

WEEKLY

Television Digest®

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The authoritative service for broadcasting, consumer electronics & allied fields

MAY 3, 1971

VOL. 11, NO. 18

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC GETS HILL MESSAGE to solve dilemma over CATV in great haste, but not before Congress gets a crack at proposals. Burch expects 'concrete' plans by late May. FCC meets on distant signals May 3. Macdonald criticizes Burch on kid's TV. (P. 1)

CBS SAYS 'NO' TO SUBPOENA: Network again rebuffs Staggers, cites 'chilling effect,' sees no constitutional basis for producing 'Pentagon' outtakes. FCC declines censor's role, sees no 'extrinsic evidence' of distortion, but asks network response to fairness complaints. (P. 3)

CONCERN OVER POLITICAL BILL major issue at state presidents' conference in Washington. NAB pledges to fight mandatory sale of time to candidates. Burch sees no chance for longer licenses, but Sen. Curtis urges lobbying effort. (P. 4)

L.A. ETV NEAR VHF CHANNEL: Deal in works for KCET to buy Ch. 5, turn it over to Metromedia in exchange for Ch. 11. Money sought from networks, Ford Foundation. (P. 5)

Consumer Electronics

PANASONIC '72 LINE of 250 items is innovation-packed—19V" 110-degree color, modular color, 21V"

HILL TO FCC—DECIDE CATV ISSUE: Two messages came through loud & clear last week to FCC commissioners in annual appearance before House Communications Subcommittee: (1) Commission had better act fast to solve CATV dilemma, but (2) it better not finalize anything until Congress takes whack at it. Some 80% of questions during 2 1/2-hour hearing dealt with cable. "You'd think that's the only problem before us," quipped one commissioner. Added another: "I was amazed at the depth of their [congressmen] feelings on the subject. We got the message, you can be sure of that."

All 9 Subcommittee members were present for first round of questions, and all had something to say about CATV—ranging from distant signals to copyright to local franchising to rate regulation to pay-CATV, you name it. FCC Chmn. Burch—who nearly everyone, congressmen included, agreed did excellent job of fielding questions—gave "a good Arizona guess" that Commission will have "concrete proposals" before end of May. He promised Congress will be consulted in one of 2 ways: (1) FCC could adopt final rules, making them effective at end of year to give Congress time to act, or (2) proposed rules could be sent to House & Senate Communications Subcommittees for whatever course they wanted to follow.

Puerto Rico-assembled color, varactor tuning, 'talking' clock radio. Matsushita pres. forecasts best year despite dumping finding. Magnavox retail price boosts average 7%, range to 16%. (Pp. 7 & 10)

JAPAN-TO-U.S. SHIPMENTS of color sets in first quarter show 46% gain over year earlier, b&w up 44%, causing Japanese manufacturers to reconsider production cutback plans. Auto radios outperform even TV. (P. 8)

PUERTO RICO SEEKING more electronics. Matsushita & Westinghouse spur renewed interest in island, offering many of advantages of Mexico, Singapore & Taiwan to lure U.S. "runaways." (P. 8)

VIDEOPLAY STANDARDS preoccupy VIDCA session while EIA-J announces recommended color standard for half-inch open-reel recorders. Color video disc to be shown in Germany in Aug. (P. 9)

ZENTH TO GET \$22.5 MILLION in cash & credit, ending Hazeltine antitrust litigation. (P. 9)

MIXED FINANCIAL RESULTS shown in first quarter, Admiral sharply trimming losses, forecasting continued profit improvement. Zenith, Magnavox, Sylvania report strong earnings hikes. Wells-Gardner, Emerson move into black. (P. 10)

GE RESHUFFLES TV, placing it with other consumer electronics, bestg. & CATV in new Home Entertainment Business Div. (P. 11)

Burch agreed issue has been hanging around much too long, noted Commission was meeting on CATV that afternoon (April 29), and again May 3 & 4. (At April 29 session, commissioners agreed to preempt state regulation in most areas—rate regulation, though FCC doesn't plan to regulate rates, originations, signals carried, local access channels, technical standards, etc. Commission won't get into franchise grants, but will set guidelines for local authorities. May 3 meeting will begin with thorniest of issues—distant signals. "And that's really the whole ball-game," commissioner told us.)

Subcommittee Chmn. Macdonald (D-Mass.) opened questions with brief lecture, told FCC that longer it dallies with CATV "the worse things get." He said some "fast-buck operators" are stirring up trouble in Mass. between state & cities. (Mass. legislature is holding hearings on CATV, is expected to opt for state regulation at expense of cities.) Macdonald also was worried about possible pay-cable network syphoning off prime sports attractions. Burch stated that FCC & Congress would never allow that to happen.

Rep. Springer (R-Ill.) said he'd been known since 1958 as a defender of free TV against harm from cable or pay TV, said major question now is where CATV will fit into over-all picture. Rep. Van Deerlin (D-Cal.) said "I have been living with a difficult political situation with regard to CATV for a long time"—importation of L. A. signals into parts of San Diego. He urged FCC "to get off dead center," particularly on distant signals. Burch said Van Deerlin's suggestion that FCC conduct distant-signal test in top 10-20 markets wouldn't prove anything, would just delay things more, but FCC chmn. added "I'm personally sympathetic to a very real test." He promised FCC won't make nationwide commitment on importations until agency determines what impact distant signals have in major markets. Burch said there "must" be different rules for large & small markets but that no magic formula has been proposed.

Rep. Rooney (D-Pa.) hit Commission order that Lehigh (Pa.) Valley must import Scranton-Wilkes-Barre stations instead of Philadelphia. He said area is much closer to Philadelphia, has nothing in common with Scranton market, and ruling caused him to be "bombarded with letters." CATV Bureau Chief Sol Schildhause explained order was made under local-station-protection concept. "It's worked well in other areas," he said. Rep. Collins (R-Tex.) said he gets letters, too, but none of his mail seeks more TV signals (he's from Dallas), wondered why any market needs more than 5.

Congressmen did discuss a few other subjects. Rep. Keith (R-Pa.) pushed Burch hard on WHDH-TV Boston case, urged fast ruling on station's plea that record be reopened (Vol. 11:17 p6). Rep. Tiernan (D-R.I.) complained that Keith's questions were "out of order," and Burch finally said line of inquiry put him in "awkward position" since case was still before FCC. Tiernan later used WHDH-TV as example in asking why Commission didn't order a station off air immediately when it revoked license or turned down renewal. Gen. Counsel Richard Wiley said FCC doesn't have such authority.

Macdonald wanted FCC to participate in drafting guidelines to cover "dirty" movies on TV. Such a thought "scares me to death," said Burch in praising efforts of NAB Code. Macdonald also was surprised to learn that OTP has agreed with FCC & other agencies to submit plan for permanent financing of public TV which includes annual appropriations from general funds, first disclosed here in March (Vol. 11:11 p4). "I've told them and told them this Committee won't go for that," he said.

Van Deerlin hit network 3-hour rule, suggested FCC take another look to consider changed economic conditions. Burch said: "I heard the financial woes" of program & movie producers at Hollywood meeting 2 weeks ago.

Reps. Tiernan & Rooney liberally praised Burch's performance as chmn., said they had strong misgivings when he was appointed "because of some of your past experiences"—obvious reference to tenure as Republican National Committee chmn. during 1964 Goldwater campaign. Macdonald said he thought Burch had done good job too, but "I have only a very slight criticism of your tenure and what there is is on children's TV." He suggested FCC set up special bureau for kid's TV to oversee "what the networks have done to measure up... Those Saturday programs are a horror chamber... Children's TV is a terribly overlooked area." Burch didn't comment one way or other, nor did he point out how he's prodded industry—most particularly networks—to do more (Vol. 11:11 p3).

