposure.

Staff is said to have urged Commission that there's enough extrinsic evidence that deliberate distortion was introduced and that there's no need to determine whether someone at CBS ordered slanting.

FCC SEEKS MANAGEMENT STUDY: Handling himself well before House Appropriations Subcommittee last week, Chmn. Dean Burch asked for authorization to hire outside consultants to make management study of FCC. He noted last such study was made in 1962 (by Booz, Allen & Hamilton when Newton Minow was chmn.), said "the many developments in communications since then... make a comprehensive look at the Commission's organization all the more essential... The present bureau & division breakdown within the Commission, its traditional compartmentalization, is simply not good enough to cope with the responsibilities we have today and those we will acquire during the 1970's & 1980's."

Session was first in many years that public & newsmen have been admitted to FCC appropriations hearing before House. Those allowed in for first time heard congressmen raise same issues of past—land mobile, violence & children's programs, obscenity, fees, backlogs, to name a few. Commission is seeking \$29.99 million (up from \$26.2 million) for year beginning July 1. Additional money would provide for 104 new jobs.

Burch said FCC had collected \$7.1 million in fees for current fiscal year—through March 1—and that agency would recoup 100% of its appropriation during next fiscal year. In new budget, Commission seeks additional \$671,752 and 26 people for Broadcast Bureau; 10 would go to Complaints & Compliance Div. where they're "needed most urgently," Burch said. "Present staff levels are utterly inadequate in relation to workload... It means that complaints in a number of critical areas such as fairness doctrine and alleged discrimination in employment practices by licensees are not disposed of in a timely fashion. The Commission is even losing monetary forfeitures because of lack of staff..." Other new Broadcast Bureau staffers would go to applications processing (7), hearing div. (6), rulemaking (2), research (1). CATV Bureau would get additional \$93,228 and 9 new people, 4 of whom would devote full time to records & statistics. In addition, Field Bureau would get 2 new men for system inspection.

Subcommittee Chmn. Boland (D-Mass.) cited CBS's "Selling of the Pentagon" in asking Burch if FCC has authority to determine "accuracy" of news documentaries. Burch replied Commission does have authority under fairness doctrine and "public interest" mandate to determine whether station facilities (spectrum) are being used to distort facts (see p. 1). FCC chmn. also told Boland (who cited Frazier-Ali) fight that he didn't think FCC should have authority to regulate closed-circuit TV.

Rep. McDade (R-Pa.) gave Burch hard time on children's TV, couldn't understand why FCC is awaiting report from Surgeon Gen. (due this fall) before moving against violence. McDade quoted several times from Burch's testimony year earlier and from Committee's report following those hearings, accused FCC of "just ignoring the language of this Committee." McDade was upset because Commission wasn't requesting money & men to fight TV violence.

In his prepared testimony, Burch said of children's TV: "Our interest is deep, and we will not settle for mere 'cosmetics' on the part of the industry." Fending off McDade, he struggled doggedly to position FCC didn't have expertise or personnel to move on its own and must await Surgeon Gen. conclusions. Asked if FCC is unanimous on that, Burch replied "if it is, it would be our first unanimous decision in a year."

It wasn't unanimous, of course. Comr. Johnson rose in dissent. He agreed with Burch that FCC had manpower problems, but said many good men at FCC weren't being used properly. He suggested they should be put to work to study impact of TV "on the physical well being of the nation."

Rep. Giaimo (D-Conn.) clobbered FCC on land-mobile issue, for allowing so many uhf assignments to remain unused. He brought out that FCC originally had sought \$33 million from OMB, which included money for contract to study uhf taboos. Study was dropped from budget when OMB cut FCC to \$29.99 million. Giaimo wanted to know if FCC has authority to require set manufacturers to build better tuning sensitivity into TV sets, thus reducing mileage separation requirements. "That's a difficult question," replied Burch.

✓ ONE-TO-MARKET 'RECKLESS GAMBLE': "There is simply no reason whatever for the proposed rule [limiting licensees to single TV, AM-FM or newspaper in same market], and these proceedings should be promptly terminated," NAB told FCC last week in strongly-worded, 125-page brief. Labeling one-to-a-market proposal "a reckless gamble," "drastic" & "radical," NAB said it "could impair or destroy broadcasting effectiveness."

NAB asked FCC to drop proposal "without further action" as soon as all comments (due May 15, replies June 17) have been filed. Filing is culmination of \$300,000 research project (though NAB said some of that amount still is to be raised) to show that multiple & newspaper ownership is in public interest. Association said it also endorsed comments of ANPA filed 10 days ago (Vol. 11:14 p10).

Clearly showing the touch of NAB special counsel Lee Loevinger, ex-FCC commissioner and one-time head of Justice Dept. Antitrust Div.—which now wants to get newspapers out of TV ownership in same market—filing had several scathing conclusions: "There is no precedent, and no example of, administrative action of comparable economic impact... This would result in a drastic, extensive & radical restructuring of the economy of the mass media... The proposed rule is literally unprecedented... The remarkable thing about the present proposed rulemaking is that it is not founded on any supposed evils or abuses whatever... The proposal has been made solely on the basis... of a striving for some undefined, vague, hypothetical ideal."

✓ NAB "terminated the services" of John Couric as PR vp April 9 as "part of reorganization plan," according to terse announcement. "John Couric's credentials & service to NAB are truly first rate," NAB Pres. Wasilewski said. "I'm sure he will have no difficulty relocating." Couric had been in NAB PR dept. 15 years, was named vp in 1964. At time Paul Haney came to NAB as exec. vp for PR, he announced that Couric would remain in his job as head of "day-to-day operations" (Vol. 11:9 p6). Haney said he changed his mind because "John's services just didn't fit into the over-all scheme." Couric's salary was \$26,000; he'll get 33 weeks' severance.

✓ WHITE HOUSE BACKS SCOTT & JD: Long silent spell from White House over which way it would jump on campaign spending legislation, debated on & off for a month by Senate Commerce Committee, has ended. Not surprisingly, Administration, Justice Dept. & Senate Minority Leader Scott (Pa.) are all on same side. According to April 8 letter to Committee from Deputy Atty. Gen. Richard Kleindienst, his prepared statement to 2nd Committee hearing March 31 (Vol. 11:14 p9) "does reflect the Administration's position."

In letter, Kleindienst also endorsed Scott's plan for federal Elections Commission as most effective way of administering law. Commission, he said, would be "insulated from outside pressures and would increase the likelihood of vigorous enforcement." As proposed, Commission would consist of 5 members nominated by President for 10-year staggered terms. While it's unclear how much support this has within Committee, Communications Subcommittee Chmn. Pastore (D-R.I.) strongly opposes it.

Senate Republicans first supported full disclosure as alternative to spending limits, but have now agreed with Democrats to incorporate both. When Kleindienst testified, he endorsed over-all spending limits, full disclosure, repeal of Sec. 315 for all federal candidates, lowest unit rates from all media and no limits on contributions.

✓ Corinthian-Dun & Bradstreet merger still pending at FCC, was on agenda for April 8 but consideration was postponed to April 14 at request of newest Comm. Houser who indicated he needs more time to study case. Guessing at Commission is that approval will come by 4-3 vote, maybe 5-2. At Corinthian, officials report that delay piles up problems ("If FCC only knew..."). It's last month of fiscal year, and N. Y. Exchange is demanding statement about dividend. Bank loans are expiring, should be renegotiated if merger is killed. Staff is getting upset, etc.

TelePrompTer claims 63 of its CATV systems began originations by FCC's April 1 deadline, none taking advantage of waiver. Company also says it's originating on 16 systems with under 3,500 subscribers each.

FCC 'UNDER MY SKIN': Complaining that such oldies-but-goodies as "I've Got You Under My Skin," "I Get a Kick Out of You," & "Tea For Two" would be taboo under FCC's recent Public Notice requiring that stations must know whether records contain drug-related lyrics (Vol. 11:10 p5), broadcasters & record industry last week asked Commission to reverse itself. Complaints accused Commission of imposing "self-censorship," "vague standards" and using implied threat of license revocation.

Recording Industry Assn. of America (RIAA) & Pacifica Foundation filed petitions for reconsideration. National Coordinating Council on Drug Abuse Education & Information (Washington) was joined by KUOP(FM) Stockton, Cal. (U. of Pacific) & WYBC (FM) New Haven (Yale) in filing suit in U.S. District Court in Washington challenging constitutionality. Scores of radio stations have also complained that notice prohibits them from playing most popular selections.

RIAA accused Commission of creating "a rallying cry for arbitrary action by censors & vigilantes... The Notice presumes that there is a cause-&-effect relationship of some kind between music & drug abuse. We know of no evidence that this is so, and the Commission cites none... Whatever the powers of the Commission, [it] cannot operate in so vague & imprecise a manner as to leave the licensee unable to discern clearly what, exactly, is prohibited." Industry suggested Commission consult experts on drug abuse then advise how stations can help.

Pacifica charged that: "Immediate & direct consequences of Commission's action is to compel licensees to become involuntary self-censors and to banish from their play lists a wide variety of recorded music. The Commission has no authority to compel such a result." Pacifica claimed Notice violates First Amendment, no-censorship provisions of Communications Act and amounts to rulemaking without compliance with Administrative Procedure Act.

Scrambler & decoder for cable systems has been announced by Athena Communications, Gulf & Western subsidiary, which said it will also offer unspecified package of programs. Athena owns 13 systems serving 30,000, said it will test decoder in fall in Cal., Tex. & Fla. It plans to offer 35 hours of programs weekly, including repeats, will charge subscribers \$2.75-\$5 extra monthly. Made by Oak Mfg., decoder will be offered to other system owners at about \$25 each.

Vigorous anti-CATV presentation was given OTP Dir. Clay Whitehead last week by delegation of dozen telecasters. Accompanied by former FCC Chmn. Rosel Hyde, group predicted death of many stations if restrictions on cable are eased. Reportedly, spokesman for group was Fred Paxton, vp of WPSD-TV Paducah, and one of strongest statements was given by August Meyer, head of WCIA Champaign, Ill., KFMB-TV San Diego & WMBD-TV Peoria.

Multiple-ownership proposal by Comr. Bartley (Vol. 11:14 p10) was put aside by Commission pending consideration of current rulemaking proceedings.

Rep. Macdonald (D-Mass.), chmn. of Communications Subcommittee, speaking at Southern CATV meeting in Memphis, strongly attacked NAB's assertion that Frazier-Ali fight "is shocking example of what cable-pay TV is all about" (Vol. 11:11 p2). Countered Macdonald: "Unfortunately, it is this type of statement that tends to obscure the real issues posed by 20th century communications technologies. [NAB] knows the difference between closed circuit, subscription and CATV. Surely the indiscriminate linking of CATV with closed-circuit TV does little to assist the Congress... I look upon the promoters of the Frazier-Ali fight as enterprising individuals who took a calculated risk in investing their money... I see no cause for panic... My colleagues in Congress and I will not sit idly by and allow such sports events to be siphoned off free over-the-air TV to be sold to the American public on a program-by-program basis."

Choice of Al Capp as speaker at NAB convention, where he attacked network newsmen (Vol. 11:14 p1), was originated by NAB, not by Al Snyder, asst. to Nixon's Communications Dir. Herb Klein. Some NAB officials had reported suggestion came from Snyder. However, Snyder and NAB Radio Vp Charles Stone last week confirmed that latter checked with Snyder to report that NAB was considering Capp as speaker, wanted to learn more about cartoonist's cooperation with Administration in campaign against drug abuse.

"We are looking into the possibility of repealing that act," Rep. Goldwater (R-Cal.) said of FCC's prime-time access rule which, he charged, will cost movie industry 80,000 man-hours of production. Meanwhile, NBC seeks waiver to permit affiliates to carry 1972 Rose & Orange Bowls, Bing Crosby Golf Tournament Jan. 16, and for its owned stations to carry news. CBS is seeking waiver for all its affiliates to air special news shows in prime time without counting against 3 hours of network programming per night.

Tie for 50th market ranking in FCC's new official list, between Little Rock & Wilkes-Barre-Scranton (first reported in March 29 TV Addenda 41-B, p17), may soon be broken by Commission. Solution under consideration: Subtract contribution of satellites to Wichita-Hutchinson audience, moving market well below present 48th ranking, raising Salt Lake City to 48th, putting Little Rock & Wilkes-Barre-Scranton in tie for 49th & 50th.

Cable Information Systems is buying CATVs in Alpena, Mich. (6,200 subscribers) and Logan, W. Va. (6,800) for cash & notes. Purchase would give Cable Information 13 systems with about 30,000 subscribers.

ABC will give Democrats half-hour prime time to answer President Nixon's April 7 address on Vietnam. National Democratic Chmn. O'Brien requested time from all networks; NBC & CBS haven't responded.

"A Guide to Radio & TV Broadcast Engineering Practice," by E. L. Safford Jr., (256 pp., \$12.95), available from TAB Books.

Personals

FCC Chmn. Burch leaves for international telecommunications conference in Geneva May 26, returns June 11, also stopping in U.K. & Netherlands ... FCC Comr. Houser appears on panel May 14 at Ohio Assn. of Bcstrs., Carrousel Inn, Cincinnati; moderator is TvB Pres. Pete Cash; other panelists are NAB Pres. Vincent Wasilewski & Blair TV Vp Jack W. Fritz.

Stanley Robertson, NBC-TV West Coast dir. of motion pictures for TV, named vp. ... Sidney Lyons promoted to business affairs dir., CBS-TV, Hollywood. ... Michael Goldsey promoted to general atty., CBS Law Dept.'s broadcast section. ... Jerry Regina, promoted to business mgr., ABC-TV Spot Sales.

NAB Exec. Vp for PR Paul Haney has lined up heavy speaking schedule, will stress threat of CATV: April 28, Evansville, Ind., civic dinner for Boy Scouts; May 15, U. of S. C. (Columbia) TV-radio awards dinner; May 19, Kent State (O.) TV-radio students; May 21, Ore. Bcstrs. Assn., Medford; June appearances are planned before Fla. & Mo. broadcasters.

Michael McCormick resigns as gen. mgr., WOR-TV N.Y., in dispute over news operations; Robert Glaser, gen. sales mgr., succeeds McCormick; Lem Tucker resigns as news & public affairs dir. ... James Warner, ex-TvAR, appointed gen. sales mgr., WKBS-TV Burlington, N.J., succeeding G. William Ryan, now gen. mgr. ... John Harrison advances to public affairs & editorial dir., KOCO-TV Oklahoma City. ... Don Wilburn, ex-promotion/publicity dir., WLWD Dayton, named to similar position, WKBW-TV Buffalo; Steven Fisher succeeds Wilburn at WLWD.

Edward Scala, WINR-TV Binghamton, promoted to vp under new owner Stainless Inc., which took over from Binghamton Press (Gannett) April 6.

Four major appearances before Congress are slated by OTP Dir. Clay Whitehead—House Appropriations Subcommittee; on budget, in early May; House Communications Subcommittee & Senate Appropriations Subcommittee late May; Senate Communications Subcommittee, probably late May or early June. The later appearances may be key sessions, for OTP is expected to have formed positions on such issues as CPB financing, CATV, domestic satellites.

WATR-TV-AM-FM Waterbury has been denied authority to increase power & height, change site, by FCC Review Board which concluded station is more interested in serving New Haven than Waterbury. Board also said station's financial failure was preferable to deviation from allocation plan of at least one station to each community.

TV networks prefer Western Union for domestic satellites, said so "off the record," according to WU Telegraph Pres. Earl Hilburn in testimony before FCC April 9. He said networks believe WU shows greatest knowledge of their needs. Satellite applicants briefed Commission on plans.

NEW STATIONS ON AIR: WCJB (Ch. 20) Gainesville, Fla., WNJT (Ch. 52 ETV) Trenton and WSVN-TV (Ch. 47 ETV) Norton, Va. began full programming last week, while WVNY-TV Burlington, Vt. stopped broadcasting after less than 3 years on air. There are now 884 stations operating (590 vhf, 294 uhf)—682 commercial, 202 non-commercial, 135 CPs.

ABC-TV affiliate WVNY-TV which began Aug. 1968, is owned by J. L. Siegal, who gave economic reasons for leaving air. Station's attorneys said they have filed \$4.5 million suit against GE for "faulty" antenna. Station continues FM.

WCJB is NBC-TV affiliate, uses 30-kw Ampex transmitter, 700-ft. tower with Ampex antenna. William Minshall is pres. & gen. mgr.; Bob Zemina, news dir.; Otto Goetz, chief engineer. Station hasn't announced rep or base rate.

WNJT is first of 4-station network planned by N.J. Public Bcstg. Authority. Others: Ch. 58 New Brunswick, Ch. 50 Montclair, Ch. 23 Hamonton. WNJT uses 60-kw RCA transmitter, 975-ft. tower, RCA antenna. Exec. dir. is Lawrence Frymire, ex-FCC ETV chief; Douglas Leonard, programming dir.; John Wilner, engineering dir.

WSVN-TV is satellite of WBRA-TV Roanoke, owned by Blue Ridge ETV Assn., uses 30-kw RCA transmitter, 250-ft. tower with RCA antenna.

"Hotline" is new publication of NAB, replacing weekly Highlights, monthly FMemphasis & quarter PR/Q. First issue was published April 9; normal publication date will be Tues. Hotline will get into more hard news coverage than Highlights; special editions are planned for hot news breaks. It will usually be one page, no more than 2, according to NAB Exec. Vp for PR Paul Haney, who reported a need for "a new line of communication with members." Hotline will save money, too—Highlights cost \$600 weekly, new publication half that.

Combined Communications is buying KBTV & KBTR(AM) Denver, KARK-TV-AM-FM Little Rock and Barbre (film) Productions, among other properties, from John Mullins estate, price undisclosed. CCC owns KTAR-TV-AM-FM Phoenix, KBLU-TV-AM Yuma, KOCO-TV Oklahoma City, KYUM(AM) Yuma & KYCA(AM) Prescott, Ariz. Pulitzer Publishing (KSD-TV-AM & St. Louis Post-Dispatch) bought Arizona Daily Star for about \$10 million, contingent on Pulitzer selling KVOA-TV Tucson in year.

Licenses of Wometco's WTVJ Miami & WLOS-TV Asheville, N.C., would be renewed under initial decision by FCC Examiner McClenning, who ruled Wometco hadn't engaged in anticompetitive practice in connection with its Miami theatres. Charge had been lodged by competitor Antwin Theatres, which claimed distributors providing first-run pictures couldn't sell movies to Wometco's TV stations if they leased pictures to Antwin. Examiner ruled there was no evidence Wometco pressured distributors.

NCTA will brief 200 congressional assistants April 15 (4 p.m., Madison Hotel, Washington) on "the status & outlook for CATV regulatory & legislative activity."

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, week ended March 26 (12th week of 1971):

	March 20-25	1970 week	% change	March 13-19	1971 to date	1970 to date	% change
Total TV.....	209,376	179,795	16.5	172,262	2,316,719	2,082,074	11.3
color.....	100,865	81,619	23.6	88,988	1,243,629	1,065,659	16.7
monochrome....	108,511	98,176	10.5	83,274	1,073,090	1,016,415	5.6
Total radio.....	468,856	285,936	64.0	359,880	4,284,425	3,720,431	15.2
home, portable..	242,351	129,722	86.8	139,290	1,691,400	1,622,695	4.2
AM-only.....	161,047	84,141	91.4	87,719	1,035,613	1,046,208	- 1.0
FM, FM-AM...	81,304	45,581	78.4	51,571	655,787	576,487	13.8
auto.....	468,856	285,936	64.0	220,590	4,284,425	3,720,431	15.2
Total phono.....	109,221	61,891	76.5	62,066	927,454	739,851	25.4
portable-table...	94,087	39,966	135.4	46,711	711,672	469,375	51.6
console.....	15,134	21,925	-31.0	15,355	215,782	270,476	-20.2

Color TV 5-week moving average: 1971-105,415; 1970-82,778 (up 27.3%)

BACK TO DRAWINGBOARD FOR HOME VTR? Still too early to say, but magnetic tape approach to videoplayer may have suffered severe case of future shock last week. Announcement of new tape formulation by little Graham Magnetics Inc.—if taken at face value—could mean that planned home VTRs may be obsolete even before they're introduced to market. Graham's step—or something like it—would be tremendous advance for magnetic systems of all kinds, but the type of progress which could delay home videotape equipment 2-5 years.

At same time, CBS's EVR system took solid step forward with announcement that 4 major Japanese firms have been licensed to ship players into U.S. beginning next year, as forecast here 2 weeks ago (Vol. 11:13 p12). At least one of new licensees will emphasize private-label & OEM player sales.

What Graham announced in N. Y. last week is completely new type of magnetic particle for coating tape, claimed to increase recording density 4.7 times and make possible video or audio tapes which run 4-5 times slower, with comparable or improved performance. Thus, new tape in current one-hour cassette could play 4 hours or more, or 1/4 amount of tape could be used for one hour, making possible much smaller & cheaper tapes, and leading to miniaturized home VTRs, possibly hand-held camera-recorder using tiny 15-min. spool of tape.

If developed, it has no flaws, magnetic tape systems may have to be completely reworked to accommodate new low speed and different bias required by "Cobaloy" tape, as it's called.

Cobaloy is cobalt alloy—metal, not oxide—can be applied to tape base using same equipment employed to apply conventional coatings. It's not to be confused with cobalt-doped oxides in 3M's new High Energy tape (Vol. 11:12 p11) & German Agfa-Gavaert tape. Graham Pres. G. A. Jagers claimed new formulation permits excellent head wear, is suitable for high-speed tape duplication and broadcast VTRs, quad-head & helical. He said Graham intends to produce both magnetic coating & tape, also license others. Company claims it's ready to sample magnetic powder, with tape samples in 3 months, production within year. He said it would be competitive in price with chromium dioxide tape, which sells about 50% over oxide-based tapes.

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Based in Graham, Tex., founded in 1964, Graham claims to be 4th largest producer of computer tape, supplying 15% of U.S. requirements (600,000 reels per year). Company is traded over-the-counter (1970 sales \$4.8 million), its stock shooting to \$28 last week vs. 1970 low of \$5. Most VTR equipment makers last week were skeptical of development. Skepticism was fueled by fact that Graham gave no demonstration of product at N.Y. news conference or at later security analysts' meeting. Nevertheless, U.S. representative of major Japanese tape manufacturer is known to be engaged in talks with Graham. Other tape manufacturers have been seeking metals (rather than oxides) as tape coatings, but none matches Graham's claims.

North American EVR licenses to Hitachi, Matsushita (Panasonic), Mitsubishi & Toshiba were announced formally by CBS last week. Same firms had been licensed by EVR Partnership of London which controls non-North American rights. Mindful of start-up problems & delays experienced by Motorola, there was some skepticism when CBS/EVR Pres. Robert Brockway announced the 4 would start shipping players to U.S. early in 1972, just after exclusivity clause of Motorola's contract runs out. Hitachi said Japan shipments would start this fall. First machines produced will be same industrial-educational type manufactured by Motorola.

Hitachi Consumer Products Group Export Mgr. Hirozo Yamada said his company would specialize in U.S. private-label & OEM sales, comparing this with RCA's OEM sales which helped color TV get off ground. Motorola Vp Lloyd Singer said he welcomed entry of other manufacturers, to help insure standardization on EVR system and make market for Motorola Teleprogram Center's EVR cassettes—"we have more programming rights than anyone else."

Latest EVR move will give U.S. manufacturers 5 sources for players, ease their entry into field without requiring licenses. Hitachi appears to be most strongly committed of the 4 Japanese manufacturers. Brockway said that U.S. manufacturer licensees would be announced later this year. CBS & EVR Partnership now have 11 licensees around world. Motorola is delivering pilot quantities ("more than 100 players"), Rank-Bush-Murphy just beginning to ship in England, Zanussi of Italy about to start, Germany's Bosch expected next.

PORTABLE-TABLES 57% OF TOTAL COLOR: Last year was first in history when portables & table models represented majority of domestic-label color sales, moving to 50.2% of distributor-to-dealer shipments from 45.9% in 1969. In terms of total-market sales—including some 590,000 non-U.S.-brand imports (all portables & tables)—category represented nearly 57%, or slightly more than 3 million sets out of total color sales of some 5.3 million.

In domestic-label mix, consoles plus combinations continued to decline in share of color market, while portables & tables represented more than 90% of monochrome sales for 2nd consecutive year. Here's capitulation of color & monochrome mix in distributor-to-dealer sales of domestic-label TV sets for 1970 vs. 1969 (add 000 to units):

Type	Color				Monochrome			
	1970		1969		1970		1969	
Portable-table	2,418	(50.2%)	2,534	(45.9%)	4,172	(91.8%)	4,519	(90.8%)
Console	2,268	(47.0%)	2,805	(50.8%)	374	(8.2%)		(8.8%)
Combination	135	(2.8%)	185	(3.3%)				
TOTAL	4,822	(100.0%)	5,524	(100.0%)	4,547	(100.0%)		(100.0%)

In color screen sizes, trend is definitely toward 19V" & smaller, which represented just about 40% of domestic-label sales in 1970, up from 33% in 1969 & 25% in 1968. The 23V"-&-larger sizes still accounted for more than 50% of all domestic-label sales last year, with new 25V" showing increasing strength monthly, and now believed to be selling in larger numbers than 23V". Here's table of estimated color sales by screen sizes (domestic-label):

Color Sales by Screen Size (add 000)

Size	1970	%	1969	%	1968 %
23V"-25V"	2,517	52.2	3,123	56.5	62.1
20V"-21V"	395	8.2	590	10.7	12.6
18V"-19V"	1,212	25.1	1,097	19.9	14.6
17V" & smaller	698	14.5	713	12.9	10.7

Taking color portables & table models only, 18V"-19V" share increased to 50.1% in 1970 from 43.3% in 1969, while 17V"-&-smaller sizes stayed about even at 28.8%, the 20V"-21V" category declining to 10.8% from 15.8% and 23V"-25V" to 10.3% from 12.7%.

Nearly half of all b&w portables sold under domestic labels last year were 15V" & smaller, while fewer than 10% were larger than 19V". Here's how lineup looked in terms of screen size as percentage of portable-table category in 1970 (1969 in parentheses): 22V" & larger 5.1% (5.7%), 20V"-22V" 4.6% (5%), 18V"-19V" 36.3% (38%), 16V"-17V" 6.6% (6%), 13V"-15V" 6.7% (7.4%), 10V"-12V" 28.4% (27.2%), 9V" & smaller 12.3% (10.7%).

CALENDAR OF 1972 LINE SHOWINGS: Unveiling of new lines will start earlier this year, with at least 5 in April vs. 2 last year. Early openings often indicate major revisions.

After 2 years of dominance, Las Vegas has lost out to Chicago. Loop area will host 4 manufacturers, Las Vegas 3. Miami is only other area named for 2 showings.

Packard Bell & Emerson have moved show dates up about 3 weeks from last year; Motorola meeting is ahead 2 weeks, GE TV Div., Panasonic & Philco-Ford are week earlier. Toshiba's date is 4 weeks later than last year, Magnavox 2 weeks. Other are relatively unchanged.

Following calendar, giving starting dates for manufacturer shows & conventions, was compiled from information supplied by manufacturers. Attending most meetings, except where indicated, will be distributors, regional mgrs. & key dealers. Admiral dealers will see line at 4 regional meetings following Chicago event.

Manufacturer	Date	Location
Admiral	May 24	Chicago
Emerson	June 2	Chicago
GE (Consumer Electronics Div.)	May 10	Montreal
GE (TV Div.)	May 17	Chicago
GTE Sylvania (distributors & dealers)	May 25	Miami Beach
dealers	May 27	10 cities
Hitachi	April 19	New York
Magnavox (zone managers)	April 16	San Diego
regional managers	April 18	San Diego
dealers	May 9	24 cities
Motorola	May 20	Chicago
Panasonic (Matsushita)	April 28	Miami
Philco-Ford	May 19	Philadelphia
RCA	May 18	Las Vegas
Sharp	June 22	Chicago*
Sony	May 9	Phoenix
Teledyne Packard Bell	May 23	Kauai
Toshiba	June 3	Las Vegas
Zenith	June 2	Las Vegas

*Site tentative

CATALOGS MUST SHOW COUNTRY OF ORIGIN-FTC: Mail-order customer has same right to know where products are made as store shopper, FTC ruled in 2 little-noted opinions. Agency's responses to inquiries said that descriptions of imports in catalogs & ads which promote mail or phone orders must clearly indicate country of origin.

This was confirmed last week by FTC Attorney Stuart Levin, who said many leading mail-order firms may unwittingly be engaging in deceptive practice. Random inspection of recent catalogs shows such firms as Heath, Lafayette, J.C. Penney, Radio Shack & Western Auto don't give country of origin, some giving no indication products are imported. Similar omissions mark ads offering "free" tape players to record-club joiners and in increasing mail solicitations to credit-card holders.

FTC opinions came in response to inquiries by Brice & Co., importer of electrical relays, and Robinson's, L.A. retailer. Brice, which sells by mail to OEMs, was told that "clear &

conspicuous" origin marking must appear in catalog and all other ads. Robinson's was told that newspaper ads which "do not solicit for mail-order or catalog purchases" needn't contain origin information, if marking on product itself is visible to store customer.

GOVT. VIEWS ELECTRONICS: Domestic consumption of consumer electronics was valued at \$4.57 billion last year, lowest since 1967, 15.2% below 1969, Commerce Dept. says, indicating that domestic factory sales, employment & establishments all hit lowest levels since 1965.

Sales were put at \$3.3 billion, down 25.9%; employment fell 10% to 139,000; number of businesses declined by 5 to 345. Value of imports jumped 30% from 1969 to \$1.4 billion, accounted for 30.6% of apparent consumption, up from 20% share preceding year.

In components, domestic sales fell 1.4% to \$6.08 billion; employment was down 13.2% to 335,000; businesses declined 50 to 1,400. Component imports jumped 27.8% to \$285 million, capturing 5.1% market share, up from 3.8%.

Over-all domestic sales were put at \$21.8 billion, off 6.3%, with employment down nearly 10% to 976,000 in 2,475 establishments, off 65 from 1969. Value of imports rose 23.4% to \$1.9 billion, 8.6% market share, up from 6.6%. Exports rose 16% to more than \$1.6 billion, leaving U.S. unfavorable trade balance of \$266 million, up from \$128 million in 1969.

In unusual comment, agency warned that telephone industry faces threat of "serious penetration" from Japanese producers. "It appears possible," Commerce said, that independent telephone gear manufacturers may meet "same stiff foreign competition that has plagued the consumer product manufacturers."

New price index figures from Bureau of Labor Statistics, now using 1967 as base period (index of 100), showed TV sets at 100.3 in Jan., down 0.1% from Dec., up 0.8% from year earlier. Portable & table radios were at 99.1 in Jan., up 0.1% & 0.3% from Dec. & Jan. 1971 respectively. Portable tape recorders, 95.7, declined 0.3% from Dec. but were up 1.1 from year earlier. Stereo phono records had 99.5 index in Jan., down 0.1% from Dec. & 0.5% from Jan. 1970. TV replacement tubes, at 121.3, showed increase of 0.2% from Dec., 6.6% from year earlier. TV repair & picture tube replacement had index of 96.9, representing 0.6% rise from Dec. but 1.9% decrease from Jan. 1970. Consumer Price Index of all commodities & services rose to 119.2 in Jan., 0.1% above Dec. and 5.2% over year earlier.

Japan accelerated final Kennedy Round tariff cuts by 9 months on consumer electronics and some other items. April 1, duty rates on imported TVs, radios & phonos, which had run 30-35%, became uniform 7.5%. Final reductions in U.S. rates come Jan. 1. On same date, Japan also ended export incentive program, which permitted faster depreciation & tax breaks for exporters. Also dropped was special tax allowance for at-home social export-promotion expenses—meaning U.S. buyers can expect less lavish treatment in Japan.

RCA-ADMIRAL TUBE DEAL: Agreement "in principal" between RCA & Admiral—RCA buying Admiral's color tube manufacturing equipment, Admiral buying color tubes from RCA (Vol. 11:8 p7)—has been approved by Justice Dept. Announcing deal (not yet signed), companies maintained silence on details.

Contract for Admiral's color tube business is big plum for RCA, which has been Admiral's 2nd source for color tubes. Admiral has made vast majority of own tubes, also sold few to others (notably Motorola), probably produced over 300,000 last year. RCA will ship Admiral production equipment to overseas plants.

Terms of contract haven't been revealed, but Admiral said sale will "materially" improve its working capital. Admiral reports net book value of color tube equipment as \$11.2 million, says it "does not anticipate any loss from the disposition of such assets pursuant to these negotiations [with RCA]," leading to assumption contract involves close to \$11.2 million. Admiral recently quit color tube making, which had incurred substantial losses (Vol. 11:13 p9).

NUE's annual report, meanwhile, reveals that agreement with Admiral to produce Emerson sets provides that Admiral will reimburse NUE up to \$1 million for expenses of closing Emerson facilities, dependent on Emerson's purchases from Admiral.

Webcor Electronics is new name for Consolidated Mdsg., which has revamped executive staff (see Trade Personals), formed new marketing plan. Webcor will be brand on most products, with Viscount label for promotional items. Sales emphasis will be on compact stereo in \$90-\$200 range, most assembled in Tenn. plant from U.S. & imported parts, Pres. Monroe Schuller said. Webcor also will offer phono consoles and seek private-label customers. TV will be de-emphasized, partly because of dumping uncertainties, he said. Firm will have 3 models, including 18V" color & 12V" b&w portables, both Japan-made and 9V" transistor portable produced in Taiwan by Hitachi.

End to co-op ad allowances was announced last week by Westinghouse Portable Products Div. Mgr. Robert Shaw, who said dealers will be offered cash rebate incentives as substitute, effective May 1. Dealers will get 3% refund for buying 80% of quota 5% for 100%, 10% for 120%. Westinghouse will continue to supply dealer ad mats & in-store displays step up national ad program. Shaw also said Div. is opening 6 new redistribution warehouses.

U.S. Supreme Court last week denied petition Hazelton Research (HR) for rehearing in its litigation with Zenith, in which Court ordered reinstatement of triple-damage judgment of nearly \$19 million, plus costs, against HR (Vol. 11:9 p11).

MEXICO EXPANDS FREE ZONE: To promote exports by domestic plants and encourage new foreign-owned export assembly operations, Mexican govt. decreed broad tax incentive program, opened new duty free processing zones.

At present, only firms along U.S.-Mexican border may import materials duty-free for assembly & re-exportation. New rules permit establishment of such "in-bond" facilities in any Mexican port city, provide for creation of free zones in interior. In addition, special tax exemptions will be granted to domestic firms exporting products when 50% of value is represented by Mexican labor & material. Similar credit will be given firms selling to in-bond plants.

Liberalization could result in booming consumer electronics imports from Mexico. Admiral, GE, Philco & Westinghouse have long-established manufacturing subsidiaries. Magnavox purchased 40% of firm there last year (Vol. 10:30 p10). Zenith has just launched new joint venture with Elementos Electronicos Mexicanos (ELMEX); termed a "multimillion dollar venture," agreement calls for ELMEX acquisition of El Capitolio, which will produce Zenith brand, plus purchase of TV picture tube licensee Cinescopios de Mexico. ELMEX will start with 19V" & 23V" b&w TVs, add stereo this year, color in 1972. ELMEX is also scheduled to manufacture parts, TV tuners & record changers.

Westinghouse Portable Products Div., meanwhile, has set up operation in Puerto Rico for production of portable electronics & housewares, Robert Shaw, div. gen. mgr., told us. P.R. plant will be used to supplement consumer electronics line, now procured from outside sources, give Westinghouse greater marketing flexibility. Items made in P.R. will be sold worldwide. Over next year, Shaw said, Westinghouse will consider other plants, possibly in Far East.

IUE is transferring \$68-million triple-damage suit against Japanese TV industry from N.Y. Federal District Court to Newark, where NUE's \$360-million suit is pending. IUE action, brought Feb. 24 on behalf of displaced Emerson TV plant workers (Vol. 11:9 p7), charges Japanese conspired to fix TV prices in U.S., restrain trade, causing Emerson job loss. NUE seeks damages as result of alleged Japanese violation of antitrust & criminal dumping statutes (Vol. 10:52 p8). Court holds closed procedural hearing on NUE case April 12.

Informal approval by Japanese govt. has been given Fairchild's proposal for 50%-owned IC manufacturing joint venture. Partner will be picked from among Japan's existing IC producers. Texas Instruments has similar venture with Sony; Motorola seeks like arrangement. Approved in Japan was extension through Feb. 1974 of Dai Nippon Printing's license to produce shadow masks & other products under Buckbee-Mears patents. Firms will seek extension to 1979.

Open-reel videoplayer meeting Japan Type 1 standard (half-in. b&w) has been introduced by Panasonic, has no record capability, sells under \$500.

COMPONENT SALES: Unit & dollar volume sales declines in 1970 were posted by U.S. semiconductor & capacitor factories, EIA reports. Semiconductor sales totaled 3.2 billion units worth \$1.3 billion, down 11.6% & 7.8% respectively. Capacitors were off 14.4% to nearly 2.7 billion, with value down 1.4% to \$483 million. Totals include U.S.-brand imports.

Monolithic ICs accounted for 298.8 million, at \$433.1 million (up 18.1% & 4.8%); hybrid IC volume fell 7.9% to 121.5 million as value rose 7.4% to \$90.4 million. Also sold were 2.8 billion discrete devices (off 14.1%), worth \$769.3 million (off 15%).

Only plus in capacitors was value of paper & film sales, up 17.8% to \$185.1 million, as units fell 14.3% to 542.3 million. Unit & value sales results of other types (in millions): Tantalum 284.5 at \$101 (off 0.6% & 2.9%), aluminum 204.1 at \$81.8 (off 13.4% & 14.8%), mica 172.6 at \$19.9 (off 13.9% & 17.4%), ceramic 1,375.8 at \$74.5 (off 15.2% & 5.1%), variable 50.1 at \$11.8 (off 29.6% & 25.8%), all other fixed 48.7 at \$8.9 (off 38.6% & 36.9%).

Mergers & acquisitions: Kyocera International, U.S. subsidiary of Japan's Kyoto Ceramics, purchased Fairchild Semiconductor's San Diego ceramic packaging facility for reported \$260,000, will spend \$440,000 for revamping plant. It's believed first U.S. components maker wholly owned by Japanese... **Muter & Potter-Englewood** are revising merger, P-E exchanging 0.4 shares for each Muter share... **Berkey Photo** has resold Sentry tape operations of its Keystone Div. (Atlas Rand) back to founder Harold Rosen for undisclosed sum. Berkey acquired Sentry in 1966, hired Rosen as head. Move takes Berkey out of tape field. Reorganized Sentry Industries will hq in Mt. Vernon, N.Y. **Morse Electro Products** is buying Lowell Wood Co., L.A. cabinets manufacturer, which will become Morse subsidiary.

Tape topics: Cassette cartridge sales, blank & recorded, will total 120 million this year, worth \$280 million retail, according to predictions from Norelco, which formed new Cassette Dept. to market blank cartridges. Norelco sees blank cassette sales at 95 million worth \$165 million, or 80% of industry units, 60% of dollars. Market is seen growing at 15% annually, reaching 220 million worth \$350 million by 1976, with blank cartridges maintaining share. Firm's cassette line will have 4 grades, with cartridges in 30-, 60-, 90- & 120-min., priced \$1.19-\$4.45... **Lesca of Italy** ads in U.S. seek import-distributors for new auto cassette players, available in mono, stereo & with radio.