CBS AGAIN REJECTS SUBPOENA; FCC WON'T CENSOR: Because of "chilling effect" compliance would have on free journalism, CBS has again rejected subpoena from House Investigations Subcommittee in struggle over documentary "Selling of the Pentagon." And FCC, as we predicted last week (Vol. 11:17 p3), refused to intervene, reiterating its "Hunger in America" ruling that "Commission is not the national arbiter of truth."

"Our decision embodies no disrespect for the Subcommittee or the House," CBS said in letter to Stagers. "But if the reporting of broadcast journalists—reporting often critical of the government—is to be subject to official examination as to its 'truth' by the government, which also licenses broadcast stations, the vigor of the broadcast press will be sapped and the public's right to receive news & information will be impaired." Network also included its counsel's opinion that Subcommittee statement demanding outtakes "does not set forth a valid constitutional basis" for issuing subpoena.

Responding to Stagers March 9 complaint of distortion & fairness doctrine violations, Commission asked CBS to prove how it afforded opportunity for contrasting views. "We have no doubt at all," CBS spokesman told us, "that we can show the Commission that all fairness requirements have been fully satisfied." As for distortion, while Commission noted specific editing techniques used in documentary, it concluded "that further action by this Commission would be inappropriate—and not because the issues involved are insubstantial. Precisely to the contrary, they are so substantial that they reach to the bedrock principles upon which our free & democratic society is founded." As basis for conclusion, Commission cited its opinions in "Hunger in America" and coverage of Democratic National Convention. Said FCC:

"Lacking extrinsic evidence or documents that on their face reflect deliberate distortion, we believe that this government licensing agency cannot properly intervene. It would be unwise & probably impossible for the Commission to lay down some precise line of factual accuracy—dependent always on journalistic judgment—across which broadcasters must not stray... Any presumption on our part [as 'national arbiter of truth'] would be inconsistent with the First Amendment and with the profound national commitment to the principle that debate on public issues should be 'uninhibited, robust, wide-open.' It would involve the Commission deeply & improperly in the journalistic functions of broadcasters."

However, Commission found that "CBS had failed to address the question raised as to splicing answers to a variety of questions as a way of creating a new 'answer' to a single question." It urged broadcasters to be more "self-critical... to examine their own processes, to subject them to the kind of hard critical analysis that is characteristic of the best traditions of the journalistic profession." In letter to Subcommittee last week, CBS said it recognized that other journalists' questions on documentary "have raised genuine issues as to the standards that ought to be applied in the editing of documentary broadcasts."

Stagers had no public reaction to FCC or CBS comments, but Subcommittee source called Commission's response "pathetic... like an elephant giving birth to an ant after 4 weeks of rumblings." He said Commission had "side tracked the whole thing into a prosaic fairness doctrine question" when real issue involves editing techniques that distort news. It's expected Subcommittee will meet on subpoena issue this week, but indications are that if Stagers pushes contempt ruling to parent Commerce Committee, which he also chairs, he'll find stiff opposition from key liberals. In any event, matter has now become such a national issue of free press vs. govt. censorship, it's doubtful House leadership would ever allow it to reach floor. In addition, broadcasters are now lining up more than ever with print media for allout support of several pending newsmen's privilege bills.

(At House Communications Subcommittee hearing last week [see p. 1] Rep. Van Deerlin [D-Cal.] said subpoena was "very sensitive area," suggested Congress & FCC work together to prevent any confrontation with CBS. He asked FCC Chmn. Burch's view of an industry grievance committee to investigate distortion & unfairness complaints. "I cringe at the proposal that govt. should look over newsmen's shoulders," Van Deerlin said. Burch said committee "would be an excellent idea if it was in fact voluntary.")

On other hand, there are at least 2 bills pending in House, sponsored by Reps. Minshall (R-O.) & Whitehurst (R-Va.), to force broadcasters to indicate whenever news has been edited.

This was one of several recommendations last year by Commerce Committee following its "Project Nassau" report.

Commenting on documentary, CBS News Pres. Richard Salant told Boston U. students last week: "When you cut through all the words, it comes down to one stark fact—the government, through a legislative committee, proposes to sit in judgment on our editing & our accuracy; it proposes to decide whether we have met its notions of proper journalism. The First Amendment does not discriminate between good intruders and bad intruders." Talking to Assn. of American Publishers same week in Washington, CBS Bcst. Group Pres. Richard Jencks said that network received over 20,000 letters on documentary, 13,000 favorable, added that "there has been no lack of affiliate backing... Yet, if we are to have First Amendment freedom, we need support from individuals & organizations whether they think our documentaries to be right or wrong, careful or sloppy, well or ill-intentioned."

* * * *

Comr. Johnson shouldn't have participated in decision not to censor CBS, Chmn. Burch wrote in separate statement, even though both were on same side. Burch noted that Commission received letters on March 5 & March 9 from Reps. Hebert (D-La.) & Staggers questioning documentary's fairness and alleging distortions. "Thus from early March on, this was an adjudicatory case—one which we knew we would be called on to decide as judges," he said. However, in lengthy March 28 article in Washington Post, "A Defense of TV vs the White House," Johnson defended documentary. "He cannot have it both ways," Burch said. "He cannot be both a public advocate—defending the program in print—and then sit as a judge on charges alleging unfairness & distortion in the program... This Commission has an obligation beyond the mere absence of demonstrable bias; it must avoid even the appearance of bias. In his dual role of advocate & judge, Comr. Johnson falls short of that standard and thus diminishes the Commission's standing." Johnson said he will reply to Burch later.

OPPOSITION GROWS TO POLITICAL BILL: If grass-roots sentiment is as important as most think, individual broadcasters can be expected to launch strong fight against political broadcasting bill as approved 10 days ago by Senate Commerce Committee (Vol. 11:17 p5). Meeting in Washington last week under auspices of NAB, presidents of state broadcasters associations repeatedly showed concern over bill, mostly on 2 grounds: (1) Burden of reports is on them and not print; (2) mandatory sale of time to all candidates.

"The NAB will have to oppose that provision," Exec. Vp Paul Comstock said of mandatory sale of time. But, he warned, Senate has votes to pass much worse bill. Asked what House might do, Govt. Affairs Vp Roy Elson said: "That's a different ballgame... There's a long way to go and there'll be many changes and it's not clear what will happen in the House."

State presidents swarmed over Capitol Hill; in many offices, they found it hard to get beyond controversy over CBS's "Selling of the Pentagon" (see p. 3). "Several congressmen really came down hard on that issue and a general criticism of network news," said a state president. Opposition particularly came from congressmen representing South & Midwest and didn't follow party lines. Also, broadcasters came back from Hill convinced there's more support in Congress than most had thought for their position on CATV (see p. 1).

FCC Chmn. Burch told conference to forget about longer licenses, that "the climate in Congress is wrong." (However, 2 days later at House Communications Subcommittee hearing, Burch was urged to rally FCC behind 5-year license bill. "I would not personally object in the slightest," he told Rep. Van Deerlin [D-Cal.]. He agreed it would stabilize broadcasting, cut 40% off FCC renewal workload. But, he added, he detected "no great support" in Congress.)

Sen. Curtis (R-Neb.) made surprise appearance, urged broadcasters to lobby FCC & Congress hard for 5-year license. Curtis is sponsor of 5-year bill, said "it would be a good idea from the FCC standpoint, too" because it would reduce paperwork. Stations, he said, could better spend money on programming than license-renewal work every 3 years.

Answering president's questions, Burch made these points: Drug lyrics—"I have no apology at all... The industry reaction was hysterical... [FCC statement] was just about as controversial as [telling you] to know your call letters." Renewal procedures—FCC has no business setting

"precise requirements" on program percentages. Procedures must be made understandable ("I'm embarrassed when I can't explain them to a congressman"). "We don't even have any rules on commercials...I personally think that's a very poor way to run the renewal process." (At following panel, FCC officials agreed that for all practical purposes Commission has adopted 18 min. per hour for radio "because anybody over that gets a letter.")

Comr. Houser made pitch for industry support of renewal proposals (Vol. 11:8 p1), asked broadcasters not to follow blindly the lead of NAB Pres. Wasilewski who pledged to fight changes in NAB convention speech (Vol. 11:14 p4). Gen. Counsel Richard Wiley said public interest doesn't require that anti-spots be run to answer commercials for consumer products. "The end of commercial broadcasting would be in sight" to rule differently, he said. Bcst. Bureau Chief Francis Walsh, somewhat supporting Houser, urged broadcasters to avoid temptation to say "that's bad" every time FCC proposes change. Chief Engineer Raymond Spence agreed it's technically possible to reduce TV taboos greatly, but it won't be done because of social & economic problems. "I can assure you that we aren't moving in that direction," he said. Exec. Dir. John Torbet urged broadcasters planning to visit FCC to give chmn. 3 months notice, other commissioners 4 weeks.

Speaking at lunch, NAB Exec. Vp for PR Paul Haney said that newspapers & broadcasting are about to launch a "big back alley fight" to preserve First Amendment rights. "The climate & circumstances are there," he said, but added broadcasters aren't very well organized.

Attorney General's subversive organizations list is outdated and "of very little value" to FCC, Commission's chief security officer Fred Goldsmith told House Internal Security Subcommittee last week. He said Commission's "lack of experience" with security cases makes it difficult to evaluate govt.'s loyalty security program. Under questioning, he said "up-to-date guidelines outlining organizations of particular interest to the government" would be preferable to present list, added that Justice Dept., not Congress, would be "a logical place" to make it up. He said Commission has 442 employees in "critical-sensitive" positions, 327 non-critical-sensitive, 805 non-sensitive.

Complicated deal whereby ETV KCET (Ch. 28) L.A. will switch to Ch. 11 is near completion. Though parties stressed nothing has been finalized, proposed move has these ingredients: (1) KCET will buy KTLA (Ch. 5) from Golden West for about \$16 million. (2) Metromedia will pay KCET \$2 million to switch KTTV from Ch. 11 to Ch. 5. (3) TV networks will contribute \$1.5 million each (\$4.5 million total) to KCET. (4) Ford Foundation will make much larger contribution. Deal is reminiscent of donations by networks & commercial stations several years ago when N.Y. ETV switched from uhf by acquiring commercial Ch. 13.

NBC "had no knowledge" that polar bear in "Say Goodbye" program was shot with tranquilizer rather than bullet, FCC said last week in concluding that no further action is warranted. Polar bear documentary was produced by Wolper Productions, which provided subpoenaed material for House Investigations Subcommittee since program wasn't hard news documentary (Vol. 11:17 p4). NBC told FCC it is "developing specific guidelines" for future nature programs to prevent viewers from being misled in future.

Theta-Com has moved from Hughes L.A. complex to own 50,000-sq.-ft. facility, 9320 Lincoln Blvd., L.A. 90045 (213-641-2100).

Allocating \$5 million for prime-time programs next year, Westinghouse Bcstg. advised FCC it will produce following 30-min. programs, offer them for syndication: Norman Corwin drama, Smothers Bros., David Frost, "Street People, (Mal Sharpe interviews), English "Doctor in the House" comedy, "Sports Illustrated," plus possibility of "Flavors" (Mason Williams, John Hartford, Jennifer & John Stewart), or program on film-making by Jerry Lewis, or a Mike Douglas show. Westinghouse said it would have 3 one-min. commercials per half hour, hopes to cluster them, looks for "moderate profit" if "optimum results" are achieved.

National Weather Service will conduct test of tornado & storm detection system utilizing TV set as indicator. Developed by Ia. engineer Newton Weller, system utilizes electrical energy developed by tornado, which turns screen completely white when brightness is turned down and set tuned to Ch. 2. Weather Service is asking volunteer storm spotters to test system. For details on operation of system, write Weller, Route 1, W. Des Moines, Ia. 50265. For test details: Karl R. Johannessen, Assoc. Dir., National Weather Service, Silver Spring, Md. 20910.

NAB Audio Reports Service of news, interviews &/or actualities began regular service May 1. James (Bill) Mansfield, NAB special projects dir., handles interviews of newsmakers on tapes made available to NAB members. Among those to be interviewed during National Radio Month (May) are ABC Pres. Goldenson, CBS Pres. Stanton, NBC Pres. Goodman. Fast-breaking news for broadcast also will be available daily to stations by dialing 202-293-2802 from 10 a.m. -3 a.m.

One-year freeze on CATV franchise has been voted, 53-0, by N.J. Assembly, is expected to get Senate approval and governor's signature. Action was prompted by charges of bribery, extortion, etc. in Trenton & elsewhere (Vol. 11:10 p5). No existing franchises are affected.

Personals

NAB Pres. **Vincent Wasilewski** received AWRT's Silver Satellite award for outstanding accomplishment in broadcast communications; **Sanford Ullman**, NASA public affairs office and ex-TV-radio producer, joins NAB PR dept. June 1 as mgr. of news bureau.

Herbert Klein, Presidential communications dir., addresses Hollywood Radio & TV Society May 11, Beverly Wilshire Hotel. **Richard A. Moore**, former pres., KTTV L.A. (1955-62), early backer of moves to curb network sales operations and most recently special asst. to Atty. Gen. Mitchell, becomes special counsel to President Nixon.

James Victory, ex-CBS Films domestic sales vp, named NBC Films pres. **Patrick Lofaro** promoted to asst. East Coast business mgr., ABC-TV, succeeding **Murray Resnick**, now business mgr.; **Howard Rothstein**, to budget & financial forecasts mgr., succeeding Lofaro; **Emil Borsellino**, to financial contract administration mgr., succeeding Rothstein. **Ray McCullough** advanced to program services & production dir., CBS-TV; **Sid Kaufman** promoted to asst. operations dir., CBS News.

William Branch, ex-Harrington, Righter & Parsons, named acting gen. mgr. & national sales mgr., WMAL-TV Washington, succeeding **Charles Lieber**, who joins WPRI-TV, Providence. **Brian Higgins** advances to asst. mgr., WSMW-TV Worcester, Mass.

John Murray promoted to public affairs, govt. relations & editorials vp, WOR-TV N.Y. **Fred Koestering** elevated to local sales mgr., WISN-TV Milwaukee. **Arthur Hertz** elected senior vp & profit planning dir., Wometco Enterprises; **Michael Brown** promoted to controller, succeeding Hertz.

Albert Dwyer, ex-CBS gen. atty., named gen. counsel, Children's TV Workshop. **Joan Cooney**, pres. of Children's TV Workshop; **Kingman Brewster**, Yale U. pres.; **Kenneth Foster**, Prudential Insurance pres.; **Crooker Nevin**, Marine Midland Bank chmn., elected dirs., Educational Bcstg. Corp., N.Y. **Jack Willis**, NET, named program coordinator, WNET N.Y., succeeding **Christopher Lukas**, on 6-month leave.

James Poteat promoted to TIO librarian, succeeding **Catharine Heinz**, who heads newly-formed Bcst. Pioneers Library-Museum at NAB hq. **Lawrence Gordon**, ex-American International Pictures, named program development vp, Screen Gems. **Neal Pilson**, Metromedia asst. gen. counsel, appointed business affairs dir., Metromedia Producers.

Kevin Barry, ex-Television Digest, appointed ad, PR & exhibitors mgr., Ameco, Phoenix.

John Moffet, Silliman, Moffet & Kowalski consulting engineers, elected AFCCE pres.; **Alvin Andrus**, Steel, Andrus & Adair, elected vp; **Elizabeth Dahlberg**, Lohnes & Culver, secy.; **Paul Wimmer**, Jules Cohn & Assoc., treas.