Price increases on components: Indiana General, 8-10% boost on ferrite transformer cores, first hike in 10 years. Other domestic ferrite producers are expected to follow. Increase comes just 2 months after Tariff Commission ruled that Japanese dumping of ferrites here had injured domestic industry (Vol. 11:5 p10), clearing way for imposition of dumping duties. Copper bar prices, after 5 months of decline from Oct. high of 60¢ per lb. to recent 50¢, were boosted 2-3/8¢ by major producers.

Trade Personals

Arnold Valencia, former financial planning & control mgr., named RCA Consumer Electronics audio product mgr., succeeding **William Fortune**, now with Allison-Irwin Distributing, Charlotte... **Paul O'Connell**, formerly a region mgr., now Emerson TV Sales Corp. national accounts mgr., responsible for Emerson, Dumont & Pilot lines; **John Daly** named eastern field sales mgr., **William Moller** appointed for west; both were region mgrs.

Martin Bronson promoted from vp to exec. vp of Webcor Electronics (formerly Consolidated Mds.), succeeding **Monroe Schulder**, now pres.; **Robert Barnes**, ex-Lloyd's Electronics, appointed sales vp; **Julian Aronin** named domestic mfg. vp; **Peter Roegner**, former RCA Sales Corp. product design mgr., takes same post with Webcor; **Bernard Greenstein**, ex-Symphonic, appointed quality control & engineering mgr.; **Mark Tuck**, Far East operations vp, adds responsibility for plant facilities in Japan; **William Patterson** appointed Webcor of Canada vp-gen. mgr.

Edward Smulders shifts at North American Philips (Norelco) from Home Entertainment Products Div. product mgr. to head of new Cassette Dept... **Robert Brantly**, ex-Washington audio-visual sales, advanced at 3M Mincom Div. to Wolensak product mktg. coordinator... **Herb Hershfield** rejoins GRT as sales mgr... **Richard Parsons** resigns as Certron mktg. dir.

Jack Passero, ex-Ideal Electronics, joins Toyo Radio of America as national sales mgr... **Jack Doyle** joins Pioneer Electronics contract services on West Coast... **Gerald Kaplan** moves up from exec. vp to pres. of Elite Electronics, continues as pres. of Shiro Universal, trading company with minority interest in Elite; **David Weissman** appointed secy.

Harvey R. Brandt promoted to vp-administration, Gavin Instruments; **Denis L. Smith** advanced from national sales mgr. to gen. mgr... **Steve Tidik** named region mgr. of Empire Electronics, Jacksonville picture tube rebuilding subsidiary of Griffiths Electronics, responsible for mfg. & sales in southwest... **Edward Plincu**, GE Tube Dept., named ad & sales promotion mgr. for renewal market... **Douglas Dobson**, Stackpole Carbon Electronic Components Div. gen. mgr., named vp.

Chris Goodman, Motorola Semiconductor vp, shifts from mktg. dir. to new post as staff mktg. dir.; **Joe Flood** moves up to staff reliability dir.; **Alden Stevenson**, ex-Litton, joins as staff engineering dir.; **Rod O'Conner** advanced from OEM sales mgr. to U.S.-Canada mktg. dir.; **Chuck Thompson** is now materiel & information management dir.; Vp **Pat Lynch** now bipolar IC operations dir.; Vp **Jack Haenichen** becomes MOS operations dir.; **Dick Abraham** named discrete production operations dir.

John Wagenseller advanced at RCA Solid State Div. to distribution services & control mgr., new post... **John Lucy**, ex-Westinghouse Semiconductor, rejoins Raytheon Distributor Products Operation as field sales mgr... **Philip Warner**, ex-Hughes, named engineering & production mgr. of Teledyne's Transistor Div.

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
Communications Properties			
1971-qtr. to Jan. 31	1,754,183	69,808	.04
1970-qtr. to Jan. 31	1,547,252	111,224	.07
Dero Industries			
1971-6 mo. to Feb. 28	26,363,033	661,963 ^b	.60
1970-6 mo. to Feb. 28	21,677,606	892,829 ^b	.95
1971-qtr. to Feb. 28	10,993,220	238,173 ^b	.21
1970-qtr. to Feb. 28	10,134,676	446,956 ^b	.47
General Electric			
1971-qtr. to March 31	2,099,157,000 ^d	91,466,009 ^d	1.01
1970-qtr. to March 31 ^e	1,563,934,000	(42,583,000)	--
Koss Electronics			
1971-9 mo. to March 31	4,067,763	311,669	.1
1970-9 mo. to March 31	2,830,319	272,453	.1
Outlet Co.			
1971-year to Jan. 31	68,470,955	2,060,951	1.4
1970-year to Jan. 31	67,590,383	2,291,462	1.6
Wells-Gardner			
1970-year to Dec. 31	30,139,893	441,450	1.0
1969-year to Dec. 31	21,322,191	267,889	.6

Notes: ^aIncludes extraordinary item. ^bIncludes special credit. ^cAdjusted. ^dRecord. ^eResults affected by strike

JAPAN'S GROWTH CHART: Spectacular growth of Japan's color TV industry, which saw that nation climb from nominal output to become world's largest producer in 7 years, is documented in year-by-year sales history compiled by EIA. With strong push last year, Japanese factories turned out 6.4 million color TVs, topping domestic U.S. production by 2.1 million sets, also exceeding domestic shipments of U.S. producers. U.S. factory sales last year totaled just over 4.7 million color TVs, including 326,000 imports.

Japanese annual production & shipments for 7 years, with breakout of sales to export & domestic markets:

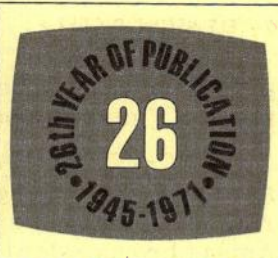
Year	Production	Total Shipments	Export Shipments	Domestic Shipments
1964	51,893	48,490	17,216	31,274
1965	97,096	93,156	43,304	49,852
1966	510,850	489,298	266,917	222,381
1967	1,274,427	1,222,315	322,006	890,309
1968	2,738,192	2,715,224	766,403	1,948,821
1969	4,878,192	4,813,377	1,018,699	3,794,678
1970	6,438,079	5,879,005	993,274	4,885,731

Distribution notes: Emerson TV of Ohio appoints Robert Ripley, ex-Motorola, branch mgr.. Panasonic appoints Paul B. Hunter & Co., Buffalo and Lowry Electric, Williamsport, Pa... Teledyn Packard Bell appoints Bill Voorhees Co., Nashville TPB also appointed Northland Mds. Distributors Green Bay, Wis... Motorola's new N.Y.C. operation, Motorola Metro, is opening showroom on Empire State 69th floor... Admiral appoints ex-Motorola distributor Joe L. Pleasants Inc., Charlotte, N.C., also closed San Diego & Phoenix branches.

WEEKLY

Television Digest®

with
consumer
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APRIL 19, 1971

VOL. 11, NO. 16

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NEWS-SUBPOENA SHOWDOWN NEARS: CBS stands by 'grave' issue, Staggers insisting on subpoena. FCC undecided, but won't buy staff's harsh proposal. Journalists support network. Broadcasters silent—except for networks & NAB. (P. 1)

CORINTHIAN SALE OK; TIME INC. FILED: FCC 4-3 majority finds 'compelling public interest showing' to approve Corinthian-D&B sale. McGraw-Hill reports 'superior resources' & 'unique expertise' in application for 5 Time-Life stations. (P. 2)

NAB & CHILDREN'S TV: Wasilewski 'extremely disturbed' by 'drastic nature' of program recommendations in proposed Forum 20 report for White House. Says Conference delegates never considered TV proposals. (P. 3)

FCC 'CLARIFIES' DRUG NOTICE, blames furor on 'erroneous' news report. Says it has no intention of censoring. District Court dismisses suit, new one expected in Appeals Court. (P. 4)

ABC SEEKS \$100 MILLION from major movie producers, asks court to dissolve MPAA. (P. 4)

CATV SECURITY SYSTEM, by Holmes, offers burglary-fire protection, other 2-way services at claimed cost of \$10-\$15,000 for up to 500 subscribers. (P. 5)

NEWS-SUBPOENA SHOWDOWN NEARS: Though out on uncomfortable limb, Rep. Staggers' (D-W. Va.) Investigations Subcommittee apparently intends to go ahead with subpoena seeking non-broadcast material from CBS in freedom-of-press issue involving "Selling of the Pentagon" (Vol. 11:15 p1). CBS officials are supposed to bring mass of outtakes, financial data, names of staffers, Pentagon sources, etc. to Subcommittee April 20.

Staggers group is apparently unimpressed with heavy adverse reaction, puts investigation in same class as past inquiries into rigged quiz shows. If CBS refuses to turn over material demanded, Subcommittee can vote "contempt of Congress" citation, which would have to be approved by full Commerce Committee, then by full House before it's effective. Few observers expect it ever would go that far—but CBS has no intention of yielding, Pres. Stanton stating "the issues at stake are too grave."

FCC doesn't know what it will do—but it's clear it won't go as far as staff recommended, as reported in these columns last week. Staff urged harsh letter to CBS charging "deliberate distortion" and demanding statement of procedures designed to prevent recurrence.

Commissioners discussed issue last week, split all over place. Several asked for more time to think it over. Some were interested in seeing CBS's April 18 "Pentagon" aftermath

Consumer Electronics

PRICE INCREASES CERTAIN in new color lines. Magnavox understood posting steep retail hikes. Others agree industry average price will be up. (P. 7)
First 1972 line, by Hitachi, shows \$10 retail color increases. Crown to field color line in U.S. (P. 11)

5-YEAR TV SALES FORECASTS by 14 TV manufacturers show total TV sales rising 12% through 1975, color up 40%, monochrome dipping 10.5%. (P. 8)

COLOR SALES ROSE 27% in March for 18% gain in first quarter, at distributor-to-dealer level. Retail sales seen running 13% ahead of 1970 on annual basis. Inventories down to 11-week supply. (P. 9)

CONSUMER ELECTRONICS SALES decline 14% in 1970 on total-market basis. Domestic-label average color price dropped nearly \$5 to all-time low of \$336.62, b&w declining \$1 to \$87.58. (P. 9)

FCC TUNER RULE CHANGE appears likely on basis of EIA-ACTS agreement that use of 70-channel uhf detent system without memory fine tuning would be beneficial. (P. 10)

EIA & IHF CLASH over need for disclosing distortion figures at FTC hearing on proposed amplifier advertising rules. (P. 10)

program. Speculation is that Commission will emerge with letter or statement considerably short of "intervention" sought by staff.

ABC, NBC & NAB backed CBS firmly—as did host of print media groups—but there was apathy, fear or disagreement among other broadcast groups. Newspapers & columnists editorialized all over the place. (A Capitol Hill source complained: "Staggers got a lousy press.") Among broadcasters—silence.

Representative of press reaction was wire sent Staggers & congressional leaders by American Society of Newspaper Editors, which had annual meeting in Washington. After almost unanimous vote, group stated: "The Society agrees that every news report can be judged for accuracy and fairness. It disagrees totally with any attempt to pry into newspapers', broadcasters' or any other journalists' private files to seek to judge editing. The Society views the Subcommittee's order as an open attack on the First Amendment guaranteeing the nation a free press and stands unwaveringly beside its journalistic colleagues in broadcasting in viewing the Subcommittee action as a dangerous and unwarranted intrusion into journalistic freedoms. The Society urges immediate reconsideration." (Note: At Friday night ASNE news conference with President Nixon, subject of subpoenas wasn't mentioned, but he defended Vice President Agnew. "Some of his criticisms...in terms of some network press coverage, if you look at them objectively, you just can't quarrel with him." President refused to comment on effectiveness of Agnew's criticisms of news media or whether they had had "positive" impact. But, he added, "I defend my Vice President.")

National Academy of TV Arts & Sciences told Staggers: "Every medium of mass communication in our democracy is threatened by this attempt to have government sit in judgment of the substantive decisions of a broadcaster or editor." Sigma Delta Chi (journalistic society) termed subpoena "repugnant to all who support the American heritage of free speech & free press." ACLU: "A broadcaster should not have to edit with one eye on the film and the other over his shoulder, in fear that the government censor will second-guess his professional judgment." Assn. for Education in Journalism said subpoena "constitutes not only an unwarranted interference with the editorial process but a violation of the First Amendment rights of a free press."

Washington Post, which had criticized CBS for poor editing in "Pentagon"—thus getting a happy "welcome aboard!" from Rep. Hebert (D-La.) who was furious with program—found subpoena reprehensible, editorializing: "We applaud [Stanton's] decision and trust he will stick by it, come what may...In essence, what Mr. Staggers now wants to do is to sit in judgment, not of the program, but of how CBS operates as a collector and disseminator of information. That, to put it bluntly, is none of his or Congress's business...Indeed, the final stop on the road down which Mr. Staggers has embarked is complete governmental control of the content of TV news and public affairs programs..."

On Senate floor April 15, Sen. Symington (D-Mo.) asserted that "without free exercise of journalistic enterprise and judgment, all information can become suspect; rumors can achieve the currency of fact and propaganda can be pawned as truth. If the credibility of any news media can be shaken, a major obstacle to acceptance by the public of all that a government wishes to be believed is removed."

CORINTHIAN SALE OK; TIME-McGRAW-HILL FILED: By 4-3 vote, pretty much as expected, FCC approved sale of Corinthian's 5 TV stations to Dun & Bradstreet. Commission concluded that parties made the "compelling public interest showing" required for such sale under multiple-ownership rules. Majority (Republicans Burch, R. E. Lee, Wells & Houser) decided D & B proposed "significant" program improvements, made possible by its financial resources, experience in technical publishing, etc.

Slim margin prompted questions whether decision would stand up under court appeals, if any—but chances of reversal are considered remote. This is kind of decision a minority of judges might grumble about, but there appears nothing meaty to hang reversal on. Dissenter Comr. Bartley stated (joined by Johnson): "Each of the Corinthian stations standing alone is a highly profitable operation. Each could well afford to make whatever program improvements are considered desirable without the aid of Dun & Bradstreet resources." H. R. Lee will issue own dissent later. Stations involved: KOTV Tulsa, KXTV Sacramento, KHOU-TV Houston,

WISH-TV Indianapolis, WANE-TV Ft. Wayne. Corinthian principal John Hay (Jock) Whitney and associates will end up owning 7.1 % of D&B. Price, through stock exchange, was \$130-\$140 million at recent ranges.

* * * *

"Unusually thorough ascertainment of community needs" was claim of McGraw-Hill (M-H) in huge April 12 filing at FCC seeking approval of \$69.3 million buy of 5 Time-Life TV stations. M-H said it's in a position to "make unique contributions" to TV, that its program plans are "extraordinarily well designed" to meet minority needs. Applicant claimed "superior resources and a unique expertise" in educational & informational programming because of its vast publishing empire.

Community survey was made by 6 "key" M-H executives, 13 employees and M-H-owned Opinion Research Corp. It included 664 interviews with community leaders in 5 cities, 117-1/2 man hours. Applications promised numerous local prime-time specials to serve minority and various community problems, claimed approval would increase diversity of ownership.

Either party may terminate sale without penalty if final approval (including possible court appeal) hasn't been given within year. Time will shortly plead that application & transfer fees aren't applicable because it was forced to dispose of TV stations under CATV cross-ownership rule. Time also said it planned to dispose of its radio stations by Dec. 31.

NAB & CHILDREN'S TV: Proposals for "new, far-reaching controls over TV programming of an unprecedented & drastic nature" have been attacked by NAB Pres. Wasilewski. In letter to Stephen Hess, national chmn. of White House Conference on Youth, he said published reports of planned recommendations on children's TV by committee headed by ETV's Fred Rogers are "extremely disturbing."

As story in Television Digest pointed out (Vol. 11:12 p1), Wasilewski also stressed fact that White House Conference in Dec. considered none of recommendations drafted for Conference's Forum 20 on Child Development and the Mass Media. "In fact," he said, "the word 'television' was never used, nor was the word 'media'. No reference was made even indirectly to the communications media" among 16 "overriding concerns" ranked by Conference in order of priority. Of 25 lower concerns, Forum 20's general statement on mass media received lowest number of votes, Wasilewski said. He added:

"If these facts are correct, any publication of Forum 20 proposals indicating that they had been reviewed or accepted by the Conference, or anything that could be construed as bearing the imprimatur of the White House with regard to the proposals, would not only be tragically unfair to the TV industry but would be untrue." NAB also expressed "serious reservations about the composition of Forum 20 and the manner in which the recommendations were formulated." Again noting press reports, he said that "despite the fact that virtually the entire report is devoted to commercial broadcasting...no person from the field of commercial broadcasting was a member of the original 16 man committee" which drafted Forum 20 recommendations.

CATV discussions didn't come off at FCC April 15, as scheduled, pushed aside by more pressing matters and by fact Commission wants to devote at least full day to it. It will come up April 27 or 29—date not certain.

Avco Bcstg. will cut back TV commercial time in all locally produced shows by 10% of NAB TV Code maximums, effective June 1. New policy will mean 9 min. per hour—instead of allowable 10 min.—in local prime time movie on all Avco stations; non-prime commercial time would be cut back from 16 min. to 14 min., 20 sec. Avco Pres. John Murphy, in urging other stations to join move, said viewers are "increasingly offended by overcommercialization & clutter." He attacked 30-sec. spot, as did Taft Bcstg. Pres. Lawrence Roger—who congratulated Avco, said Taft is evaluating position. In letter to Group W Pres. Donald McGannon, Rogers said: "Grade school economics...would teach broadcaster management that fewer commercial positions inevitably result in higher unit prices. Yet, in the middle of the worst financial crisis in its history, CBS effectively halved its rates by accepting 30-sec. spots with no reduction in commercial allocation. Sheer madness...Our greatest vulnerability is the danger of alienating the millions who already love us by saturating them with too many commercials, often dealing with products we should be ashamed to display on the air."

House Communications Subcommittee opens hearing this week on resolution by Rep. Van Deerlin (D-Cal.) objecting to purchase of broadcast time by govt. agencies, particularly \$10.6 million by Army to attract volunteers (Vol. 11:11 p5). Witnesses April 21: FCC Comr. Bartley, Horace Nalle of N.W. Ayers & Son (producing spots for Army), unannounced Defense Dept. witnesses. April 22: Rep. Steiger (R-Wis.), NAB Exec. Vp Grover Cobb, CBS Bcst. Group Pres. Richard Jencks, Advertising Council Pres. Robert Keim, San Diego State College Prof. Elizabeth Johnson.

Cigaret manufacturers have agreed to put following notice in print advertising: "Warning: The Surgeon General Has Determined That Cigaret Smoking Is Dangerous to Your Health." Same warning now is required on all packages.

FCC 'CLARIFIES' DRUG NOTICE: While officially refusing to reconsider controversial policy statement on records & drugs, FCC did just that last week in "clarifying" earlier notice (Vol. 11:10 p4). Sources in record industry called newest Commission statement "almost a total backoff" from earlier position. Only thing FCC didn't reconsider was point of first notice that licensee has responsibility to know what is contained in song lyrics broadcast.

Commission blamed huge furor on inaccurate daily press stories, which "widely reported" agency had ordered stations not to play certain kinds of records. "Where a notice is so erroneously depicted, we should appropriately call attention to the error," commissioners said in 6-1 decision (Johnson again dissented; H. R. Lee, Wells & Bartley concurred). FCC stressed that "nothing in prior notice" barred stations from playing particular type of record, that indeed "the Commission cannot properly make or review such individual licensee judgments."