Thomas W. Fletcher, ex-Putbrese, Fletcher & Healy, joins Washington law firm Cole, Zylstra & Raywid.

Why aren't more women in TV & radio was most asked question at last week's AWRT convention in Washington, and judging from boos & hisses that greeted response from NAB Pres. Wasilewski, ladies were hardly satisfied. Speaking at April 30 panel "Future Trends in Communication," Wasilewski said "I don't think there's any sort of prejudice against women in broadcasting... I may see too many women sometimes when I turn on my set to suit me." He didn't believe AWRT claim that only 300 women are on air. "There must be more than that," he said, adding that he'd make public retraction if wrong. FCC Chmn. Burch also spoke: "I see no obstacle to a woman being appointed to the Commission... I suppose the ideal would be a black woman." He added that Commission has responsibility to keep industry healthy "but not the exact people in the industry."

"Special standards" for advertising directed toward children should be first goal of AAF-sponsored Advertising Review Board, according to FTC Comr. Mary Jones. She told Wis. Conference on Consumerism that parents & regulatory agencies are becoming "increasingly concerned" about impact of commercials on children. Such advertising, she said, should be limited to "simple factual statements of the actual performance or function of the product such as would be found in a children's textbook... It would be difficult to justify for children the type of puffery, hyperbole or persuasion-by-association commonly found" in TV commercials.

Citing damage to uhf, FCC hearing examiner James Tierney denied petitions by 4 Charleston, S. C. vhf's to move transmitter sites from separate locations to single 2,000-ft. tower northeast of city. He said applicants WITV, WUSN-TV, WCIV & WCSC-TV would "foreclose viable utilization" of uhf in neighboring cities. He ruled that proposal would eliminate any chance for ABC uhf affiliate in Florence, cause network stations in Columbia to suffer enlarged program duplication and reduce Columbia stations WOLO-TV & WNOK-TV to marginal operation.

Propaganda role of USIA in Laos & Thailand was questioned by CBS Pres. Frank Stanton, testifying during hearings on his reappointment to USIA's Advisory Commission. He told Senate Foreign Relations Committee he learned in 1968 that USIA was helping write, print & distribute propaganda for govts. of Laos & Thailand, said he hadn't been consulted about project in advance. Asked about USIA's presentation of U.S. policy generally, Stanton said he thinks agency has offered "information" rather than "propaganda," by & large.

"Potential & probable impact of a sophisticated, city-wide cable TV system upon the citizens & institutions" of Washington will be studied under grants made by Markle & Ford Foundations. Markle has given \$250,000 to Mitre Corp., which in turn has retained Jansky & Bailey. Rand Corp. is assisting through grant from Ford Foundation.

Canadian Cable TV Assn. sets annual conventions: 1971, May 10-13, Ottawa; 1972, July 4-7, Banff; 1973, May 15-18, Toronto.

Top-50 markets have been announced by FCC as forecast (Vol. 11:15 p5 & TV Addenda 41-B).

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, week ended April 16 (15th week of 1971):

	April 10-16	1970 week	% change	April 3-9	1971 to date	1970 to date	% change
Total TV.	150,115	128,837	16.5	172,107	2,825,364	2,496,212	13.2
color	77,588	63,904	21.4	86,988	1,503,493	1,263,426	19.0
monochrome	72,527	64,933	11.7	85,119	1,321,871	1,232,786	7.2
Total radio	361,364	290,788	24.3	346,263	5,341,937	4,599,168	16.2
home, portable	161,982	112,630	43.8	184,214	2,178,901	2,010,056	8.4
AM-only	91,217	75,483	20.8	107,812	1,318,459	1,317,090	0.1
FM & FM-AM	70,765	37,147	90.5	76,402	860,442	692,966	24.2
auto	199,382	178,158	11.9	162,049	3,163,036	2,589,112	22.2
Total phono	42,840	35,507	20.7	57,879	1,084,204	862,178	25.8
portable-table	32,458	24,929	30.2	46,451	835,010	550,840	51.6
console	10,382	10,578	- 1.9	11,428	249,194	311,338	-20.0

Color TV 5-week moving average: 1971-89, 943; 1970-71, 441 (up 25.9%)

PANASONIC'S INNOVATIONS FOR '72: Unveiling 250-item consumer electronics line packed with innovative design & engineering features—including many industry firsts—Panasonic last week showed some 800 distributors, reps & dealers why its sales curve has been climbing despite market slump, and why it can now claim to be biggest consumer electronics seller in U.S. in terms of units.

Addressing Miami meeting last week, Masaharu Matsushita, pres. of Japanese parent firm, said U.S. subsidiary's sales growth in year to May 1, 1971 was same as in preceding year—rate believed to be over 40%. This year, he predicted, will be best ever. (Sales Planning Mgr. Hal Tullman said calendar year sales were running 30% above target.) Matsushita told group he "was not convinced" TV dumping finding was justified, allayed fears over verdict's impact by pledging "every effort [to] continue the flow of products to you." Only through understanding, he said, can "serious economic problems between U.S. & Japan be solved."

Panasonic showed too many unique products to enumerate. Some color TV firsts: (1) Japan's first modularized color set, 19V" portable at \$499.95 with first 110-degree tube of that size in U.S., 10-detent tuner, 6 plug-in circuit boards, electronic color control system (similar to RCA's) which provides flesh-tone correction and limits adjustment range of color & tint knobs. (2) Industry's first color portable with motor-driven varactor vhf-uhf tuner. At \$499.95, set has 19V" 90-degree tube, 2-function wireless remote. Like most of its color models, receiver has 2 sets of color controls, one factory preset. Tuner covers all vhf, 8 preset uhf channels; user can tune up or down using touchbar on set, only one way with remote. (3) First "assembled-in-U.S." Japan-made color set, 21V" (RCA tube) table model at \$459.95, put together in Panasonic's Puerto Rico plant. Chassis is same one used in portables; firm won't move into larger sizes until next year. (4) Series of swivel color sets with controls built into non-swiveling base.

In color pricing, 12V" leader is \$279.95 (up \$10), 19V" models are \$20-\$30 higher than 18V" counterparts and \$349.95 pricing of step-up no longer includes cart. Otherwise, holdover models show no pricing changes since prices were raised slightly in Jan.

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Varactor & uhf detent tuners show up in b&w line, too. Manual varactor tuning is in new 3V" TV-cassette & 5V" futuristic "space-helmet" sets as well as in 1.5V" receiver which remains in line. Detent is in top-end 19V" portable (\$179.95 with cart). Throughout line, Panasonic is downplaying its once-standard black-&-chrome decor; many color & b&w portables are rosewood & walnut accented, and monochrome "A-Line" series comes in choice of colors.

Among other notable intro items: "Tele-Time" talking clock radio (female voice); stereo 6-cassette changer deck (189.95); language lab stereo recorder, permitting record & playback of 4 individual tracks (139.95); automatic-reverse & "memory rewind" cassette units; complete new hi-fi line with receivers from \$199 to \$990. In quadrasonics, company showed 4-channel stereo FM-AM receiver at \$179.95. This unit (as do several 2-channel compact systems) has phase switch to provide derived 4-channel sound from 2-channel source, a la Dynaco. Accessory 4-channel tape cartridge deck is also offered. See p. 10 for more details on line.

Continued commitment to independent service was voiced by Service Div. Gen. Mgr. Sol Fields, who said plants in Japan have embarked on "zero defects" program. For service ease, all 18V"-&-over color chassis (except modular) are drawer-slide mounted; 12V" & 16V" are hinged. Only warranty policy change is extension to 2 years parts & labor on IC radios retailing from \$24.95. Ad kickoff will be 20-p. spread in trade publications during CES next month. Panasonic now publicizes fair-trade rather than higher "suggested retail" prices.

First U.S.-made line to debut will be Magnavox, unveiling this week. Color set price boosts, we've learned, will average 7% or so at retail (Vol. 11:16 p11), with some sets more than 16% over their year-ago predecessor models. More than 50% of increase will go to dealers (for price list, see p. 10).

1ST-QTR. COLOR TV EXPORTS BUOY JAPANESE: Continued growth of color TV exports to U.S. in 1971's first quarter and apparent rejuvenation of home market have Japanese manufacturers reconsidering production cutbacks announced last year when U.S. dumping charges and Japan's consumer color TV boycott made it appear that 1971 would be rough year.

Opening quarter exports to U.S. included 846,203 complete TVs, up 44.5% from 1970, with value up 46% to \$70.1 million. Color unit exports jumped 46% to 255,442, b&w rose 44% to 590,761. Value of color shipments was \$40.8 million, up 47%, while b&w value climbed 45% to \$29.3 million. Average prices of TVs exported in period, \$159.85 for color, \$49.62 for b&w, were slightly higher than in 1970 first quarter.

March provided Japanese with biggest jump in color TV exports to U.S. in 2 years. Shipped were 118,183 sets, up 82% from March 1970, valued at \$18.6 million, up 82.6%. Month's b&w exports totaled 590,761 sets valued at \$29.3 million, up 44% & 45%, respectively, from year-earlier. (For details see p. 10).

Changes in Japanese home-market color TV pricing & distribution policies, all imposed by Ministry of International Trade & Industry, appear to have restored consumer buying confidence. New screen sizes, with lower list prices, are being introduced with eye to getting sizeable chunk of midyear bonus, traditionally paid in June to Japanese workers. Hitachi, Matsushita, Sanyo & Toshiba have indicated plans to increase monthly production to near record levels of 1970.

P.R. SEEKS MORE ELECTRONICS PLANTS: Offering long-term tax holidays, abundant & low-cost labor, cash grants-in-aid, convenient access to U.S. & foreign markets—and drinkable water—Puerto Rico's Economic Development Administration is seeking to increase roster of electronics manufacturers.

Helping divert industry attention from such competing "runaway plant" locations as Mexico, Singapore & Taiwan were recent Puerto Rican expansion announcements by Matsushita & Westinghouse. Matsushita said it would begin assembling large-screen color TV there this year, while Westinghouse revealed start-up of portable consumer electronics & appliances (Vol. 11:14 p13; 15 p11).

In last decade, island's electronics-electrical industry has grown from about 60 plants to nearly 140, with 25 more in process of establishment; employment rose from 4,500 to 11,000.

There are 80 electronics-only plants in operation or pending, vs. 16 in 1960, with employment up from 2,000 to 6,500. In 1970 alone, more than dozen new electronics operations were set up or in process of formation by such firms as RCA for shadow masks, Sylvania for electron guns, Motorola for 2-way radios, Tenna for auto antennas.

Though P.R. workers are covered by U.S. minimum wage statutes, average hourly wage is \$1.84, about \$1.30 below mainland, and fringe requirements are about 30% lower. Island has 840,000-man labor force, with 11-13% unemployed. In addition to low-cost labor, island offers holidays from all local taxes of 10-17 years, depending on which of 76 "exemption-zone" locations are chosen. U.S. federal taxes don't apply to P.R. corporations.

Bonus for manufacturers in high unemployment area is cash grant from P.R. Industrial Development Co. (PRIDCO), covering costs of personnel training & supervision, rent during start-up period of up to 30 months, freight on machinery & equipment. PRIDCO also offers standard, multi-purpose buildings of 11,500 & 23,000 sq. ft. for 75¢-\$1.20 per sq. ft., or will build to suit. Govt. will establish training programs where needed; federal job training aid is available.

At least 8 U.S. firms have 3 or more P.R. plants turning out electronic & electrical equipment. Leader with 16 is GE, Tenna 6, Bourns 5, Westinghouse 4. In addition to fore-going Curtis Mathes produces color & b&w TVs, other consumer electronics & CCTV cameras there; RCA makes picture tube guns, Matsushita clock radios & phonos, Tenna tape players & auto radio accessories; Euphonia (Bourns) semiconductors, microphones, speakers & phono cartridges; Electrospace telephone answering equipment; Courier Communications 2-way radios & intercoms, Dynamic Instrument battery chargers. Others making components & commercial electronics: Beckman Instruments, Bell & Howell, Daystrom, Digital Equipment, Instrument Systems, ITT, Perkin-Elmer, Vikoa, Weston.

VIDEOPLAY 'STANDARDS': While more than 1,300 visitors to first international videocassette symposium (VIDCA) in Cannes were listening to appeals for standardization, EIA-Japan finally evolved its recommended standard for half-inch color open-reel VTRs, largely used for educational-instructional purposes.

EIA-J's long-evolving color standard, compatible with its Type 1 b&w specifications, has been accepted by Matsushita (Panasonic) & its subsidiary Japan Victor, Sony, Hitachi's subsidiary Shiba, Toshiba & General. At press time, it had not been approved by Akai, Sharp or Toshiba-Ampex joint venture Toamco. Matsushita is expected to be first to announce production of "standard" recorder, with Japan Victor, Shiba & Toshiba due to have them available this year.

New standard has only indirect bearing on home cartridge video-player systems. Ampex & Toshiba (through Toamco), Japan Victor, Matsushita & TEAC have announced cartridge color machines compatible with Type 1 (b&w) standards—when tape is removed from cartridge. Whether they will bring them to compatibility with new color standards hasn't been announced. EIA-J is now studying proposed standard for cartridge VTRs—and it's certain that Sony will be lobbying hard for its 3/4-inch tape format. Matsushita, which has shown both half- & 3/4-in. VTRs in both single- & double-reel cartridge format, demonstrated 3/4-in. single-reel cartridge color system at VIDCA, plan demonstration in N.Y. next week.

Although little that was new came out of VIDCA, most delegates agreed it provided sound platform for businesslike discussion of hardware & software prospects. Most concrete news out of VIDCA was that color version of Teldec video disc would be demonstrated at Berlin Radio Fair in Aug., with marketing target in early 1973. Most optimistic forecast delivered at VIDCA came from Columbia Pictures' Lawrence Hilford who forecast 40 million player-equipped homes by 1980.

Components Conference, sponsored by EIA & IEEE, is set for May 10-12, Washington.

ZENITH GETS \$22.5 MILLION: Twelve years of antitrust & patent litigation ended last week when Hazeltine Corp. & Hazeltine Research Inc. (HRI) made initial cash payment of \$6.3 million to Zenith following Supreme Court's affirmation of Zenith's triple-damage claim as result of HRI's participation in foreign patent pools (Vol. 11:9 p11). Payments will total \$22.5 million in cash & credits, remaining cash to be paid in up to 5 years. Zenith receives licenses for all Hazeltine & HRI consumer electronic entertainment inventions, royalties chargeable against \$6-million credit established by settlement.

Hazeltine Pres. David Westermann said HRI wouldn't have to be liquidated to make payments. To help subsidiary pay, Hazeltine is making additional investments in HRI, including transfer of \$4.6-million Green Lawn, N.Y. facility. Zenith said effect of settlement would appear in its 4th-quarter financial statement.

Tokyo Trade Fair highlighted electronics, with 4-channel stereo becoming almost epidemic. Demonstrations included Toshiba's matrix system and discrete tape system by Matsushita. All demonstrations featured special listening rooms. Said one experienced electro-acoustical engineer: "The sound level invariably was almost deafening and accompanied with various colored lights, with the over-all effect something like a horror chamber. No one seemed excited about the demonstrations. Apparently the Japanese view of 4-channel sound is based on the juke-box concept—a gimmick, not a new dimension in sound. Distortion was extremely bad at high frequencies." Hitachi demonstrated its first EVR player at trade fair, promising first deliveries in Oct. at retail price around \$800. Most electronics firms staked out positions in Japan's infant CATV industry by showing equipment.