FCC stressed that no licenses will be placed in jeopardy—short of airing "again & again a record which urges youth to take heroin or cocaine." Licensees which have dropped all records referring to drugs reacted to original statement "erroneously," Commission said. "We trust that... such licensees [now] will cease such grossly inappropriate policy and rather make judgments based on the particular record."

Meanwhile, U.S. District Judge William Jones dismissed several suits seeking restraining order and permanent injunction against enforcement of FCC notice. Judge ruled that Washington District Court has no jurisdiction, agreed case belongs in Appeals Court. Suits were filed by Tracy Westen of Stern Community Law Firm on behalf of several clients. He is expected to appeal latest Commission statement. He said several problems remain since FCC leaves impression there's a strong link between drug lyrics & usage, and raised censorship question.

ABC-TV fired back at fall program predictions of TelCom Chmn. Herb Jacobs, calling his record "woeful" for 1970-71 season. Affiliate Relations Vp Richard Beesemyer told ABC affiliates that it would be "dangerous" to make program decisions based on Jacob's predictions. For new season, Jacobs predicted NBC would garner 19.1 average share of audience, CBS 18.9, ABC 17. Beesemyer claimed Jacobs was right on only 48% of last fall's shows, only 24% for 1970's new programs. Of his new predictions, there "are glaring errors or omissions that cry out for comment," ABC vp said. Network will make its own predictions at May 3-4 affiliates convention in L. A.

Commco Inc., Austin-based cable company headed by Walter Jenkins, former assistant to LBJ, is being bought by Struthers Thermo-Flood Corp., subsidiary of Struthers Wells Corp., maker of oil equipment. Price is about \$3 million in stock. Commco owns systems in Eagle Pass, Llano, Seagraves, Seminole & Van Horn, Tex.; Morehead, Ky.; Aztec & Chama, N. M.; Sulphur, Okla.; 32% of systems in Haskell, Munday & Stamford, Tex. It also holds franchises in Pauls Valley, Okla.; and Brenhan, Tex.

ABC SEEKS \$100 MILLION: Charging that major movie producers illegally "combined & conspired" to monopolize feature films business, ABC last week filed 7 counter claims seeking over \$100 million in damages. Network move was in response to anti-trust suit by major film companies seeking to prohibit ABC & CBS from producing feature movies (Vol. 10:40 p6). CBS hasn't responded to suit; NBC isn't party since it doesn't produce movies.

ABC asked N. Y. Federal Court to dissolve Motion Picture Assn. of America (headed by Jack Valenti), and denied that it had violated antitrust laws or favored its own films over those of independent producers. Network accused producers of block booking, charged that "by virtue of their vast financial & intracorporate relationships & resources... and with the assistance of MPAA [producers] have combined & conspired to restrain & monopolize feature film production & distribution."

House Republican Task Force on Education & Training headed by Rep. Hansen (R-Ida.) has scheduled closed-door discussions on educational uses of TV. CPB Pres. Macy will testify April 20. Task Force also will look into CPB's permanent financing dilemma while OTP is preparing bill on same subject (Vol. 11:11 p4). Last week, Macy said that while Corporation "remains dedicated" to excise tax, there's little chance Congress will approve it. He also endorsed NAEB suggestion that national conference be called to consider financing. House, meanwhile, approved \$35 million CPB appropriation for 1972—that's last of 2 year authorization bill. Measure now goes to Senate where approval is expected. Rep. Tiernan (D-R. I.) has introduced permanent financing bill creating Public Bcstg. Fund with federal matching funds for 6 years. Annual appropriation would equal twice the amount contributed privately to entire public broadcasting system during preceding year. However, appropriation can't exceed \$50 million in 1972, \$60 million 1973, \$80 million 1974, \$100 million 1975, \$120 million 1976, \$140 million 1977.

Democratic National Committee, citing "increasing exploitation" of TV-radio by President Nixon and imminence of 1972 Presidential elections, petitioned FCC for time to respond. ABC offered Democrats half-hour prime time April 22; NBC & CBS refused. Republican National Chmn. Dole chided ABC, said effect of decision is "to polarize this issue on strictly partisan lines" and GOP will demand equal time. Senate Commerce Committee meets April 22 on campaign spending legislation, and there's possibility bill may be ready this week. Democrats & Republicans reportedly are near agreement on over-all limits of 14-15¢ for each voter eligible in 1972 elections. This would permit each Presidential candidate to spend about \$20 million.

Vikoa estimates 1970 loss at \$8.1 million—compared with about \$5 million estimated earlier. Pres. Theodore Baum said \$3.3 million of loss was from operations, \$3.9 million from discontinued Krantz Films, \$900,000 from extraordinary charges against operations. Revenues for 1970 were \$21.2 million vs. \$22.8 million in 1969.

CATV SECURITY SYSTEM: Holmes Protection Inc. has launched marketing effort for home burglary-fire surveillance system which it says can be added to any CATV or MATV, converting it to 2-way line with many other possible uses. Holmes says standard system (fire-panic-burglary) would cost average home customer about \$200-\$250 installation, \$15 monthly. Home unit includes interface to provide 2-way communication.

Simplest version of Holmes system is similar to its installations using telephone lines. "Interface box" console at head end of CATV has 4 lights for each security subscriber—for supervision, fire, panic & burglary. Light lights & alarm sounds in response to sensors installed in subscriber's home. Signal from home is on carrier in 5-25 mc region, doesn't interfere with TV.

Holmes Mktg. Vp David H. Polinger, who heads new Holmes Communications Corp. formed to market system, told us that only equipment required is home interface-sensors plus central console at \$10-\$15,000, capable of monitoring up to 500 homes. If console is more than mile from homes, amplifiers are required. When covered homes number more than 500, minicomputer with teletype printout (about \$10,000) is added. Holmes is proposing 3 methods for CATV operators to get into security business:

(1) Operator pays fee covering training of personnel, and license to use system. (2) Joint-venture operation, system operator & Holmes sharing in business. (3) Franchise operation, CATV operator leasing use of cable to Holmes, which operates security system and pays operator.

"We can show the cable operator how to make his system more productive financially by providing security & protective services," said Polinger, who also is operations vp of Holmes parent Bell TV. Same system can also monitor fuel, lights, water. Holmes Technical Vp George Hardy told us up to 60 communication services can be added without affecting TV signal—including such functions as monitoring viewer's channels choice, polling, etc.

Equipment is now in production, with console deliveries on 30-day basis, Polinger said. For information: Holmes Protection Inc., 420 Lexington Ave., N.Y. 10017.

Divest in 6 months, FCC ordered Frontier Bcstg. last week, telling licensee its plan to sell TV stations by Aug. 10, 1973 is "unacceptable." Commission & Justice Dept. attacked Frontier under concentration of control dictum: Frontier owns Cheyenne's only TV, fulltime AM, daily newspaper, CATV system and one of 2 FMs—plus stations & newspapers in nearby cities. FCC said because of concentration involved, "it was imperative to proceed immediately," that unless Frontier agreed to divest in 6 months renewal hearing on KFBC-TV Cheyenne would proceed. Frontier was ordered to respond in 7 days.

The \$500 contest for new FCC seal (Vol. 11:5 p3) ended April 15, and Information Dir. Leonard Weinles reports receipt of hundreds of entries. Some are displayed at Information Office. Commissioners are to announce winner by June 1.

WHDH-TV Boston lost latest effort to get case reversed on basis of vote of Comr. Wadsworth (Vol. 11:2 p5, et seq.). D.C. Appeals court rejected station's request that case be sent back to FCC, also told station if it wants to go to Supreme Court to file by April 23. Discussing Wadsworth's reasons for voting against WHDH-TV, as reported in trade magazine, court said: "We see no indication in the article that Mr. Wadsworth disavowed his official action in joining in the opinion prepared in accordance with the direction of the other commissioners, or that he considered it to violate his conscience, or that he did other than join in an opinion which was not his preference but which he was willing to accept for purpose of decision... The remand sought here is for the purpose of probing the mental processes of a former commissioner. If such a probe is conducted in a case where it is not fully warranted—by a categorical proffer of reliable evidence rooted in a sound legal principle—then the very conduct of the inquiry is one which compromises 'the integrity of the administrative process'."

Urging CATV networking, Comsat's Robert But-ton told recent Tex. CATV Assn. meeting: "When a satellite begins operation [within 18-24 months], the over-all dimensions of the CATV industry... should be sufficient to suggest the creation of a national interconnected cable system, with regional subdivisions and special-interest audience break-outs all available at rates which would interest advertiser, educator, government, professional and subscriber response services as well... To many forward planners, CATV has the look of the largest and most prolific communications entity in the world in the next 2 decades... Comsat has something to sell; will the real customer please stand up?"

Over abundance of important rulemakings pending was accepted by FCC as reason enough for granting 60-day extensions in 2 of biggest—children's TV & renewals. New deadline for both is July 2, replies Aug. 2, Johnson dissented. On children's TV, Commission suggested that groups seeking tapes of network programs aired during special composite week go direct to networks; if unsuccessful, FCC said "it will again consider the question if it is raised." In 3rd rulemaking—availability of non-network programming to TV & CATV—Commission granted 2 week delay (May 17 for comments, June 17 for replies) at request of several production companies.

New rules on defining Grade B contours for TV stations were proposed by FCC last week, much as we reported month ago (Vol. 11:11 p6), and made part of current rulemakings on FM & TV field-strength curves. Commission said justification for adjusting contours at lower field levels is improved TV sets. Comments are due June 28, replies July 15, on above and 2 other proposals: (1) By Committee on All-Channel Bcstg., that areas subject to interference from co- & adjacent-channels be defined in all Grade B contour submissions. (2) Several Commission questions related to interference within Grade B.

HTV Co. stockholders approved merger into Magnavox. HTV will move facilities to Manlius, N.Y. hq of Craftsman, now Magnavox's CATV arm.

Personals

Stanley Robertson, elevated to motion picture vp, NBC-TV L.A., becomes network's first black vp... **David McLaughlin** promoted to international sales dir., CBS International; **Arthur Kane**, ex-CBS News, named international mktg. planning dir.; **James Kellner**, ex-Columbia Special Projects, named licensing & development sales mgr., CBS Enterprises... **Milton Carney** advanced to conference planning dir., ABC.

FCC Chmn. Burch due to tape show with Dinah Shore this week, also to speak informally at U. of Ariz., Tucson... **A. Prose Walker**, ex-consulting engineer and former NAB engineering chief, joins FCC as chief, Amateur & Citizens Div... **John Scall**, ex-ABC News, named senior advisor to President Nixon to explain foreign policy to newsmen; **Neal Ball** named White House deputy news secy.; **Jack M. Thornell**, ex-asst. space systems dir., Collins Radio, named OTP program mgr.

Richard Belkin, ex-gen. mgr., KOA-AM-FM Denver, named vp & gen. mgr., WRGB-WGY-WGFM Schenectady... **Robert Feldman** promoted to gen. sales mgr., WOR-TV N.Y., succeeding **Robert Glaser**, now gen. mgr... **David Elmore**, ex-WCBS-TV N.Y., appointed N.Y. sales development coordinator, Kaiser Bcstg... **Steve Smith** promoted to engineering dir., KCMO-TV-AM & KCMU(FM) Kansas City, succeeding **Karl Troeglen**, retired.

Erik Barnouw, Columbia U. dramatic arts prof., receives one of three \$4,000 Columbia U. Bancroft Prizes for American history, for his "The Image Empire" history of TV... **Tedson J. Meyers** administrative asst. to ex-FCC Chmn Newton Minow, is member of new Washington law firm Sullivan, Beauregard, Meyers & Clarkston (1200 18th St. NW; phone 202-338-1000); **Donald J. Elardo**, FCC Common Carrier Bureau, joins firm April 19.

Aline Saarinen promoted to NBC News' Paris bureau chief, becoming first woman to head overseas bureau for TV news; she succeeds **Garrick Utley** who becomes permanent host of First Tuesday... **Joan Cooney**, pres. of Children's TV Workshop and creator of Sesame St., receives first annual Ralph Lowell Medal for "extraordinary contribution to public broadcasting."

Frederick Taylor, ex-Grey Advertising, joins Metro TV Sales, N.Y... **Stanley Grayson**, ex-exec. vp, Atwood Richards media buyer, joins Pepper Tanner media div. as pres. & gen. mgr... **Frank Lintern**, ex-Astatic Corp., named mktg. mgr., Antennacraft... **Ronald Ballintine** advanced to mktg. mgr., Ampex International.

Sewall Sawyer II, ex-Sawyer Group media buyers, named senior associate & vp, Vitt Media International... **Russell Swenson**, ex-Mission-Arlyle Productions, joins Metro TV Sales.

TelePrompTer indictment (Vol. 11:13 p5) raised questions at FCC about action on various TPT applications pending for microwave, etc., and staff believes Commission should act now on applications, reserving right to change decisions, if warranted, after courts resolve charges.

Huge drop (over 50%) in net income for first quarter 1971 was suffered by CBS, which reported income of \$6.5 million on \$281.9 million sales, compared with \$13.2 million income, \$305.3 million sales in 1970. Earnings per share were down from 47¢ to 22¢. Figures for both years exclude program syndication & CATV, which CBS plans to spin off into Viacom International, subject to FCC approval. CBS said that despite "the depressed first quarter... in March there was a rather dramatic surge of the business in our TV operations... This momentum gives promise of significant recovery for the second half of the year, and if it is realized earnings for the year should approximate 1970." RCA's first-quarter report didn't give break-out for NBC (see p. 12), but company said "continued budget reductions by major clients," loss of cigarettes and reduced rates combined to have adverse affect on NBC. "However, prices began to firm up late in the quarter and this should have a favorable impact on NBC results in the 4th quarter and in 1972."

FCC Chmn. Dean Burch and panel featuring "New Faces at the Commission" highlight NAB State Presidents' Conference April 27-28 in Washington. "New Faces" will include Bcst. Bureau Chief Frank Walsh, Gen. Counsel Richard Wiley, Exec. Dir. John Torbet, Chief Engineer Raymond Spence and, hopefully, Comr. Thomas Houser. Other features will include renewal panel and reports from NAB's 3 new exec. vps—Grover Cobb, Paul Comstock & Paul Haney (luncheon speaker). Presidents from 48 state associations (Hawaii & N.H. are missing) will attend. As phase in economy drive, NAB for first time won't pay each state president \$50 to help defray expenses.

"**Spirit of cooperation**" between advertisers & broadcasters is needed "to meet the rising tide of consumerism and to prevent further erosion of industry's freedom by government regulations," ABC Radio Pres. Walter Schwartz told Detroit Adcraft Club. "Consumerism is no straw in the wind," he said, and if it takes tough industry regulation to insure consumer protection "we should provide the regulation and abide by it. Otherwise, consumer groups are going to get government legislation on the books that will have us in handcuffs & leg irons."

Depreciation of CATV franchises, widely practiced, may be in jeopardy as result of U.S. Tax Court decision involving Toledo & Newport systems. March 29 ruling turned down systems' appeal from IRS ruling that franchise has indefinite life because it's reasonable to expect renewal. Court's action is similar to those in network affiliation and license renewal cases, in which courts hold that renewals are so nearly routine that they produce affiliations & licenses of indefinite life. CATV case is 55 T.C. No. 102, Doc. 861-69 & 862-69.

Record month for new members—104—was recorded by NAB in March. During same period, less than 2 dozen stations resigned leaving NAB with 4,245 members (not a record) April 1. Convention month is traditionally marked by membership increase, and there's usually dropoff after convention. New members in March included 74 radio, 6 TV & 24 associates.

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, week ended April 2 (13th week of 1971):

	March 27- April 2	1970 week	% change	March 20-26	1st qtr. 1971	1st qtr. 1970	% change
Total TV.	186,423	150,829	23.6	209,376	2,503,142	2,232,903	12.1
color	95,288	68,651	38.8	100,865	1,338,917	1,134,310	18.0
monochrome	91,135	82,178	10.9	108,511	1,164,225	1,098,593	6.0
Total radio	349,885	305,974	14.4	468,856	4,634,310	4,026,405	15.1
home, portable	141,305	151,507	- 6.7	242,351	1,832,705	1,774,202	3.3
AM-only	83,817	105,970	-20.9	161,047	1,119,430	1,152,178	- 2.8
FM & FM-AM	57,488	45,537	26.2	81,304	713,275	622,024	14.7
auto	208,580	154,467	35.0	468,856	2,801,605	2,252,203	24.4
Total phono	56,031	47,794	17.2	109,221	983,485	787,645	24.9
portable-table	44,429	30,696	44.7	94,087	756,101	500,071	51.2
console	11,602	17,098	-32.1	15,134	227,384	287,574	-20.9

Color TV 5-week moving average: 1971-98,531; 1970-77,369 (up 27.4%)

PRICE INCREASES CERTAIN IN NEW LINES: First tip-off to 1972-line pricing patterns may be contained in steep boost of Magnavox suggested retail prices. Whether or not other manufacturers go as far, it's becoming evident that new color lines will carry fatter price tabs, although many increases will be carefully disguised. While most manufacturers are still immersed in pricing conferences, there's guarded agreement that the only direction industry prices can go is up.

Magnavox, which sat out last fall's round of increases, posted retail hikes as high as 10%, affecting virtually all color sets & stereo consoles, we've learned, as it went into first product meeting with zone & regional managers in San Diego at week's end. In fair-trade areas, we understand, these will be Magnavox's suggested-list color increases, as compared with its regular prices of last May: 12V"-18V" up \$20; 19V" up \$40; 19V" remote up \$50-\$70; 21V" up \$40; 23V" up \$30; 25V" up \$40-\$70; combinations up as much as \$100. Stereo consoles will be increased \$30-\$100. Magnavox Consumer Electronics Pres. George Fezell declined to confirm or deny these figures.

Few competitors seem ready to go as far as Magnavox. But prevailing opinion is that, however well hidden, increases will be rule at introduction time. Manufacturers cite these factors: (1) Picture tube price increases, plus switch to black matrix, boost cost per set as much as \$9. (2) Transportation costs up 10-12%. (3) Labor costs increase 8-10% a year. (4) FCC comparable tuning requirements plus more exotic preset & automatic tuning devices. (5) New X-ray regulations. (6) Domestic & offshore component prices rising. (7) Addition of labor warranties, plus increase in warranty service costs. (8) Dumping proceedings are forcing import TV prices up, giving U.S. manufacturers a little more competitive leeway. (9) Current strength of color TV market, accompanied by low inventories, indicates time is ripe from marketing standpoint.

There's always considerable timidity about pricing, many smaller manufacturers preferring to follow leaders, even to extent of changing price tags after competitors have shown wares. Here's distillation of most domestic manufacturers' guarded comments about upcoming color TV pricing:

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Zenith Exec. Vp Walter Fisher: "We feel very strongly that we should be operating in a very stable pricing market. I think the industry is in over-all better control. All of the ingredients are present" for firming-up of prices.

Admiral Pres. Ross Siragusa Jr.: "All conditions indicate higher prices. The time appears to be right. Prices have to go up. There may be some promotional specials at the low end, but the weighted average will be up. If the increase is realistic, I think it will stick."

Motorola Consumer Products Vp-Gen. Mgr. Edward Reavey: "The picture tube increase alone is raising our costs almost \$2 million. We're reviewing our pricing next week. We think there may be some price adjustments."

GE TV Business Div. Vp-Gen. Mgr. I. L. Griffin: "We're just beginning to discuss prices, and we're talking in terms of an average increase of 5% in cost to dealers—but, of course, we'll have to protect certain key pricing points."

Sylvania Entertainment Products Sales Vp William Boss: "There's every indication of increases in prices pretty much across the board. There are more features, but they'll come at higher prices. I think the average line will retail significantly above a year ago."

Emerson Exec. Vp C. Vernon Phillips: "There's no doubt that pricing will be up, sometimes accompanied by new features. I think the industry is going to be a lot more aggressive. Some leader prices may appear lower, but in reality prices will be up."