Ad account changes: Webcor appoints Lloyd S. Howard Assoc., N.Y. . . Sony names Michel-Cather N.Y., for Video Products Div., replacing Allen-Dorsey & Hatfield, L.A. . . Raytheon Semiconductor appoints Durel Advtg., S.F., replacing Tel Tracer Assoc.

NEW MAGNAVOX PRICES: Analyses of 30 sets in upcoming Magnavox color line, based on reliable information, shows substantial increase in retail prices. Dealer generally will get more than 50% of increase (see p. 8). Following sets, as compared with last year's similar models (which may have had fewer deluxe features), are not price leaders in their categories, but are among most popular units (prices rounded):

A 14V" step-up portable is \$320 (up \$20); 18V" portable \$400 (up \$20); three 19V" table models \$470 (up \$40); same with remote \$550 (up \$70); three 21V" consoles \$500 (up \$40); three 25V" leg consoles \$650 (up \$80); six 25V" consoles \$700 (up \$70); three similar units with remote \$850 (up \$120); three 25V" consoles \$750 (up \$70); four 25V" door consoles \$795 (up \$45). New pricing indicates that premium for limited-function remote (19V") has been increased to \$80 from \$50 and for full-function remote on some 25V" sets to \$150 from \$100.

For higher-priced models, lion's share of increase seems to go to dealer. In case of the six 25V" consoles increased \$70, dealer gets \$41 more than last year; in remote versions, dealer gets almost \$69 of \$120 hike; for 25V" at \$750, dealer makes \$51 of \$70 hike, while dealer's margin is increased nearly \$54 on 25V" door consoles which are raised only \$45 at retail. For lower-priced models, dealer gets slightly over half of price boost. Other new-line highlights:

Panasonic's long line (see p. 8) features 23 new TVs: Color—7V" AC-auto-battery \$359.95 (lead-acid battery \$125); contemporary-design 12V", 16V" & 19V" at \$279.95, \$324.95 & \$379.95; swivel series, same sizes, \$319.95, \$349.95 & \$429.95. Panasonic's first wireless remote model, and its first 19V", with 20-channel varactor tuner, is \$499.95; first 19V" 110-degree slim set is also \$499.95; company's first 21V" is \$459.95. Monochrome—3V" pop-up with cassette recorder \$199.95, 5V" with digital clock, 3-hour sleep switch, \$129.95; 9V" portable \$74.88; 12V" \$82.88; step-up \$99.95; "A-Line" design 12V" \$109.95; solid-state 19V" with cart \$169.95; with 10-channel uhf detent tuner \$179.95.

Tape line: Portable cassette \$29.95; auto-battery-AC unit \$39.95; with AM \$49.95; cassette home entertainment center with AM-FM-stereo \$159.95; deck with "memory rewind" \$129.95; automatic reverse deck \$149.95; auto-reverse stereo radio system \$249.95; 8-track stereo deck \$99.95; 4-channel deck same price. Radio line features time-calling clock \$129.95, 4-channel stereo radio system \$179.95; AM portables \$12.95 & \$19.95; calendar day-&-date clock radio \$54.95; AM-FM-stereo radio with 8-track tape player which can be removed & used in car \$199.95; FM-AM table model with optional one-way intercom \$22.88—plus 26 other models. Phonos are highlighted by 4-piece component system at \$279.95; mono portables (3) \$19.95-\$39.95; stereo portables (3) \$79.95-\$199.95; stereo system with radio which can be converted to 4-channel by adding 2 speakers \$239.95; system with built-in 8-track player \$249.95.

Sanyo will introduce 4-channel converter for use with existing stereo amplifier to create quadraphonic effect from 2-channel source at less than \$200.

MIXED 1ST-QTR. RESULTS: Most consumer electronics firms are showing decided improvements in first-quarter sales & earnings, but with some exceptions. **Zenith's** net profits were up 30% on 16% sales increase, and Chmn. Joseph Wright forecast gains for full year. He told stockholders that Zenith accounts for 50% of all U.S. TV exports. (Last year, U.S. TV exports totaled 126,174 sets at \$26,166,000; see Vol. 11:11 p11.) Other recent financial news:

Admiral trimmed losses sharply in first quarter, while sales increased, and forecast "continued improvement in the profit picture as a result of a number of substantial operating cost reductions." Spokesman said company met all working capital requirements in first quarter, as amended by agreement with note holders, and balance sheet "showed modest improvement" in working capital. Improvement didn't reflect sale of color tube manufacturing equipment to RCA, which has not yet been consummated.

Sylvania's first-quarter net income rose 22% to \$5,276,000, from \$4,316,000 in 1970 period, with sales up 3% to \$187,412,000 from \$181,909,000, GTE reported at annual meeting. Increased shipments of color & monochrome TV and stereo, along with increase in color tube sales in anticipation of March 31 hike, contributed to results.

Motorola reported 8% dip in earnings on 2% sales decline for quarter, with Consumer Products Div. failing to match 1970 sales and sustaining "somewhat larger loss." However, Chmn. Robert Galvin called Div.'s immediate prospects "brighter than we have known for some years," crediting consumer acceptance of Insta-Matic tuning and lower-priced Quasar color sets. Semiconductor Products Div. increased earnings & margins, although sales were lower than year-earlier level. Automotive Products Div. increased sales & earnings, with rise in entertainment product sales to Chrysler & Ford.

Magnavox, in reporting earnings increase of 35% on sales gain of 18%, forecast "significant gains" in 1971 depending on consumer's willingness to buy.

NUE's Emerson Div. moved into black in first quarter, with March sales best of any month since June 1966. Chmn.-Pres. C. Russel Feldmann attributed favorable results to decision to relocate manufacturing from Jersey City plant and purchase from Admiral. All company's divisions were profitable.

Warwick's prospects for '71 are "quite favorable," Whirlpool Chmn. Elisha Gray told stockholders meeting, forecasting that 57%-owned subsidiary would break even this year. Warwick's 1970 losses cost Whirlpool stockholders 53¢ a share.

Wells-Gardner moved into profit column for first quarter, compared with red ink last year. Sales were up 6.6%, and unfilled orders at end of period totaled \$17.4 million vs. \$14.2 million year earlier. Vp Allen Gardner told stockholders that W-G had broader product mix this year and its private-label customers had increased their market shares. W-G's customers include Gamble-Skogmo, W.T. Grant, MGA, J.C. Penney, Singer, Western Auto.

GE RESHUFFLES TV: All of GE's consumer electronic products have been brought under single divisional roof for first time since 1967, when TV was made separate division and moved into Appliance & TV Group. Donald E. Perry, vp-gen. mgr. of former Consumer Electronics Div. (CED), heads new Home Entertainment Business Div., combining old CED & TV Business Div. New Div. remains under Consumer Products Group, which has new chief—GE Vp-Group Executive Hicks B. Waldron. Waldron is no stranger to consumer electronics, having successively headed former Audio Products Dept., Overseas Consumer Electronics Dept. & International Appliance-TV Operations before being appointed gen. mgr. of Refrigerator Products Div.

Waldron succeeds Donald D. Scarff, who moves up to consultant to Vice Chmn.-Exec. Officer William H. Dennler. Irving L. (Chuck) Griffin, ex-TV Business Div. vp-gen. mgr., takes Waldron's former post as head of Refrigerator Product Div. Don Johnstone, ex-gen. mktg. mgr., becomes acting gen. mgr. of new TV Receiver Product Dept. in Home Entertainment Business Div.—which also includes TV components, audio products, Command Performance Network (closed-circuit) and GE Bcst. & Cablevision subsidiaries.