RCA declined to comment. However, company has already announced that vast majority of its new color sets would use modular solid-state circuitry, a factor which inevitably will increase average prices of its line, even if individual carryover or face-lifted tube-type leader prices are unchanged or down.

INDUSTRY'S 5-YEAR TV SALES FORECAST: TV manufacturers are projecting surprisingly moderate gains in total TV sales over next 5 years. This is inescapable conclusion on basis of forecasts—domestic & imports—by top industry market analysts representing 14 TV manufacturers, domestic & Japanese.

Median projections show TV sales rising less than 12% from 1970 to 1975, color increasing 40%, monochrome declining 10.5%. Traditionally, during poor sales, manufacturers tend to low long-range forecasts, and current projected increases appear to be geared almost entirely to population growth.

Here is table of median forecasts of retail sales, based on 14 usable replies to our survey:

Year	Total TV	Color	Monochrome
1970.	12,400,000	5,500,000	6,900,000
1971.	12,575,000	5,900,000	6,675,000
1972.	13,000,000	6,500,000	6,500,000
1973.	13,250,000	6,800,000	6,450,000
1974.	13,650,000	7,350,000	6,300,000
1975.	13,875,000	7,700,000	6,175,000

Thus, manufacturers see color rising 5-8% annually, monochrome sales dropping by 3.3% or less each year and total TV sales rising by less than 1.5 million in 5 years. Color & b&w will be equal in 1972, according to projection, color exceeding b&w for first time in 1973.

Estimates by most of the 14 were relatively close to one another. In color for 1972, for example, 11 estimated 6.2-6.8 million; for 1973, half estimated 6.5-7.1 million; for 1974, more than half were 6.5-7.55 million. B&w estimates were more divergent, some forecasting increases through 1973. For 1971, forecasts ranged from 5 to 7.1 million, for 1975 from 4 to 7.1 million.

Usable responses to our survey were prepared by market research depts. of Admiral, GE, GTE Sylvania, MGA, Matsushita (Panasonic), Motorola, NUE, Philco-Ford, RCA, Sony, Teledyne Packard Bell, Warwick, Wells-Gardner, Zenith.

MARCH COLOR SALES TO DEALERS UP 27%: First quarter saw good increases in all major consumer electronic products in terms of domestic-label sales to dealers (see State of the Industry)—and there's little doubt that upsurge was direct result of increased consumer buying. EIA's top-secret retail sales figures indicate that color TV sales, on annual basis, are running about 13% ahead of 1970, with monochrome about equal last year's pace.

Color TV inventories at end of first quarter were down 22% from 1970 at factory-plus-distributor levels. Even more significant, these inventories represented about 11.5 weeks' supply at current sales rate vs. nearly 19 weeks at same time last year. Monochrome inventories were still on high side, down only about 3%, representing 14 weeks' supply vs. 15 weeks last year.

Each month of 1971 has shown greater percentage increase over 1970 in sales to dealers, with color up 27.49% in March at 492,656 sets, still below the 519,450 of record March 1969. Portable-table phonos continue boom, sparked by compact sales, beating March 1970 by 43% and ahead of March 1969. Home & portable radio sales showed first signs of returning health in March. Here are official EIA figures for March 1971, '70 & '69:

Product	March 1971	March 1970	% change	March 1969
Total TV	931,694	814,714	14.4	1,017,960
color	492,656	386,847	27.4	519,450
monochrome	439,038	427,867	2.6	498,510
Total radio	1,821,113	1,459,642	24.8	1,940,001
home, portable	762,603	611,171	24.8	913,361
AM-only	481,221	392,157	22.7	573,329
FM & FM-AM	281,382	219,014	28.5	340,032
auto	1,058,510	848,471	24.8	1,026,640
Total phono	357,088	305,486	16.9	397,951
portable-table	285,547	199,578	43.1	277,903
console	71,541	105,908	-32.4	120,048

Domestic manufacturers hailed better business last week. Motorola Consumer Products Vp-Gen. Mgr. Edward Reavey said color TV unit sales by company's distributors set new first-quarter high and orders indicate possible record for 2nd quarter. He upped his estimate of 1971 total industry color sales to 5.7 million. Conceding that Consumer Products Div. continued losses first quarter, he forecast current momentum would bring black ink. He cited 11% decline in consumer service complaint letters in first quarter 1971, on top of 29% decrease in first quarter 1970. Motorola, it's learned, is starting night shift on color line.

GE TV Business Div. enjoyed 39% increase in factory dollar volume in first quarter over same 1970 period, we were told by Vp-Gen. Mgr. I. L. Griffin. Admiral Pres. Ross Siragusa Jr. told us: "It's a good solid market like we haven't seen for some time. Dealer inventories are down since the first of the year—the consumer is buying."

RCA Chmn. Robert Sarnoff said in quarterly report that "sales were up substantially in both color & b&w TV, a reflection of reviving consumer confidence," and forecast total color sales of 6.1 million sets for 1971. Market improvement showed up in Magnavox's 18% sales increase, 13.5% profit rise, for first quarter. And Philco-Ford reported b&w sales up 16% over 1970, console phonos up 19%, color up 13%, component stereo 89%.

TOTAL INDUSTRY SALES DOWN 14% IN '70: Consumer electronics was \$4.069-billion business last year—in terms of U.S. consumption of everything from garage-door openers & hearing aids to color TV sets. At factory-plus-import level, this represented decline of 14.4% from \$4.653 billion of 1969 and was lowest since 1965. Consumer market declined to 16.7% of U.S. electronics consumption (\$24.3 billion) from 19.1% (of \$25.8 billion) year earlier.

On domestic-label basis, factory value of TVs, home radios, phonos & tape recorders totaled \$2.57 billion, down 18.3% from 1969's \$3.15 billion. Total domestic-label TV sales dipped to just over \$2 billion from \$2.42 billion, color dropping to \$1.59 billion from \$1.96 billion, monochrome to \$412 million from \$460 million. Many of these figures are included in "Consumer Electronics 1971," just published by EIA.

Resulting largely from change in mix, with portables increasing share (Vol. 11:15 p8), average factory price of U.S.-brand color set dropped to all-time low of \$336.62 from 1969's \$341.30. Presumably as result of added features—black matrix tube, AFT, etc.—average console rose \$13 in 1971 to \$399, while average color portable dropped by \$3 to \$268, and combinations advanced about \$1 to \$608. Average b&w price also reached record low—\$87.58 vs. \$88.70 in 1969, with b&w portable declining about \$4 to \$83; consoles & combos remained steady at \$138.

Average phono prices were down, too—console to \$206.22 vs. 1969's all-time high of \$213.11, while portable-table dropped to \$40.29 from \$47.49. Radio prices were up slightly—tables to \$20.21 from \$19.05 in 1969, clocks to \$17.90 from \$17.76, portables to \$15.64 from \$13.80—resulting largely from increasing FM content. Average U.S.-label tape recorder was \$65.26 in 1970 vs. \$65.92 in 1969. (For historical recap of average prices, see Vol. 10:20 p8.) Here's table of factory unit & dollar sales of domestic-label products, 1970 vs. 1969 (add 000):

Product	1970	Units 1969	% chg.	1970	Value 1969	% chg.
Total TV.	9,435	10,934	-13.7	\$2,004,275	\$2,420,552	-17.2
color	4,730	5,743	-17.6	1,592,193	1,960,091	-18.8
monochrome	4,705	5,191	-9.3	412,082	460,461	-10.4
Total phono.	3,988	4,964	-19.7	333,943	460,855	-27.5
portable-table	2,942	3,604	-18.3	118,239	171,022	-30.9
console	1,046	1,360	-23.1	215,704	289,833	-25.6
Total home radio	7,944	10,397	-23.6	124,220	165,564	-25.0
Tape recorders	1,663	1,501	10.9	108,535	98,953	9.7
TOTAL				\$2,570,973	\$3,145,924	-18.3

FCC TUNER CHANGE? Chances appear quite good for modification in FCC's tuner comparability rules to permit low-cost 70-channel detent uhf tuners lacking memory fine tuning in conjunction with memory-tuned vhf units. Thirteen letters in response to Commission's public notice on possible acceptability of compact Sarkes Tarzian (ST) tuner (Vol. 11:12 p8) indicate that majority of manufacturers as well as ACTS, voice of uhf broadcasters, would favor change. ACTS spokesman told us group favored ruling as way to get quick uhf detent tuning in large number of inexpensive sets.

Many respondents, including EIA, urged FCC not to specify single brand of tuner, but to publish specifications and permit any tuner which meets them. Commission staffers have indicated informally that any positive determination would be broad enough to include any tuners with features similar to ST's unit. Generally in favor, in addition to EIA & ACTS, were EIA-J, Magnavox, Zenith, General Instrument, Philco-Ford, ST, Kaiser Bcstg. Opposed were Motorola, WNOK-TV Columbia, WFLD-TV Chicago. Admiral wanted such tuners okayed only for b&w sets without memory vhf tuning.

HI-FI AD STANDARDS: Industry's 2 leading trade associations, EIA & IHF, split last week at 2-day FTC hearings on hi-fi ad rules—over need to disclose harmonic distortion levels. EIA said rule should require distortion disclosure only when level for advertised equipment exceeds 5%. IHF said any distortion level should be disclosed, with measurement made at equipment's full rated power output. Both differ from FTC's proposal (Vol. 11:3 p12).

Other major revisions recommended by EIA in-

clude: (1) Power output rating should be expressed as sum of output of each amplifier channel. (2) FTC should require all manufacturers to use test procedures specified in upcoming EIA amplifier measurement standard. (3) No impedance disclosure should be required when load is 8 ohms. (4) Effective date of rule should be no earlier than June 1, 1972, to permit manufacturers to bring promotional material into compliance. There was general agreement with FTC recommendation that continuous (RMS), rather than instantaneous, power output should be disclosed prominently. Reply comments are due May 13.

Japanese TV dumping practices and imports of TV from U.S.-owned foreign assembly plants were most important factors contributing to closing of RCA Memphis & Emerson Jersey City TV factories, according to Tariff Commissioner Glen Sutton. Sutton's views are stated in Commission's reports to President Nixon on import adjustment assistance petitions filed on behalf of displaced workers at those plants. In both cases, Commission split 2-2 on whether aid should be granted, division coming on required finding that international trade negotiations, which lowered TV duty rate from effective high of 35% in 1930 to present 6%, was major cause of industry injury. Last week, Commission split again, this time on aid petition filed by Bel-Tronics, Addison, Ill. coil & antenna producer. Divided vote leaves final decision to President.

S. Korea's 2nd annual Electronics Show is July 16-27 in Seoul. Some 100 exhibitors & 40,000 visitors are expected.

X-RAY RULE REVAMPED: HEW issued proposed revisions of radiation control rules last week in move to tighten labeling & testing. Also proposed was exemption from reporting for products covered by govt. security classification. No major industry objections are expected.

Change in labeling provision of TV performance standard (Vol. 10:1 White Paper), would require that now-mandatory manufacturer identification & compliance certification markings be "readily accessible to view" after product is assembled. Manufacturers also would be required to provide HEW with list of private-label customers & brand names. Latter is in addition to marketer's responsibility to provide HEW with supplier's names.

Planned amendments to manufacturer reporting regulations (Vol. 10:23 White Paper), would require that producers not only describe tests & measurement procedures, but also supply HEW with "sufficient results of such tests to enable the Secretary to determine the effectiveness of the methods & procedures to accomplish the stated purpose." HEW also would be given right to demand such additional test data "as the Secretary may reasonably require" to judge effectiveness. Changes will be effective on re-publication in Federal Register, due sometime after 30-day comments deadline passes. Effective immediately are some minor clarifications & corrections.

Import regulations for TVs and other products subject to Radiation Control Act have been issued by HEW in leaflet form. Aimed at both private travelers and commercial importers, it explains that controlled products (TVs, cold-cathode discharge tubes, microwave ovens) may be imported only if importer files written declaration (1) that they comply with law and have certification label, or (2) that petition has been filed with HEW to permit modification to meet standards. In latter case, bond must be posted equal to value of product plus duties & taxes. If modifications aren't or can't be made, product must be returned to Customs or bond is forfeited. Pamphlet, "Electronic Product Import Information" (BRH/P-1) is available from Public Service, HEW.

Rayguard high-voltage monitoring device for color TV was dismissed as "of limited value" for X-radiation warning purposes by HEW. Introduced last year by Audio Equipment Co., div. of Walter Kidde & Co. (Vol. 10:29 p10), Rayguard gives meter readout of anode voltage. Excess voltage reading, HEW said, doesn't necessarily mean set is radiating, added that Rayguard is ineffective when picture tubes radiate at low voltages and gives no warning at all of radiation from shunt regulator & rectifier tubes.

Iberian licensee has signed \$1-million contract with Retention Communications Systems (RCS), developer of non-TV commercial & home videoplayer system (Vol. 11:7 p8). Group of Spanish businessmen is buying minimum of 10,000 RCS players through June 1972, will develop instructional programming for sale in Spain & Portugal. RCS agent, TeleGeneral Corp., is to design & install equipment to manufacture RCS film-tape cartridge.

HITACHI'S NEW LINE: Season's first major new-line, Hitachi, shows moderate upward price revision as expected for imported color TV. Increases for b&w are somewhat fuzzed by fact firm dropped all tube-type sets, substituting higher-priced solid-state models.

Hitachi's color line, all solid-state, starts with holdover 12V", unchanged at \$269.95, with new \$279.95 version. Holdover 14V" models are up \$10 to \$309.95 & \$329.95, drop-ins at \$319.95 & \$339.95. Leader 16V" is up \$10 to \$339.95, with new models at \$349.95 & \$369.95. Carry-over 18V" is up \$10 to \$369.95, additions at \$379.95 & \$399.95. New 18V" consolette is \$419.95, up \$20 from predecessor. Battery portable 14V" color is up \$10 to \$309.95. All new 14V"-18V" sets have preset color-tint-brightness-contrast control.

New b&w portables start with AC-only 12V" at \$89.95, up \$5 from tube-type set it replaces, other 12s, AC-battery, at \$99.95 & \$109.95, latter down \$10 from previous high end. Holdover AC-battery 13V" has been cut \$20, with \$149.95 price point filled by new 13V" AC-only TV-digital clock model. In 16V", price start at \$119.95 (up \$10 from tube version), others at \$129.95 & holdover \$159.95. Unchanged holdovers included 9V" trio, \$99.95-\$149.95 & 12V" AC-battery at \$99.95.

Crown Radio adds 6 new TV models, including first color sets. Color will be modular solid-state 12V" portable in walnut cabinet with AFC & automatic color control, at \$299.95, deliveries in June. Similar 17V" portable at \$359.95 is slated for Aug., with 19V" version at \$399.95 in fall. Crown markets AC-battery b&w portable TV-FM-AM radio combinations in 4-1/2V", 7V" & 9V" sizes, will add identical models, but without radio. Sets will be shown at Consumer Electronics Show.

Tape topics: Ampex blank cassette line now includes high density 60-min. cartridge at \$2.95... **Automatic Radio** has filed multi-million dollar damage suit in N. Y. Federal Court against Japanese manufacturer Orion Electric and affiliates Otake Trading Co. & OTC International. Automatic said firms had agreed to produce exclusive tape players & radios to its specifications, but later sold identical models to other U.S. firms.

Singer has dropped consumer electronics from retail outlets in Chicago & Milwaukee because lines weren't selling well. Company spokesman said move was part of revamped marketing strategy which will leave stores free to concentrate on fastest moving products. Singer, he said, is not dropping out of brown goods nationally.

Consent settlement in FTC's complaint against Magnavox appears imminent. FTC spokesman noted that case has been "withdrawn from adjudication" and that proposed settlement was sent to full Commission. There has been no report whether Commission has accepted agreement.

Distributor option of one- or 2-year warranty on replacement picture tubes is being offered by Sylvania. Suggested resale price of 2-year warranty is \$10.

Trade Personals

William Ledbetter resigns as Magnavox vp, gen. counsel & secy. to join Addressograph-Multigraph, is succeeded as gen. counsel by **Sam Rosell**, ex-Consumer Electronics Div. counsel... **Kazuo Iwama**, Sony (Japan) senior managing dir., adds duties as Sony of America pres., succeeding **Akio Morita**, who continues as exec. vp & chmn. of parent and chmn. of Sony America... **Robert S. Alexander**, Zenith operations exec. vp, nominated to Wells-Gardner board, to replace **Jasper Hammon**, retiring; Alexander is one-time W-G pres.

David Daly, ex-RCA Sales Corp. exec. vp, advanced at RCA to Consumer Electronics Div. mktg. programs vp; **R. Eugene Eddy**, ex-Frigidaire mdsg. mgr., joins CED as mktg. services vp, including ad responsibilities; **Tucker Madawick** shifts from Sales Corp. vp to CED industrial design vp... **Martin Sheridan & Lawrence Murphy** resign as Admiral vps for PR & national accounts, respectively, no reason given. **Thomas Chadwick**, ad vp, adds PR post; **S. Schwartzstein**, eastern vp, & **C. Burns**, national accounts field sales mgr., will divide Murphy's duties:

Edward Meline, ex-color TV sales planning mgr., advanced at Philco-Ford to video products mktg. mgr., succeeding **Dick Levin**, now in similar post at RCA Sales Corp.; **John Calahan** takes new Philco post as mdsg. dept. mgr.; he's replaced as audio products mktg. mgr. by **Charles Grill**; **Raymond Cunningham**, ex-Lincoln-Mercury Div. sales promotion supervisor, succeeds Grill as ad & sales promotion mgr... **Jack Somber**, ex-Philco-Ford N. Y. district mgr., joins Morse as gen. sales mgr., Metropolitan Div., N. Y.-N. J. distribution arm.

Don Gervin, Concord Electronics Consumer Products Div., promoted to national sales mgr... **T. W. Martin**, Superscope financial analyst, promoted to controller of Marantz subsidiary... **Larry Hall** named sales training mgr., Sanyo Consumer Electronics Div... **Yosuke Suga**, chief exec. of Toshiba Musical Industries, elected pres. of Japanese Acoustic Instrument Mfrs. Assn., newly formed to promote recently developed Hi-Pac mini-8-track tap cartridge system.

RCA's first-quarter profit dipped 6.7% below 1970, while sales rose 8.6% (see financial table). Chmn. **Robert Sarnoff** said signs of strengthening economy appeared late in quarter, forecast substantial profit improvement in 2nd quarter, with more gradual increases in 2nd half. "Upswing in consumer electronics" and "continuing softness in broadcasting" marked first-period RCA performance, with color tube sales up but continued decline in solid-state business. Corning Glass Chmn. **Amory Houghton Jr.** told stockholders he expects 1971 results to exceed 1970, forecast improved picture-tube bulb business "through relief from the dumping of TV receivers [from] Japan, from new technology and from continued expansion into foreign markets." Ampex Chmn. **William Roberts** indicated company will report loss for 4th fiscal quarter ending May 1, and that revaluation of some assets will result in further \$9.5-million loss in fiscal year. Operating income for year, he said, will be slightly above break-even.