Lower duty rates will be sought by Japan at upcoming meeting of GATT. Proposed will be "Japan Round" of international tariff cuts, similar to "Kennedy Round," which resulted in 50% reductions over 5-year period ending Jan. 1, 1972. Japan is expected to ask immediate lowering of rates in U.S., Canada & Japan to worldwide averages, abolition of duty where present rate is under 5%, followed by general 50% reduction. Plan is part of Japan's long-range program for liberalizing its foreign trade policies, including easing of foreign investment restrictions and elimination of non-tariff trade barriers.

Unfair import competition investigation, first of kind involving electronics, has been launched by Tariff Commission on complaint of Nippert Co., Dayton. Nippert claims International Rectifier is importing cold-form semiconductor mounts in violation of 2 Nippert patents. Under Tariff Act Sec. 337, President can require importers to post bonds covering entries of merchandise if preliminary probe tends to uphold charges. If unfair acts are proven, President can bar further importation.

Another "no findings" report on import injury aid petition was forwarded to White House by Tariff Commission. This one involves workers displaced when Advance Ross closed deflection yoke & output transformer plant in Washington, Ia. Final verdict is up to President Nixon, who has yet to announce decision on similar cases involving former RCA Memphis & Emerson Jersey City workers and Beltronics Corp.

GE has formed silicone manufacturing joint venture in Japan and wholly owned servicing & finishing facility in Holland. Partner in Japan is Toshiba, licensee under GE's silicone technology patents, which will phase out own silicone operations later this year as new Toshiba Silicone goes on stream.

Trade Personals

George M. Hakim, ex-Dumont & Pilot sales vp, promoted to mktg. vp, Emerson TV Sales Corp.; **Thomas G. Petersen**, onetime CBS Labs and more recently vp-gen. mgr. of ex-NUE subsidiary Air Inflatable Products, named Emerson Sales operations vp; **George Cohen** promoted to product planning dir.

G. Barron Mallory, resigns as P.R. Mallory chmn. effective July 1 to reenter private law practice; he'll be succeeded by **Joseph F. Riley**, exec. committee chmn; Mallory will remain a dir. and continue as chmn. of Radio Material Co. Div... **Joseph Dalfonso** advanced at Mallory Battery from operations gen. mgr. to div. vp-gen. mgr., new post ... **Bernard Vonderschmitt** promoted at RCA Solid State Div. to IC mgr., succeeding **Roy Pollack**, now Fairchild Semiconductor vp & MOS operations group dir.

Joseph Wright, Zenith chmn., named to U.S. Chamber of Commerce Advisory Council on Japan-U.S. Economic Relations; others include Bendix Pres. **W. Michael Blumenthal** & Litton Pres. **Roy Ash**... **William Amos**, ex-Riker Information Systems, joins Sony America as videocassette (hardware) mkt. development mgr... **John Arnold** appointed Amphenol Components Group engineering-mfg. vp, new post; **Robert Svoboda**, Amphenol Switch Div. pres., adds Arnold's former duties as Controls Div. pres.

Donald Baker, Admiral electronics service mgr., also named service training mgr., succeeding **Ivan Johnston**, retired... **John Hill** & **James Stevens** appointed Motorola regional mgrs... **Stanley Roberts**, ex-rep, named mgr. of Olympic's Cleveland branch and regional mgr. for Ky.-Ohio-Ind.

Thomas MacAvoy, ex-Technical Products Group vp, elected pres. of Corning Glass, succeeding retiring **R. Lee Waterman**, who becomes honorary vice chmn. & consultant; **William Armistead**, Technical Staffs Div. dir., and **James Houghton**, ex-Consumer Products Div. gen. mgr., named vice chmn.; **Paul Clark** elected staff vp; **Allen Dawson** named exec. vp, responsible for TV, Electronic & Lighting Products Divs. and Signetics; **William Bradshaw**, ex-TV Products Div. mfg. mgr., named vp-industrial relations dir.; **Richard Duhde** elected Technical Products Div. vp-gen. mgr.; **Joseph Littleton** named vp-gen. mgr. of new Science Products Div.

Mayor Lindsay dedicated new 365,000-sq.-ft. hq of Morse Electro Products, one of largest industrial facilities in N.Y.C. Plant, in Flatland Urban Industrial Park in Brooklyn's depressed Canarcie-E. New York area, will employ about 1,000.

Obituary

Dr. Bennett S. Ellefson, 60, GTE Labs vp, died April 24 in Bayside, N.Y. Since joining Sylvania in 1937, he held titles of technical dir., research & engineering vp & technical planning senior vp. He conducted early research in phosphors, helped develop many radio tubes, including "lock-in" type. Wife, son & daughter survive.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Admiral			
1971-qtr. to March 30	91,039,500	(567,872)	--
1970-qtr. to March 31	82,476,630	(4,974,906)	--
Admiral International Enterprises			
1971-qtr. to March 31	25,413,448	624,018	.19
1970-qtr. to March 31	23,073,356	638,827	.20
Ameco			
1971-9 mo. to March 31	1,569,407	12,478	.01
1970-9 mo. to March 31	2,519,378	(1,025,582)	--
Arvin Industries			
1971-qtr. to March 31	42,820,000 ^a	1,325,000 ^a	.48
1970-qtr. to March 31	35,185,000	179,000	.07
Avnet			
1971-9 mo. to March 31	220,835,000	9,835,000	.71
1970-9 mo. to March 31	217,998,000	9,453,000	.68
1971-qtr. to March 31	72,689,000	2,974,000	.21
1970-qtr. to March 31	73,317,000	2,673,000	.19
John Blair & Co.			
1971-qtr. to March 31	15,373,000	512,000	.20
1970-qtr. to March 31	15,554,000	794,000	.30
Buckbee-Mears			
1971-qtr. to March 31	9,537,000	535,000	.25
1970-qtr. to March 31 ^b	8,631,000	357,000	.17
Canadian Westinghouse			
1971-qtr. to March 31	61,638,244	726,410	.28
1970-qtr. to March 31	52,354,159	256,720 ^c	.10
Capital Cities Bcstg.			
1971-qtr. to March 31	19,154,000	2,222,000	.31
1970-qtr. to March 31	20,912,000	2,493,000	.36
Capitol Industries			
1971-9 mo. to March 31	118,716,000	362,000	.08
1970-9 mo. to March 31	140,022,000	7,529,000	1.66
1971-qtr. to March 31	33,674,000	(694,000)	--
1970-qtr. to March 31	44,539,000	2,158,000	.44
Cowles Communications			
1971-qtr. to March 31	31,173,000	48,000	.01
1970-qtr. to March 31	33,216,000	(445,000) ^d	--
Walt Disney Productions			
1971-6 mo. to April 3	72,846,000	9,624,000	.77
1970-6 mo. to April 4	68,719,000	7,944,000	.71 ^b
1971-qtr. to April 3	35,346,000	4,441,000	.34
1970-qtr. to April 4	33,281,000	3,849,000	.32 ^b
Electronic Memories & Magnetics			
1971-qtr. to March 27	22,175,000	1,057,000 ^d	.15
1970-qtr. to March 28 ^e	21,991,000	784,000	.10
Foote Cone & Belding Communications			
1971-qtr. to March 31	50,918,000 ^f	(254,000)	--
1970-qtr. to March 31	59,375,000 ^f	86,000 ^g	.04
General Instrument			
1971-year to Feb. 28	267,005,528	4,749,211 ^g	.49
1970-year to Feb. 28	258,132,701	4,517,130	.46 ^a
Grass Valley Group			
1971-qtr. to March 31	616,000	97,000	.07
1970-qtr. to March 31	807,000	152,000	.10

Change in dumping investigation rules, which could make it easier to find existence of dumping, is sought by Customs Bureau. Proposal would eliminate rule that no "home market" for product exists if home sales constitute less than 25% of quantity sold other than for export to U.S. (Dumping legally constitutes sales to U.S. at less than home-market price.) Treasury Dept. said it has found figure less than 25% may be "more than adequate for purposes of making fair-value comparisons." Rule change would apply to