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
CBS^a			
1971-qtr. to March 31 ^b	281,900,000	6,500,000	.22
1970-qtr. to March 31	305,300,000	13,200,000	.47
Comsat			
1971-qtr. to March 31	21,934,000	6,691,000	.67
1970-qtr. to March 31	15,435,000	3,345,000	.33
Conrac			
1971-qtr. to March 31	12,014,634	408,694	.29
1970-qtr. to March 31	14,109,892	514,351	.38
Filmways			
1971-6 mo. to Feb. 28	32,713,000	275,000	.10
1970-6 mo. to Feb. 28 ^c	49,430,000	1,145,000	.57
Globe-Union			
1971-qtr. to March 31	32,754,000	640,000	.40
1970-qtr. to March 31	29,593,000	121,000	.08
Grant Advertising International			
1970-year to Dec. 31	8,127,838 ^d	(28,082)	--
1969-year to Dec. 31	7,317,974 ^d	335,835	.74
Hazeltine			
1971-qtr. to March 31	8,547,000	(213,000)	--
1970-qtr. to March 31	15,627,000	410,000	.21
Jervis			
1971-6 mo. to Feb. 28	16,600,000	15,000	.01
1970-6 mo. to Feb. 28	19,330,000	(71,000) ^e	--
Magnavox			
1971-qtr. to March 31	149,966,000	7,706,000	.45
1970-qtr. to March 31 ^c	126,940,000	5,728,000	.33
P.R. Mallory			
1971-qtr. to March 31	35,084,560	906,461	.47
1970-qtr. to March 31	40,473,370	1,542,255	.78
Curtis Mathis			
1971-9 mo. to Feb. 28	32,862,859	626,852	.20
1970-9 mo. to Feb. 28 ^c	29,614,815	1,507,143	.48
1971-qtr. to Feb. 28	12,231,058	152,837	.05
1970-qtr. to Feb. 28 ^c	10,382,672	96,576	.03
Owens-Illinois			
1971-qtr. to March 31	332,652,000	10,689,000	.63
1970-qtr. to March 31	326,178,000	13,173,000	.75
Philips Lamp			
1970-year to Dec. 31	4,159,339,000	143,094,000	--
1969-year to Dec. 31	3,594,385,000	120,077,000	--
Raytheon			
1971-qtr. to April 4	316,069,000	8,874,000	.62
1970-qtr. to March 29 ^c	307,146,000	8,806,000	.58
RCA			
1971-qtr. to March 31	908,100,000	23,800,000	.30
1970-qtr. to March 31 ^c	836,300,000	25,500,000	.33
Reeves Telecom			
1970-year to Dec. 31	--	(7,698,804)	--
1969-year to Dec. 31	--	(3,736,689)	--
Tele-Communications			
1970-year to Dec. 31	8,280,875	332,065	.12
1969-year to Dec. 31	5,736,920	76,108	.03
Warwick Electronics			
1971-qtr. to March 31	39,385,000	(678,000)	--
1970-qtr. to March 31	25,792,000	(4,978,000)	--
Westinghouse			
1971-qtr. to March 31	1,030,124,000	33,627,000	.80
1970-qtr. to March 31 ^c	983,215,000	29,754,000	.72

Notes: ^aDoes not include Viacom International. ^bEstimated.

^cRestated. ^dComputed billings. ^eAfter special charge.

Matsushita has applied to Okinawa govt. to build electronics plant, production details not revealed.

WEEKLY

Television Digest®

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APRIL 26, 1971

VOL. 11, NO. 17

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC CONFIRMS POOR 1970 for network TV. Owned-stations profits down 12.1% to \$117.3 million; network profits of \$50.1 million down 46%. ABC network lost \$15 million, but its owned stations lead CBS & NBC in profits. (P. 1)

FCC TACKLES CABLE ALTERNATIVES: April 26 meeting includes proposals by Cable Bureau to allow carriage of any signals receivable off air. Goodwin & Geller have formulas dropping footnote 69, allowing 'some' distant signals, varied by market size. NCTA nominations: Gwin, Bresnan, Fuqua, Scallorn. (P. 2)

STAGGERS WITHOUT NIXON OR FCC SUPPORT: Klein & Burch criticize subpoena approach. FCC likely to call for industry self-correction but reject govt. 'cure' as 'worse than the disease.' Staggers defends demands as 'legitimate' inquiry into editing methods, says he's not interested in Pentagon-CBS quarrel over 'bias'. (P. 3)

SERVICES COMPETE FOR TV TIME: Defense Dept. defends \$10.6 million TV-radio volunteer ads, says it may spend another \$25 million. Other services will follow. Jencks & Cobb oppose banning govt.-paid spots. (P. 5)

CAMPAIGN REFORM BILL approved by Senate Commerce Committee. Offers same 5¢ limit on print & broadcast media. repeals Sec. 315 for Presidential

FCC CONFIRMS POOR 1970 FOR NETWORKS: Earnings of TV networks and their owned stations took whopping nosedive in 1970 from record 1969, according to official FCC figures released last week. But only ABC-TV showed loss in networking (as it has every year since 1963), and all 3 companies were on profit side with owned stations.

In network operations, FCC reported 3 had combined gross revenue of \$1,546.5 million (down 1.6%) in 1970. (Net revenue, after commissions and payment to affiliates, was \$1,144.6 million—unchanged from 1969.) Before tax profits were off 46%—from \$92.7 million in 1969 to \$50.1 million last year. Commission doesn't give out individual network figures, but we've learned CBS had networking profit in 1970 of more than \$43 million, NBC just under \$22 million, while ABC lost about \$15 million. ABC, in fact, hasn't fared well with network for several years—losing over \$79 million 1963-69, while CBS & NBC profited over \$500 million combined.

FCC figures show that 3 companies had total net revenues of \$312.5 million (down 3.4%) for owned TV stations, before-tax profits of \$117.3 million (down 12.1%). In contrast to network performance, our sources report that ABC does better with its owned stations—about \$45 million profit—than either CBS or NBC, which earned a little over \$35 million each. Combined net revenue of all 3 networks & owned stations was \$1,457.1 million (down 0.7%), before-tax

& Vice Presidential candidates only, lowest unit rates, \$5,000 limit on individual contributions. (P. 5)

WHDH-TV ATTACKS BBI OWNERS, charging 'deliberate attempt to conceal' CATV interests, asks FCC to reopen case. Supreme Court review sought of Appeals Court decision. (P. 6)

Consumer Electronics

RCA HOME CARTRIDGE VTR, 'significantly less expensive' than others, under development. Marketing decision not yet made, but device wouldn't displace Holotape system, still pursued. (P. 7)

MAGNAVOX-FTC DECREE requires little change in price policies adopted Jan. 1. Significant addition eliminates fair-trade pricing in 6 areas straddling free- & fair-trade state lines. May affect other firms. (P. 8)

'VERTICAL INTEGRATION' in color claimed by RCA, dedicating glass plant. Opportunity for proprietary color tube designs seen. RCA establishing color tube plant in France with Thomson. (P. 9)

HIGHER PRICES, BELT-TIGHTENING, not increased margins, must supply better profits, manufacturers tell dealers at NARDA. (P. 10)

IT'S SPRING BARGAIN TIME, Magnavox reducing some TV prices for '60th Anniversary,' Singer starting 'Spring Sale,' Admiral in floor sale. (P. 10)

income \$167.5 million (down 25.9%).

Networks will consider 1971 a success if they equal 1970. "This is a crazy year," said CBS Vp Dr. David Blank, pointing to 2 imponderables—loss of cigaret advertising & prime-time access rule. On latter, CBS Pres. Frank Stanton told stockholders last week that "short-term economic impact will be favorable" (see p. 4). And ABC expects rule to produce major improvement in financial performance of its network.

First quarter 1971 was much worse than anybody expected, while turnaround in March was much faster than expected, according to Blank—who is considered one of industry's best on financial matters. He predicted 2nd half will be better than 1970—even without cigaret revenue. He also noted 1970 & 1969 figures aren't precisely comparable since CBS & ABC had 53-week years in 1969.

* * * *

ABC joined CBS & RCA-NBC in reporting gloomy first-quarter results. Earnings were \$2.5 million (35¢ a share), compared with \$4.4 million (62¢) in 1970. ABC gave no revenue figures, but reported that 3-month sales of owned AM-FM stations were 7% over previous record 1970. ABC-TV network is picking up, too—attracting \$10 million in new business from P&G (taken from CBS), \$7.5 million from General Foods. Both are new to ABC-TV.

FCC TACKLES CABLE ALTERNATIVES: FCC has staff CATV recommendations before it, will discuss them April 26—but few at Commission claim they can foresee outcome. Another session may be held April 30.

Tight wraps are on staff proposals, but we've learned: (1) Cable Bureau has finally concluded that Commission should simply permit CATVs to carry whatever signals they can pick out of the air. If an elaborate antenna can get signals 150 miles away—so be it. CATVs would ask FCC for permission, and Commission would act on case-by-case basis. We haven't heard what provisions are made when there are no signals out of air, when all must be imported by microwave, when there's opposition or when there isn't. Bureau's proposal would eliminate footnote 69, forget leapfrogging. (2) FCC Planning Officer Kenneth Goodwin is a new country being heard from. He's said to have complex formula, differing for size of markets, tied to contours & distances, dropping footnote 69, allowing some distant signals. Reportedly, he's been devising plan for many months. (3) Special Asst. Henry Geller, who was a prime CATV architect as general counsel, is said to have brief recommendation similar to Goodwin's. (Geller currently has hand in so many pies, it's said, that cable is only fraction of his activities.)

We don't have hard details of foregoing, but one knowledgeable source put it this way: "Geller & Goodwin are proposing to loosen cable up more than the Cable Bureau is. Evidently, they think Congress will tie it up anyway, so they would look as if they're trying to do something for cable. The Cable Bureau takes the view that its case-by-case is the only practical approach—that it took 40 years of case-by-case to develop radio allocation, that it's taken 25 years for TV, that CATV has to evolve in a similar way."

Another FCC source says: "What I'd like to see is every cable system permitted to pick up New York, Los Angeles & Chicago. You know what that really means? Three more networks. And isn't that what the shouting's about—diversity, more programs?"

There are plenty of other cross-currents, of various strengths, and there's really no clear direction in sight. Commission might not even get at cable April 26, because it starts day with discussion of "Selling of the Pentagon," and that could shove cable discussion to later date.

* * * *

NCTA had Board meeting in Phoenix last week, received these officer nominations: Chmn., John Gwin (Cox); vice chmn., William Bresnan (TelePrompTer); secy., F. Gordon Fuqua (ex-TV Communications, now associated with W. Randolph Tucker in new firm in Charlotte, N.C.); treas., Glen Scallorn (Communications Properties). Board nominees: Edward Allen, L.A.; Conrad Bastow, Lincoln, Neb.; Rex Bradley, Norfolk; David Brody, Jerrold; Charles Henry, Iron Mountain, Mich.; William Karnes, National Trans-Video, Dallas; Robert McGinty, Atlantic City; Robert Tarlton, Lansford, Pa.

There was no Board discussion of tenure of Donald Taverner as pres. His 2-year contract expires at year's end, and agreement provides for 6-months notice if he or Board wants to terminate. Some members are happy with him; some aren't. There's lots of griping in staff, for Taverner is spit 'n' polish disciplinarian—"nit-picker," according to his critics—big contrast to predecessor Fred Ford, who was interested in policy & law, couldn't have cared less about administration and trade association politics. But Board & Exec. Committee, in Phoenix, expressed confidence in Taverner, told him they were leaving staff administration up to him.

There was talk of congressional relations, PR, etc., as usual. And there might well be—for broadcasters opposing cable are making CATV operators look like country bumpkins on Capitol Hill, according to many. Said one FCC source: "Boy, the broadcasters have quietly done a fantastic job up there."

Another major topic at meeting was pole-attachment negotiations with Bell. Parties must come up with agreement within 2 weeks, or they go to hearing at FCC. Commission gave them delay while talks progressed. Agreement "involves an awful lot of money," said one negotiator.

STAGGERS WITHOUT NIXON OR FCC SUPPORT: If Rep. Staggers (D-W.Va.) expects help from White House or FCC in his news-subpoena foray into broadcast journalism, in struggle with industry over CBS's "Selling of the Pentagon," he isn't going to get it. Not if Herbert Klein or Dean Burch are any kind of spokesmen.

Nixon's Communications Dir. Klein was interviewed on KNX(AM) L.A. last week, said: "I think the subpoena is representative of a danger to a free press. It is my feeling that while there's been a healthy debate between some of the Executive Branch & the media, that too often the media has overlooked where its real danger point is, and that is with the Congress which has the opportunity to subpoena...or it has the opportunity also of passing legislation which could be highly restrictive...I believe that in going beyond what was broadcast and asking to get, in effect, notes of the program, that they infringe on the ability of broadcasters or print media to develop a story..."

"I haven't discussed the Staggers committee report with [Nixon], although I have discussed the problems of maintaining a free press. There's no question that he shares my views that the danger of over-restrictive legislation & over-restrictive actions, and he has always been strong in recognition of the need for a successful republic such as ours to have a free & unrestricted press..." Asked if there is difference between print & broadcast journalism, Klein said: "Licensed journalists...sounds like a fair & fancy thing to many of the public, but what you are really saying is that you are restricted journalists, and there is no way to make a better journalist because he is licensed or unlicensed."

Burch was interviewed on KOOL-TV Phoenix, said that Congress has no right to subpoena outtakes or reporters' notes, that First Amendment is definitely involved. He said FCC is required to deal with "Pentagon" because of complaints, and believes there's need for court decision on outtakes. In addition, he called for repeal of Sec. 315, said it doesn't help splinter candidates, succeeds only in keeping major candidates off air.

Commission discusses "Pentagon" April 26, is expected to take position—advanced by Burch—much as in "Hunger in America" decision: Licensee should initiate own investigation of distortion charges—but "cure" by govt. would be "worse than the disease" of inaccurate news program. Reportedly, Comr. Bartley, supported by Burch's asst. Henry Geller, is urging total FCC hands off. Said one FCC official: "It's a matter of semantics. They end up the same place, but you never saw such a fight over language. Blood all over the floor."

CBS counsel Lloyd Cutler, Daniel Mayers & John Appel appeared before Staggers' Subcommittee April 20, spent 45 min. Both sides were lining up their legal ducks for future contest, if any. Staggers read carefully written 13-page statement stressing that Subcommittee "purpose is not to look into whether CBS has been 'biased' against the Dept. of Defense." Rather, he said, it's to see whether CBS engaged in "factually false & misleading filming & editing practices...giving viewers an erroneous impression...Certainly this is a matter of legitimate legislative interest." Statement cited court & FCC decisions (Red Lion, Pot Party, Hunger in America, etc.), claimed they support subpoena.

CBS lawyers presented 5-page statement to Staggers, saying: "We believe that the Congress cannot constitutionally compel journalists to produce such a wide range of materials... We cannot conceive of legitimate legislative purpose to which the materials requested would be relevant." They also quoted court cases (notable *Caldwell v. U.S.*): "The very concept of a free press requires that the news media be accorded a measure of autonomy; that they should be free to pursue their own investigations to their own ends without fear of governmental interference; and that they should be able to protect their investigative processes." Staggers gave CBS 10 days to study case further. CBS Pres. Stanton & other spokesmen, in statements at stockholders meetings & elsewhere, gave every indication of fight to finish. Said Stanton: "We will take every step necessary... to resist this unwarranted action... Too much is at stake for us to do less."

CBS Bcst. Group Pres. Richard Jencks said he was happy with reaction of affiliates. He said there was strong support of network's resistance to subpoena—even from those who thought program was biased against Pentagon.

Continued support came from ABC & NBC. Said ABC News Pres. Lower: "We do not have to answer to Congress. The First Amendment makes that perfectly clear." ABC Commentator Reasoner said he reads charges that White House is making "ABC News sort of a teacher's pet while putting a hard squeeze on CBS News and, apparently, sort of ignoring NBC... There is only one proper place for journalism in relation to government... arm's length or maybe a few inches longer."

NBC Pres. Goodman: "The better the reporting and the more deeply & critically the issues are probed, the greater the probability of complaint. There was a time when excellence in reporting received awards. Now it is just as likely to draw a subpoena."

Another veteran of govt. wars, attorney Paul Porter, onetime FCC chmn., at Peabody Awards luncheon, called for "new bill of rights for broadcasters" to protect "news reporters & commentators, their producers & directors, and for courageous sponsors as well." He also called for permanent station licenses "revokable only after hearing & for cause."

NBC's appearance before Staggers for 51 min., before CBS's turn, seems to have little relevance to issues in CBS case. NBC attorney Howard Monderer said network was giving Subcommittee copy of show & transcript, had no outtakes, etc., of documentary on wildlife "Say Goodbye." Program was furnished by sponsor Quaker Oats, made by Wolper. Wolper didn't appear, said he was sending all he had.

Wolper has said program used stock footage, didn't pretend to be "news," was made to "dramatize" such things as slaughter of polar bears. According to attorneys, big difference between CBS & NBC cases is that wildlife show wasn't news or news documentary, involved no confidential sources.

CBS had easiest stockholders' meeting in years in L. A. last week, with only slight squabble over hiring of women & minorities. Chmn. William Paley said women make up 42% of work force, 13% of executives; minority employment has grown from 3.9% in 1963 to 13% Dec. 31. He said CBS would continue acquisitions "to increase the share of total profits contributed by our non-broadcast activities." Pres. Frank Stanton stressed fight over subpoena of CBS News (see p. 4).

"Citizen Participation in the Bcst. Renewal Process" is April 29 seminar sponsored by Federal Bar Assn. at National Lawyers Club, Washington, FCC consultant Barry Cole, Ind. U. prof., will start 2 p.m. session with "one man's view of the broadcast renewal process." He'll moderate panel on hypothetical TV renewal: Richard Block, Kaiser Bcstg.; Grover Cobb, NAB; Domingo Nick Reyes, National Mexican-American Anti-Defamation Committee; Phil Watson, Howard U.

FCC received 8,000 comments, complaints & inquiries in March, largest number to date; previous record was 6,700 in Nov. 1969. Of March total, 3,000 were complaints, 5,000 "other." Of complaints, 300 were about rodeos & cruelty to animals, 150 about news (mostly "Selling of the Pentagon"), 200 about network-program cancellations (mostly Welk). Of the 5,000 "other" letters, 3,000 were commendations for broadcasts dealing with needs of older people, from American Assn. of Retired Persons and Retired Teachers Assn.

NBC's 5-year study of effect of TV violence on youth is underway in 2 midwest markets, each with 4 vhs. It covers 877 boys, aged 7-18, who will be "measured" 2-3 times per year; parents will be interviewed annually. Measurements include social, economic & cultural environment; family, friends, social activity and exposure to media; violent and anti-social behavior; moral values and desensitization to violence.

SERVICES COMPETE FOR TV TIME: Navy, Marine Corps & Air Force brass say they'll move soon to close gap with Army, now in middle of 13-week, \$10.6-million experiment to attract volunteers through prime-time spots. Defense Dept. approved plan over strong objections from other services, and if successful, may authorize additional \$25 million for Army plus money for other services.

That was gist of testimony received last week by House Communications Subcommittee from Defense Dept. Subcommittee is considering Rep. Van Deerlin's (D-Cal.) resolution to prohibit any govt. agency from buying ads which stations normally carry free. Members also questioned effect millions of military advertising dollars would have on industry and whether some broadcasters were obligated to air free spots while competitors profited from paid ads.

"I don't see any need to start paying for something that has been given," said Chmn. Macdonald (D-Mass.) He denied resolution was "anti-military," but accused Army's agency N.W. Ayer of selling service "like soap... Do you really think that you can change a man's career with a 30-second spot?" he asked Senior Vp Horace Nalle.

CBS Bcst. Group Pres. Richard Jencks & NAB Exec. Vp Grover Cobb said resolution discriminated against broadcasters by allowing military to spend money in print media. But Jencks also said decision to carry ads should be left to stations, also accused resolution of "tying the hands" of federal, state & local govts. trying to reach specific audiences.

Cobb estimated broadcasters contribute over \$500 million yearly in public service announcements. Jencks said CBS aired 82,436 such spots for govt. last year, but none for any military service over past 10 years "because they never asked us." Macdonald said he was "thunderstruck... You mean they never asked you?" Now, however, Army has bought \$1.3 million worth from CBS. Defense Dept. estimated Army has fared less than other services, benefiting from \$6 million worth of public service spots on TV & radio in 1970 compared with \$11.8 million for Air Force, \$9.5 million for Navy, \$5 million for Marines. Asst. Deputy Defense Secy. Paul Wollstadt said if Army experiment succeeds "the military departments should have the opportunity to use paid time to supplement the public service time..."

At least 16 stations refused to carry Army paid spots, but continue free ads for all services. Westinghouse Bcstg. Pres. Donald McGannon also refused, expressed concern over "imbalance." In letter to Van Deerlin, he said Ayer did not buy time on Westinghouse stations in N.Y., L.A. or Philadelphia "because they did not want these announcements to be in proximity to casualty reports." He also said Ayer stipulated that Army ads must have at least 15-min. separation from newscasts.

Advertisers spent \$414.4 million in network TV in first quarter, down 11.8%, according to TvB-BAR. TvB stressed that 9% of decline was due to loss of cigarets, predicted major recovery 2nd quarter.

CAMPAIGN SPENDING BILL: After months of partisan wrangling, Senate Commerce Committee last week reported out "comprehensive" campaign reform bill limiting federal candidates to spending equal amounts in broadcast & print media, repealing Sec. 315 for Presidential & Vice Presidential candidates only, and forcing all media to sell time at lowest unit rates. Bill was clear victory for Democrats who voted down key Republican positions: (1) Higher over-all money limits allowing candidates to spend money in any media they wished. (2) Opposition to any limits on individual contributions. Democrats voted \$5,000 limit.

Committee vote was unanimous, but that didn't nearly reflect several straight party votes on host of GOP amendments. Sens. Scott (R-Pa.), Baker (R-Tenn.) and other Republicans plan amendments when bill reaches floor, probably mid-June. Sen. Pastore (D-R.I.) called it "reasonable."

Bill would prohibit Presidential, Senate & House candidates from spending any more than 5¢ times number of eligible voters for that office or \$30,000, which ever is greater. Same limits apply to print media. This would limit Presidential candidates to about \$14 million in 1972, or \$7 million on TV-radio. In 1968, GOP spent about \$12.7 million on broadcasting while Democrats spent \$6.1 million. Republicans wanted over-all limits up to 20¢. Lowest unit rates apply only 45 days before primaries, 60 days before general elections. Also, broadcasters must provide candidates "reasonable access."

Bill appears to meet White House demand that law apply equally to all media, but it doesn't comply entirely with guidelines suggested by Deputy Atty. Gen. Richard Kleindienst (Vol. 11:14 p9) and later endorsed by Administration. He supported over-all limits, no limits on contributions, Sec. 315 repeal for all federal candidates, full disclosure (bill has disclosure provision, but Committee referred to Judiciary Committee Scott's proposed Federal Elections Commission which Kleindienst accepted) and lowest rates

Annual FCBA seminar at Williamsburg, Va. May 28-29 covers "Broadcasting & Cultural Identity" with panelists Edward Epstein, whose book "Inquest" criticized Warren Commission report; women's lib advocate Betty Friedan; Jeremy Larnier, speech writer for former Sen. Eugene McCarthy (D-Minn.); Theodore Ledbetter, pres. of Urban Communication. Second panel, "Broadcasting and the Political Process" features Lyn Nofziger, Republican National Committee; Joseph Napolitan, ad dir. for Sen. Humphrey's (D-Minn.) 1968 campaign; David Garth, who helped run N.Y. Mayor Lindsay's campaign; Howard Metzenbaum, unsuccessful senatorial candidate from Ohio; Penn State Prof. Benard Hennessey. Chmn. of seminar is Frank Mullen, program chmn. W. Theodore Pierson Jr. FCC Comr. Houser will attend, and D. C. Appeals Court Judge Harold Leventhal speaks at May 28 banquet.

McGraw-Hill devoted 117-1/2 "man days"—not "man hours" as incorrectly published (Vol. 11:16-p3)—to ascertainment of community needs in 5 markets where it is buying Time-Life TV stations.

Personals

CBS's **Walter Cronkite** receives "Broadcaster of the Year Award" from IRTS May 18, Waldory Astoria, N. Y. . . **Grover Cobb**, NAB exec. vp for station relations, receives "Broadcaster of Year Award" May 21 from Kansas Assn. of Radio Bcstrs.

James Kelly, ex-chief investigator of House Investigations Subcommittee and force behind major TV investigations going back to early 1960's, and onetime CBS investigative reporter, joins Senate Commerce Committee to work on special investigation of thefts in interstate commerce.

William Patton, KATC-TV Lafayette, La., named chmn., NAB Secondary Market TV Committee, succeeding **Dale Moore**, KGVO-TV Missoula, Mont. Appointed to Committee were **Thomas Bostic**, KIMA-TV Yakima, Wash., & **Jack Rosenthal**, KTWO-TV Casper, Wyo.; terms ended for **Moore** & **Robert Smith**, WCYB-TV Bristol, Va.

Archa Knowlton, General Foods, elected chmn., ANA's newly-formed media policy committee; **Joel Axelrod**, Xerox, elected chmn., advertising planning & evaluation committee.

Robert Saracen promoted from gen. sales mgr. to station mgr., WGAN-TV Portland, Me. . . **Thomas Shannon**, ex-Metromedia TV Sales, N. Y., appointed gen. sales mgr., WTOP-TV Washington. . . **Murry Resnick** advanced to business mgr., ABC-TV.

George Sperry, ex-E.W. Baker Advertising, Detroit, rejoins WKBD-TV Detroit as program mgr., succeeding **Dave Salzman**, now program mgr., KDKA-TV Pittsburgh. . . **Andrew Mastoras** promoted to business mgr., KJEO Fresno.

Joan Felrice, NBC PR dept., joins Public Bcst. Service May 3 as asst. to dir. of public information

"Greedy cable-pay TV promoters [who] milked the Ali-Frazier prize fight for every penny they could get" were again attacked last week by NAB Exec. Vp **Paul Haney**. In telegrams to National Basketball Assn. & ABC, Haney said "sports fans everywhere applaud & salute" decision to put NBA playoffs on free TV. "We are tremendously impressed by your courageous, precedent-shattering step in eliminating local TV blackouts," he said. "Your efforts are in dramatic contrast to the sorry spectacle" of closed-circuit TV for heavyweight fight.

Bcst. Rating Council meets May 13 in N. Y., expects to pick successor to late Exec. Dir. **Kenneth Baker**. Prospects include **John Wade**, ex-Triangle; **Martin Goldberg**, ex-HR & Statistical Research. **Baker**, 64, died April 15 of pneumonia & internal bleeding. He had been exec. dir. of BRC since formation under congressional pressure in 1964, started in broadcasting in 1946 as NAB research dir.

Hearing covering all FCC activities ("legislative oversight") is scheduled April 29 before House Communications Subcommittee. On April 27-28, Subcommittee will deal with legislation forbidding programs which defame or stereotype ethnic Americans. Witnesses include FCC Comr. **Robert Lee**, ACLU, Anti-Defamation League, several congressmen.

WHDH-TV ATTACKS BBI OWNERS: Charging "a deliberate scheme to conceal" facts from FCC, WHDH-TV Boston questioned character qualifications of several Boston Bcstrs. Inc. (BBI) stockholders last week in new effort to retain Ch. 5. WHDH-TV also asked Supreme Court to overturn decision granting channel to BBI.

Most of WHDH-TV's wrath was directed toward BBI Exec. Vp **Nathan David** for alleged hidden attempts to build "CATV empire" and for sale of unregistered securities in CATV company, Synergistics Inc. (subject of civil suit against David). Station said that several other BBI stockholders have hidden CATV interests. WHDH-TV also charged that BBI stockholders—through **Eaton & Howard Growth Fund**—have hidden interest in **Kaiser Bcstg.**, **Westinghouse** & **Plough**—all with Boston stations.

"Important factor" in FCC grant to BBI was representation that **Richard Burdick** would be gen. mgr., WHDH-TV said, when in fact **Robert Bennett** (of WNEW-TV N. Y.) has been hired. WHDH-TV included in affidavits list of TV executives whom BBI allegedly had attempted to hire as gen. mgr. (BBI filed letter at FCC April 22 disclosing that **Bennett** had acquired 1,000 shares in BBI.)

Affidavit of **William Headley**, pres. of Teletransmissions Inc.—allegedly set up by **David** to acquire CATV—said he & **David** tried to hire FCC CATV Bureau Chief **Sol Schildhouse** and that 45,000 shares had been set aside for key people such as **Schildhouse**. **Headley** said **Schildhouse** turned offer down at 1969 NCTA convention.

WHDH-TV asked FCC to either launch investigation of charges or to ask Court to return case for new hearing. Supreme Court should hear case, WHDH-TV argued, to determine whether: (1) FCC established adequate justification for treating WHDH-TV "on a wholly different basis from all other renewal applicants," (2) Appeals Court was justified in affirming "the foregoing obviously discriminatory treatment" of WHDH-TV.

ABC has rejected Democratic & GOP demands for logs of Vietnam news coverage. "We do not believe that those who disagree with [our] judgment have a blanket right of access to ABC News' coverage logs and we do not intend to initiate such a practice," **Goldenson** said. He also turned down Democrats' claim for equal time to reply to March 22 "Conversation" between President **Nixon** and **Howard K. Smith**, although network did give Democrats time April 22 to reply to **Nixon's** Vietnam policy. GOP National Chmn. **Dole** called Democratic show "political demagoguery... a dishonest & dishonorable attack on the President," previously said he may seek equal time from ABC. "Thus on one hand we are challenged by the Democrats because they contend we have been unfair to them and on the other hand by the Republicans," said **Goldenson**.

Dale Moore has sold his 50% of KCOY-TV Santa Maria to 3 local stockholders—**Helen Pedotti**, **Mili Aquisitipace** & **Burns Rick**—continues as consultant. Gen. Mgr. **Paul Leslie** said station turned down offer by "an L. A. group" to buy majority interest.

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), from EIA, week ended April 9 (14th week of 1971):

	April 3-9	1970 week	% change	March 27- April 2	1971 to date	1970 to date	% change
Total TV.....	172,107	134,472	28.0	186,423	2,675,249	2,367,375	13.0
color	86,988	65,212	33.4	95,288	1,425,905	1,199,522	18.9
monochrome	85,119	69,260	22.9	91,135	1,249,344	1,167,853	7.0
Total radio	346,263	281,975	22.8	349,885	4,980,573	4,308,380	15.6
home, portable ...	184,214	123,224	49.5	141,305	2,016,919	1,897,426	6.3
AM-only	107,812	89,429	20.6	83,817	1,227,242	1,241,607	-1.2
FM & FM-AM ...	76,402	33,795	126.1	57,488	789,677	655,819	20.4
auto	162,049	158,751	2.1	208,580	2,963,654	2,410,954	22.9
Total phono	57,879	39,026	48.3	56,031	1,041,364	826,671	26.0
portable-table ...	46,451	25,840	80.0	44,429	802,552	525,911	52.6
console	11,428	13,186	-13.3	11,602	238,812	300,760	-20.6

Color TV 5-week moving average: 1971—94,576; 1970—72,453 (up 30.5)

RCA READYING HOME CARTRIDGE VTR: While continuing development of holographic video-player, RCA is working on low-cost home cartridge magnetic recorder-player—presumably incompatible with other systems announced so far. Significantly, new system is project of Consumer Electronics Div.—a manufacturing & marketing wing—and not RCA Labs, which indicates that it's fairly well advanced.

We've pointed out that RCA was working simultaneously on several videoplayer approaches, including magnetic tape (Vol. 10:46 p8, 11:10 p9). In answer to our specific question regarding its work on magnetic VTRs, RCA last week made this statement:

"RCA has under development a new design for a cartridge-type, magnetic tape color TV player-recorder for use in the home. This concept, which is being pursued by RCA's Consumer Electronics Div., could lead to a video player-recorder significantly less expensive and less complex than other magnetic tape systems being advanced for the consumer market.

"This design concept is not intended to displace RCA's Holotape home videoplayer system, which is expected to be the lowest-cost long-play medium for consumer use. Since the magnetic tape system would offer a recording capability, either off-the-air or using a small camera, it is viewed as complementary to the playback-only Holotape system. If carried to the product stage, the magnetic tape system would become part of RCA's SelectraVision line."

RCA didn't indicate when it planned to demonstrate new tape system or when marketing would start—if it is put on market. It's reasonable assumption, however, that—merely by breaking silence—company feels it has marketworthy product. RCA's work in home magnetic tape field shouldn't be taken as indication that Holotape is dead; it's known that development is continuing, with some significant successes. However, it's good guess that VTR will come first, to help stake out RCA claim in home market. RCA declined to answer any further questions on VTR, but it's assumed system will be shown to other manufacturers in interest of achieving standardization, after marketing decision is finally made. And if powerful RCA puts weight behind home VTR, it could well turn standards battle into new ballgame.

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In other videoplayer developments: (1) Motorola received license from EVR Partnership of London which, together with its CBS license, permits it to make & market Teleplayers anywhere in world. (2) GTE Chmn.-Pres. Leslie Warner, in answer to stockholder question at annual meeting, said Sylvania would make videoplayers after standardization had been reached. (3) 3M Magnetic Products Div. Gen. Mgr. Daniel E. Denham told VIDCA symposium in France that with eventual tape price reductions, and using 3M's rapid duplication system (Vol. 11:12 p11), one-hour half-in. videocassette eventually could be sold for less than \$15, including duplication but less program rights; cost today is minimum of \$35.

MAGNAVOX SETTLEMENT—PORTENT TO INDUSTRY: Consent agreement signed by FTC & Magnavox, if finalized as expected, largely gives force of law to new pricing policies adopted by Magnavox Jan. 1 (Vol. 10:50 p8)—with one significant addition. Its implications to other firms both within & without consumer electronics industry may now be more significant than to Magnavox, which for 4 months has been operating under most of the changes decreed.

The new addition is significant—particularly to FTC, avowed enemy of fair-trade laws—in that it overrides fair trade in certain areas. These are those Standard Metropolitan Statistical (marketing) Areas which include both fair-trade & free-trade areas. There are 6 of these—straddling borders of fair-trade states,—and Magnavox has agreed to include them in its non-fair-trade territory.

Most important ones are Washington area (D.C. is free-trade, neighboring Md. & Va. fair-trade) & Providence (R.I. free-trade, Mass. fair-trade). Other areas declared free-trade are Ark. section of Texarkana area; Ill. suburbs of St. Louis; Council Bluffs & other Ia. portions of Omaha area; Columbus, Ga. area bordering on Ala. Agreement decrees that Magnavox can't enforce fair trade in these areas for 2 years. Otherwise, it largely follows current Magnavox practices, in that it forbids any form of price maintenance in the 14 free-trade states & D.C., and requires separate sales force for these.

In the other 36 states, "Magnavox will continue to vigorously enforce its fair-trade program to the extent permitted by law," Magnavox Consumer Electronics Pres. George Fezell said, "and dealers are liable to suit and/or loss of their franchise if they advertise or offer Magnavox products for sale below the established minimum fair-trade prices." Magnavox Pres. Robert Platt said consent order would require "only insignificant further changes" in company's policies, and noted that some 85% of its sales are in fair-trade states.

Consent order, though not a victory for Magnavox, doesn't go nearly so far as FTC's original complaint, which attacked company's price maintenance policies in both free- & fair-trade states, and struck at heart of Magnavox's entire franchise system, challenging its right to limit franchised dealers, to hold annual sales, to refuse to franchise discount houses, etc. (Vol. 10:8 p8).

It does touch on franchise practices, however. In both fair- & free-trade states, Magnavox is barred from preventing dealer from handling competitive lines, from requiring dealer to carry "full line" of any products (although it may require stocking of "representative line") or to buy one Magnavox product to get another. Company is also required to reinstate franchises terminated in free-trade states since Jan. 1, 1966 on request of former franchisee, provided he has good credit & adequate sales & service facilities.

In special prohibitions, Magnavox can't, for next 2 years, even publish "suggested list prices" in free-trade areas or forbid dealers from issuing trading stamps. Suggested list prices can, of course, be used in fair-trade states. FTC's 2-year ban of suggested lists in free-trade states doesn't set precedent for future ban of suggested lists by all manufacturers, but is designed to eliminate any hint of price dictation by Magnavox.

Other manufacturers will be scanning 9-page decree closely. It obviously has message for all who claim price maintenance in free-trade states, practice which has been widespread in hi-fi component industry. Sylvania, whose marketing practices are under FTC investigation—but which has not received complaint—gave some indication last week that it is changing its policies. It is gradually going fair-trade in fair-trade states, concedes it has no power to enforce "suggested retail prices" in other areas. "We believe our marketing practices differ

substantially from those of Magnavox," said Entertainment Products Mktg. Vp William Boss, "and are compatible with the laws of our country and with the best interest of our dealers. We intend to continue our program of fair-traded prices in fair-traded areas, with fair & equitable practices for our dealers."

FTC is scrutinizing practices of other manufacturers—within & without consumer electronics industry—which it thinks parallel, at least in some respects, Magnavox's former policies. In light of Magnavox settlement, it's believed any new complaints will be followed by agreement rather than litigation.

Consent order remains on public record through May 19 for comments before going into effect; Commission has right to change its mind in meantime. Free-trade states are Ala., Alaska, D.C., Hawaii, Kan., Miss., Mo., Mont., Neb., Nev., R.I., Tex., Utah, Vt., Wyo.

RCA'S 'VERTICAL INTEGRATION' IN COLOR: With dedication of \$19-million glass plant in Circleville, O. last week (Vol. 9:26 p9), RCA became only American manufacturer to make color tubes completely from scratch. Ultramodern facility is now making 19V" faceplates, just phasing into 90-degree funnels, will start production of 25V" bulbs.

Decision to build plant was made in 1968, when color TV business was somewhat better than today, but RCA's desire to be completely "vertically integrated" in color appears undiminished—with new shadow-mask plant coming on stream in Puerto Rico, companion gun plant there in large-scale production.

Philosophy behind RCA's entry into expensive & technologically complex glass business was hinted by Chmn.-Pres. Robert Sarnoff in dedication remarks. RCA, he said has instituted improvements in color tubes through changes in electronic components it manufactures itself. "In order to assure continued progress and maintain our leadership, we have now gone into the glass business for ourselves. [We] expect a smoother & more rapid flow of technical improvements as we combine our knowledge of electronics with... glass bulb manufacture."

Concept was elaborated informally after dedication by Sarnoff & RCA Electronic Components Exec. Vp John Farese, who indicated that control over glass would give RCA proprietary innovations in terms of size, configuration & glass composition of picture tubes. Major U.S. color glass makers, Corning & Owens-Illinois, make standard bulbs, offer them to all comers—eliminating possibility of exclusivity.

RCA will supply "significant portion" of own tube operation's glass needs, Sarnoff said. It's learned that this eventually will come to 50%, but for time being will be confined to "heavy tonnage items"—such as 19V" & 25V" sizes—RCA buying glass for more specialized sizes from others. RCA has no plans to supply other color tube makers with glass.

New plant differs from the 2 other major U.S. glass plants in that it employs "pressing" process—rather than centrifugal or "spinning"—for funnels. (Corning is understood to own major patent on spinning.) Dutch Philips and several Japanese manufacturers use pressing, which RCA claims permits more even distribution of glass, allows funnel configurations not possible by spinning. Plant managed by C. Phillips Pfeleeger, ex-Corning, employs about 380 in 352,000 sq. ft., will have some 500 workers when in full production shortly after midyear.

Another major RCA color tube venture was announced last week—jointly-owned French firm to produce & sell shadow-mask tubes, "including 110-degree deflection type & related neck components." Partner is Thomson group (Thomson Houston Hotchkiss Brandt, Thomson-CSF), with which RCA has long had close relationship. (Thomson has tiny minority interest, through CSF, in France Colour, developer of non-shadow-mask "grille tube;" Vol. 8:50 p6.) Upon approval by French govt., RCA will own 49% of firm, with production to start later this year. It will be 2nd RCA color tube venture in Europe—\$24-million Thorn Colour Tubes Ltd. (49% owned by RCA) is in start-up stage in England now.

It's likely that new French venture could absorb at least some of color tube manufacturing equipment purchased by RCA from Admiral (Vol. 11:15 p10). RCA also is constructing monochrome picture tube facility, together with Chinese interests, in Taiwan.

BELT-TIGHTENING AT NARDA: Retail profit increases will have to come from greater dealer efficiencies & higher prices. That was message threaded through presentations of many manufacturers at NARDA Convention in Chicago last week. Adding to pressures felt by dealers was implication in Magnavox-FTC settlement that even fair-trade laws are no longer absolute guarantee of full markups & price protection (see p. 8).

Manufacturers, dealers were told, will be concentrating on streamlining distribution and improving merchandising while retailers face task of selling big-ticket items without price cutting. Getting "higher share of the dollars" is "really the name of the game," said Zenith Sales Pres. Walter Fisher, who cautioned against dealer concentration on small screen portable TVs to make "fast, easy sale." He urged dealers to "sell merchandise for what it's really worth," said increasing cost pressures will keep prices stable—presumably meaning up. Motorola Vp Robert Warren & RCA Vp William Anderson pointed out need for keeping high marketing costs in check.

Consumerism, of course, received spotlight, as did dealer gripes over direct manufacturer sales to builders & institutions, over-franchising, poor factory quality control & low markups on major domestic brands. Elected NARDA-pres. was M.B. Cooper, Jackson, Miss., succeeding C.W. Conn, Beaumont, Tex. Others: Ira Fischbein, secy.; Alex Sterling, treas.

Motorola Systems, EVR Teleplayer operation, has become member of International Tape Assn. Acceptance of film videoplayer manufacturer reflects broadening of ITA's scope to cover all areas of information recording & retrieval, according to Exec. Dir. Larry Finley. Also added to ITA ranks was Dow Corning, manufacturer of tape pinch rollers. Finley said 90 industry execs. have agreed to participate in 24 workshop sessions during ITA's seminar on tape & communications in Washington, May 12-15. Featured speakers are Bell & Howell Chmn. Donald Frey, White House Asst. for Consumer Affairs Virginia Knauer, Deputy Asst. Commerce Secy. William Lee, columnist Art Buchwald.

Anti-dumping rules review announced by Treasury is causing concern in Washington foreign-trade community. Inviting suggestions on how to improve Act, Treasury said "renewed interest" in regulations since last review (1969) made new undertaking appropriate. Last revisions resulted in procedural speedups, mainly for benefit of importers. Feeling is Treasury would now like to toughen enforcement, possibly give domestic industries greater access to rebuttal information supplied by foreign manufacturers.

Standard Radio of Japan is gradually shifting all low-end export production to wholly owned Taiwan subsidiary, leaving home plants for higher-priced gear, including Marantz-brand hi-fi equipment made for Superscope. Standard recently contracted to supply Marantz equipment worth \$2.8 million through Dec. for U.S., Canada & Europe.

SPRING BARGAIN SALES: "Magnavox 60th Anniversary Celebration," April 25-June 30, features reduced fair-trade prices on selected products (previous prices in parentheses): Color sets—11V" \$229 (\$249.90); 14V" \$279 (\$299.90); 18V" \$329 (\$349.50); 19V" \$379 (\$398.50); two 23V" consoles \$449 (\$498.50); 25V" console \$499 (\$598.50). Monochrome—8V" solid-state \$109.95 (\$119.95); 12V" \$84.95 (\$89.95); 16V" \$104.95 (\$114.90); cart is included with two 18V" portables at former without-cart prices of \$129.95 & \$139.95. Headphones are included at no extra cost with 5 stereo portables, cart with 2 stereo compacts. Five cassette recorders are reduced \$5-\$20, four radios \$3-\$5.

Singer's spring sale offers \$70 reduction on 25V" color console, now \$429.95. Color portables are: 18V" at \$299.95 (down \$60), 16V" at \$269.95 (down \$50) & 11V" at \$189.95 (down \$30). B&w portables are 9V" at \$64.95 (off \$10), 12V" at \$74.95 (off \$15) & 19V" at \$109.95 (off \$20). Stereo compact systems & phonos are cut \$10-\$50, cassette units down \$5-\$10. Discontinued color portables are 18V" at \$219.95 & \$199.95 (off \$80 & \$100), 15V" at \$199.95 (off \$70). Discontinued 9V" & 12V" b&ws are reduced \$10-\$20.

Admiral dealers will join "floor clearance sale" next week following current "Buy-In" sale by distributors. Company will issue no suggested list prices, distributor-dealer promotion being based on clearance products available in individual markets.

FTC has proposed clarifying amendments to its TV screen-size measurement rules: (1) "... Measurement of the picture area on a single plane basis refers to a measurement of the distance between the outer extremities (sides) of the picture area which does not take into account the curvature of the tube." (2) "Any referenced or footnote disclosure of the manner of measurement by means of the asterisk or some similar symbol does not satisfy the 'close connection & conjunction' requirement..." Both points had previously been introduced in interpretation of rules. Comments are due July 21.

Add price increases in prospect (Vol. 11:16 p7): Philco-Ford plans across-board boosts for entire new line. Amount hasn't been determined, but Consumer Products Div. Vp-Gen. Mgr. Leo Beebe says: "Every bit as much as we think we can get." He points out that company's average prices are 15% below 1957-59 base used by BLS Consumer Price Index for same products, while all other consumer goods have increased 30%.

Protection for domestic IC & LSI producers is sought by Japan's Electronic Industry Development Assn. Group has asked MITI to turn down new joint-venture requests from foreign manufacturers. Motorola, Fairchild & other U.S. firms are seeking such permission. EIDA said Japanese have just begun commercial production, need time to develop technology to compete with American firms.

Japanese shipped 573,000 color TVs in March, up 27% from March 1970, EIA-Japan reports. Exports jumped 90% to 129,000; home-market shipments were up 12% to 444,000.

FEB. TV IMPORTS UP: TV imports made strong gains in Feb., when Japan was displaced as leading source country for any TV import classification for first time. Commerce Dept. shows 333,583 TVs entered in Feb., up 16.7% from Feb. 1970, with color up 25% to 80,435, b&w up 14.3% to 253,148.

Mexico edged out Japan as top source country for over-17V" b&w, first time Japan has taken back-seat. Despite ranking setback, month's TV imports from Japan were up 13.8% to 234,314, as color rose 19.8% to 73,991 and b&w climbed 11.2% to 160,323. For 3rd straight month, no TVs were imported from Hong Kong; Sylvania, which has plant there and was only U.S. firm importing from Hong Kong, is now buying sets from Warwick (assembled in Mexico)

and from Japanese manufacturers.

Imports of audio tape units were off 13.4% in month to 929,945. Recorder imports fell 13.5% to 471,028, while player units declined 13.2% to 458,917. Only battery cartridge recorders, radio-recorders & tape player combinations managed to better Feb. 1970, as all others declined. Also off were imports of transistor home radios, down 27.7% to 1.9 million, with clock radios, up 113%, providing only bright spot. Imports of auto radios, transceivers, radio-phonos & recorder changers increased, while both stereo & mono phonos declined.

Following are Feb. 1971 imports. Where no country is indicated, Japan is leading supplier:

U.S. IMPORTS

	Feb. 1971		Feb. 1970			Feb. 1971		Feb. 1970	
	Units	Value (\$)	Units	Value (\$)		Units	Value (\$)	Units	Value (\$)
Color TV, over 17V"	32,554	5,927,228	19,122	3,402,177	Tr. rad., AM, batt.	611,478	2,043,482	828,935	3,151,935
Japan	30,762	5,571,363	18,945	3,346,908	Japan	175,770	912,821	128,914	947,370
Taiwan	1,102	190,230	—	—	Taiwan	98,022	321,227	89,509	285,733
Canada	689	164,984	175	54,592	Hong Kong	325,320	797,085	582,520	1,837,565
Color, 11-17V"	42,837	5,836,777	25,212	3,454,038	Tr. rad., batt., other	706,517	8,768,147	1,220,305	11,063,530
Japan	38,185	5,382,658	22,829	3,283,014	Japan	295,258	5,793,277	374,429	7,113,031
Taiwan	4,642	451,962	2,380	169,826	Taiwan	50,761	660,688	156,669	941,651
Color, 10V" & under	5,044	730,041	19,989	2,967,930	Hong Kong	349,677	2,163,774	665,098	2,838,849
Japan	5,044	730,041	19,989	2,967,930	Auto radio	118,954	2,107,360	79,917	1,191,991
B&w, over 17V"	56,420	3,410,431	32,796	1,473,013	Transceiver	106,027	1,751,615	49,181	883,252
Japan	22,693	1,395,244	13,531	817,103	Radio-phonos	104,176	3,176,574	73,357	1,857,575
Taiwan	7,613	284,637	16,600	476,769	Phono, stereo	30,022	509,113	41,883	628,195
Mexico	25,889	1,693,940	2,632	170,471	Phono, mono	11,154	114,335	11,744	77,793
B&w, 11-17V"	130,627	6,460,506	107,576	5,102,316	Record changers	309,407	3,477,311	285,997	3,080,713
Japan	89,032	4,632,431	71,819	3,444,728	United Kingdom	288,188	2,834,643	262,138	2,602,669
Taiwan	41,503	1,816,962	25,504	1,024,477	West Germany	21,126	638,181	21,456	431,410
B&w, 10V" & under	66,101	3,072,883	81,168	4,004,167	Rcrrdrs., AC, stereo,				
Japan	48,598	2,367,136	58,771	3,036,528	cart.	21,977	726,660	25,379	920,958
Taiwan	17,490	702,322	17,592	695,458	Rcrrdrs., AC, stereo,				
Clock radio	301,987	3,084,444	141,916	1,696,333	reel	18,378	1,410,502	55,145	2,670,289
Japan	126,841	1,452,338	93,928	1,236,607	Rcrrdrs., AC, mono,				
Taiwan	45,475	516,911	11,420	149,447	cart.	43,686	1,041,542	90,432	1,783,423
Hong Kong	119,157	991,750	34,554	287,850	Rcrrdrs., AC, mono,				
Tr. rad., AM, AC	120,151	595,690	155,909	652,269	reel	22,551	451,500	37,713	1,124,218
Japan	22,416	141,894	45,454	348,418	Rcrrdrs., batt., cart.	242,673	4,509,283	164,876	2,707,353
Taiwan	20,209	59,000	17,728	55,859	Rcrrdrs., batt., reel	20,557	618,998	75,260	1,078,092
Hong Kong	60,542	350,954	86,227	237,077	Radio-recorders	101,206	4,045,630	95,995	3,502,694
Tr. rad., AC, other	195,825	4,397,198	328,665	6,563,114	Tp. player, auto	204,466	3,989,806	300,848	6,498,814
Japan	112,764	3,544,506	256,520	5,878,270	Tp. players, other	160,610	3,178,285	182,881	4,473,760
Taiwan	48,731	561,335	21,457	217,250	Tp. players comb.	93,841	3,814,322	44,816	2,135,521
Hong Kong	31,970	263,025	45,873	340,884	Video recorders	1,602	559,506	965	340,231

Initial offering prospectus for Capehart stock, 150,000 shares at \$5, shows firm has lost money since formed in 1969 (Vol. 9:24 p11). Company reported \$268,655 loss on sales of \$3.2 million last year, and \$128,368 deficit on sales of \$1.3 million in 2nd half 1969. Capehart stereos are assembled here from Japanese chassis, British changers & U.S. cabinets & speakers by Norwich Electronics, operating in plant leased from Capehart Chmn. Leonard Kaye. Salaries paid last year show Pres. Melvin Koenig at \$35,000, reduced from \$52,000 specified in original 3-year contract; Exec. Vp Milton Kaufman at \$25,000, down from \$37,000. Last year firm sold to more than 600 customers, expects only 100 in 1971. One customer accounted for 20% of 1970 sales, another 15%. Order backlog, through March 1972, is \$7 million from 16 accounts. Capehart name was acquired for \$548,000, payable over 5 years. Firm's working capital shortage has forced renegotiation of terms. Capehart is to get \$675,000 from stock sale, with remainder to underwriting group headed by Calverwell & Co., Boston. Company lists liabilities \$30,000 in excess of its \$3.2 million assets.

Mergers & acquisitions: EMI of England bought 50% of 2 Italian firms for \$11.5 million: Voxson (color & b&w TV, etc.) & Ergon (color picture tube producer & supplier of Voxson)... Videorecord Corp. of America & England's Corspec Ltd. formed Videorecord Corp. of Canada, will produce & distribute videoplayer programs in Canada... Proposed Gould-Dictaphone merger was called off (Vol. 11:13 p14)... Ampex moved into semiconductor manufacturing through purchase of Varadyne IC plant in Santa Monica, Cal. as part of \$5-million investment program. Varadyne is shifting some operations to Taiwan

ServiceAmerica, RCA's all-brand consumer electronics repair organization has closed central hq offices in operational markets—Miami, Philadelphia, San Francisco. Move gives parts procurement & billing responsibility to individual repair offices in those areas, spokesman said. Experience has shown centralized parts buying wasn't necessary, he stated, adding that while SA was not profit-maker yet, results were following established timetable and that expansion decisions would come at year end.

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 Bcstg. Cos.			
1971-qtr. to March 31	--	2,776,000 ^a	.39
1970-qtr. to March 31	--	4,450,000 ^a	.63
Canadian General Electric			
1971-qtr. to March 31	--	2,700,000	.33
1970-qtr. to March 31	--	1,400,000	.18
Cohu Electronics			
1971-qtr. to March 31	1,711,760	9,114	.01
1970-qtr. to March 31	1,975,402	(13,512)	--
Combined Communications			
1971-qtr. to March 31	7,541,069	403,742 ^a	.20
1970-qtr. to March 31	5,161,273	184,905 ^a	.10
Cox Bcstg.			
1971-qtr. to March 31	13,716,098	1,269,838	.22
1970-qtr. to March 31	14,229,107	1,452,941	.25
Cox Cable Communications			
1971-qtr. to March 31	2,930,936	196,693 ^b	.06
1970-qtr. to March 31	2,508,683	364,969 ^b	.10
Craig			
1971-9 mo. to March 31	42,354,000	(142,000)	--
1970-9 mo. to March 31	44,791,000	677,000	.22
CTS			
1971-qtr. to March 31	19,345,939	1,155,011	.34
1970-qtr. to March 31	17,802,554	1,019,164	.30
Dynamics Corp. of America			
1971-qtr. to March 31	26,036,966	773,184 ^a	.16
1970-qtr. to March 31	31,124,899	975,406	.20
Fuqua Industries			
1971-qtr. to March 31	76,055,000	1,923,000	.27
1970-qtr. to March 31	75,640,000	1,569,000	.22 ^c
GTE			
1971-qtr. to March 31	898,909,000	55,941,000	.51
1970-qtr. to March 31	783,810,000	45,157,000	.42
International Electronics			
1971-year to Jan. 31	8,837,064	261,650	.25
1970-year to Jan. 31	8,873,654	423,180	.40
Lee Enterprises			
1971-6 mo. to March 31	17,948,283	1,650,550	.84
1970-6 mo. to March 31	17,393,760	1,526,879 ^d	.78
1971-qtr. to March 31	8,351,693	558,078 ^d	.28
1970-qtr. to March 31	8,036,603	506,510 ^d	.26
Meredith			
1971-9 mo. to March 31	102,997,534	2,427,354	.88
1970-9 mo. to March 31	109,296,204	6,107,405	2.20
1971-qtr. to March 31	37,260,353	1,239,234	.45
1970-qtr. to March 31	36,934,653	1,597,761	.58
MGM			
1971-6 mo. to March 13	92,192,000	4,941,000 ^a	.84
1970-6 mo. to March 12	92,414,000	4,937,000 ^a	.84
1971-qtr. to March 13	55,507,000	2,433,000 ^a	.42
1970-qtr. to March 12	53,572,000	4,609,000 ^a	.78
Metromedia			
1971-qtr. to April 4	35,675,638	160,921	.03
1970-qtr. to April 5	37,764,156	308,982	.05
3M			
1971-qtr. to March 31	435,300,000 ^f	47,000,000 ^f	.84
1970-qtr. to March 31	407,300,000	43,500,000	.78
Motorola			
1971-qtr. to March 31	199,581,565	5,409,221	.41
1970-qtr. to March 31	204,245,624	5,874,174	.44 ^g
PKL			
1971-qtr. to Feb. 28	1,087,300 ^h	1,250	--
1970-qtr. to Feb. 28	971,180	(99,026)	--
Rust Craft Greeting Cards			
1971-year to Feb. 28	51,202,000	3,270,307	2.82
1970-year to Feb. 28	50,044,000	3,195,052 ^a	2.75

Company & Period	Revenues	Net Earnings	Per Share
Tandy			
1971-9 mo. to March 31	273,453,687	9,628,024	2.20
1970-9 mo. to March 31	176,550,972	7,730,436	1.91
Technical Operations			
1971-6 mo. to March 27	4,452,000	(630,000) ^e	--
1970-6 mo. to March 28	6,341,000	48,000	.06
1971-qtr. to March 27	2,282,000	(310,000) ^e	--
1970-qtr. to March 28	3,175,000	11,000	.01
Texas Instruments			
1971-qtr. to March 31	190,974,000	8,176,000	.74
1970-qtr. to March 31	221,714,000	8,064,000	.75
Wells-Gardner			
1971-qtr. to March 31	5,255,000	25,000	.06
1970-qtr. to March 31	4,930,000	(159,000)	--

Notes: ^aAfter special credit. ^bAfter special item. ^cRestated.

^dBefore special credit. ^eAfter special charge. ^fRecord.

^gAdjusted. ^hBillings.

Trade Personals

Leslie Warner, GTE pres. & chief exec. officer, adds post of chmn., succeeding **Donald Power**, retired... **Joseph Siegal**, RCA labor relations dir., named staff vp... **John Pollock**, former Electronic Products Div. vp-gen. mgr., advanced to Electro-home operations exec. vp.

Richard Muelenhard, ex-Westinghouse Portable Products Div. national product sales mgr., joins Panasonic as Home Appliance Div. national sales mgr., succeeding **Alex Steinkoler**, now with Magnus Organ... **Saul Gold**, ex-Olympic vp, appointed exec. dir., NATM Buying Corp., will head N.Y. office (Vol. 11:8 p12)... **Joseph Sullivan** resigns as Mitsubishi International MGA Div. East region mgr., plans & successor unannounced.

William Mitchell promoted at Motorola from compensation dir. to human relations dir., new post... **Saul Knazick**, pres. of Elgin National's Radio Div., adds duties as sales vp for Delmonico Div... **Jean Babaud**, former European electronic product planning dir., advanced at Schlumberger Ltd. to technical development & product planning staff vp, electronics & instrumentation operations. Schlumberger owns Heath Co. & Weston Instruments.

Walter Burke, member of Fairchild Camera exec. committee, named chmn., succeeding late **Sherman Fairchild**; **Alexander Munson**, ex-Mobil, named vp-treas., replacing **Robert Keith**, now with Ampex... **Jerry Jameson** promoted at Texas Instruments to pres. of TI Supply, replacing **Jackson Brown**, who was acting pres., becomes U.S. sales mgr., new post; **James Fischer** advanced from asst. vp to vp, TI corporate mgmt. systems.

John Baughan, former Lynch exec. vp & head of subsidiary Symphonic, joins Leesona Corp. (textile machinery) as exec. vp... **Oscar Arnay**, ex-Inter-photo mktg. services dir., appointed Multitone Electronics ad & PR mgr... **James Damon**, IBM World Trade Corp., named Audiovisual Committee chmn., Assn. of National Advertisers.