Company & Period	Revenues	Net Earnings	Per Share
Gray Communications Systems			
1971-9 mo. to March 31	4,243,855	198,404	.42
1970-9 mo. to March 31	3,899,517	143,692	.30
ITT			
1971-qtr. to March 31	1,540,000,000	74,200,000	.66
1970-qtr. to March 31 ^e	1,380,000,000	66,100,000	.59
LIN Bcstg.			
1971-qtr. to March 31	4,307,790	225,576 ^d	.10
1970-qtr. to March 31	4,212,487	101,486 ^d	.05
Muter			
1971-qtr. to March 31	3,506,915	(63,247)	--
1970-qtr. to March 31	3,059,409	(239,851)	--
National Union Electric			
1971-qtr. to March 31	37,061,807	756,036	.37
1970-qtr. to March 31	37,217,691	628,405	.31 ^e
North American Philips			
1971-qtr. to March 31	129,066,000	2,846,000	.32
1970-qtr. to March 31	133,849,000	3,815,000	.43
Sangamo Electric			
1971-qtr. to March 31	21,428,000	421,000	.15
1970-qtr. to March 31	20,133,000	257,000	.09
Scientific-Atlanta			
1971-9 mo. to March 31	12,325,641	273,139	.30
1970-9 mo. to March 31	13,771,348	126,151 ^g	.14
Scripps-Howard Bcstg.			
1971-qtr. to March 31	5,351,655	771,470	.30
1970-qtr. to March 31	5,319,412	1,139,491	.44
1971-qtr. to March 31	3,906,040	109,060	.12
1970-qtr. to March 31	4,395,867	111,256	.12
Singer			
1971-qtr. to March 31	503,308,000	14,786,000	.81
1970-qtr. to March 31 ^e	506,668,000	19,625,000	1.21
Superscope			
1971-qtr. to March 31	12,531,000	660,000	.31
1970-qtr. to March 31	11,069,000	463,000	.22
J. Walter Thompson			
1971-qtr. to March 31	177,000,000 ^f	1,231,000	.45
1970-qtr. to March 31	173,000,000 ^f	1,095,000	.40
Trans-Lux			
1971-qtr. to March 31	3,110,730	179,811	.19
1970-qtr. to March 31	3,168,490	327,655	.31
20th Century Fox			
1971-qtr. to March 27	53,457,000	4,543,000 ^d	.53
1970-qtr. to March 28	48,660,000	967,000	.11
Vikoa			
1970-year to Dec. 31	21,211,000	(8,046,000) ^d	--
1969-year to Dec. 31	22,783,000	823,000	.43
Wells-Gardner			
1971-qtr. to March 31	5,255,000	25,000	.06
1970-qtr. to March 31	4,093,000	(159,000)	--
Wometco Enterprises			
1971-12 wk. to March 27	21,116,935	1,000,636	.17
1970-12 wk. to March 28	21,268,929	1,409,137	.24
Zenith Radio			
1971-qtr. to March 31	149,305,000	7,874,000	.41
1970-qtr. to March 31	128,555,000	6,066,000	.32

Notes: ^aRecord. ^bAdjusted. ^cBefore special credit. ^dAfter special credit. ^eRestated. ^fBillings. ^gAfter special charge.

all proceedings which haven't yet reached either tentative decision or appraisal withholding. Comments to Commissioner of Customs are due May 26.

FCC has adopted EIA standard for measuring spurious RF radiation from TV & FM receivers. Standard RS-378 describes radiation sources, describes measurement. FCC rule limiting average uhf tuner radiation to 350 uv/m at 100 ft. went into effect last year (Vol. 10:14 p9).

WEEKLY

Television Digest®

with
consumer
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

MAY 10, 1971

VOL. 11, NO. 19

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Broadcast

HAPPY ABC-TV AFFILIATES LOOK with confidence toward fall season as network claims it has 'real shot' at No. 1. Gains in most areas cited at L.A. convention. Rule attacks news subpoena. Duffy seeks reform in children's TV. Reasoner says affiliates that don't clear news are 'a disgrace'. (P. 1)

FACT vs. RUMOR IN CATV AT FCC: No distant-signal conclusions yet. Little chance for Cable Bureau's plan for carriage of all signals receivable off air. 'Zone' concept studied. 'Uhf piggy-backing' mulled. FCC striving for wrap-up this month. (P. 2)

MORE SUBPOENAS ON 'PENTAGON': Staggers Subcommittee may subpoena Stanton, Salant, et al. Asst. Defense Secy. Henkin witness at first public hearing May 12. Col. MacNeil claims libel, sues network for \$6 million. NBC's Frank & Agnew trade warnings over intimidation. (P. 3)

COURT UPHOLDS 3-HOUR RULE: 2nd Circuit finds FCC 'reasonable,' relies heavily on Red Lion decision to reject free-speech argument, won't 'substitute our judgment' for FCC's. (P. 5)

CIA TIES WITH NEWSMEN ALLEGED: Jaffe says he was approached twice by Intelligence Agency, that 'there's a lot of this'; accuses networks of 'black-listing' him, claims they respond to govt. pressure. Salant, Lower deny charges. (P. 5)

ABC-TV AFFILIATES READY FOR CHARGE: Happy band of ABC-TV stations—some 230 represented by more than 500 delegates—gathered in L.A. last week for TV network's affiliates' convention. Enthusiasm of network was contagious, as affiliates for first time were believing ABC's contention that it has excellent chance to be No. 1 in fall.

"We think we've got a real shot at it," said Planning Vp Fred Pierce. "I really believe it ... It will be ABC's best year in my 15 with the network." He predicted ABC will win Sun., Tue. & Thur. nights, be "fully competitive" on others. Network pointed with pride to claim that it has led Nielsen MNA reports in 9 of 14 weeks since "2nd season" started in Jan. However, in answer to questions, Vp Martin Pompadour said network (which lost \$15 million last year) has no chance to be in black for 1971. Among other encouraging signs:

(1) Year ago, only 7 ABC affiliates were No. 1 in their markets; 38 are tops today. (2) ABC leads other 2 networks in sales & total business for fall—and prices are up 10%. Sales for 1972 are more than double this time year ago. (3) April-June daytime is 96% sold (vs. 86% year ago). (4) Increased clearances & sales for network news & Dick Cavett (100% sold for 2nd quarter)—though clearances still are poor for both. (5) Generally favorable reaction

Consumer Electronics

BOYCOTT OF IMPORTED TV planned by IUE, which seeks support of domestic producers; union also considers filing industry-wide import-impact aid request. Europe cancels Taiwan's status as 'underdeveloped country.' (P. 7)

VIDEOPLAYER PIE-IN-SKY: Comes the dawn and realization that home videocassette market doesn't yet exist, as manufacturers push debut dates further into future. Videoplayer currently is educational-institutional product. (P. 8)

MAGNAVOX LEADS INDUSTRY with bold price hike, hopes others will go along. Unveils all-U.S.-made color line with TAC extending down to 12V"; matrix tubes in most sets. (Pp. 9 & 11)

RCA'S BILL ANDERSON sees need for streamlining distribution, closer manufacturer-dealer ties. Consumer program: 'We accept financial responsibility over product's useful life.' (P. 10)

PREMIUM SHOW DRAWS 60 consumer electronics exhibits, as industry seeks larger share of \$4-billion market. Sharp, Symphonic unveil new TVs. (P. 10)

'RCA VIBRA' LINE of 50 radio & audio items to be sold direct to large accounts by reps chosen from among distributors. Products different from regular line. (P. 11)

of advertisers & affiliates to new fall shows. (6) TV Network Pres. James Duffy praised "spirit of enthusiasm" of affiliates, said it's "especially important that we stay together this year." (7) Mon. night football is 100% sold for fall.

ABC Pres. Elton Rule zeroed in on news freedoms and CBS subpoena issue (see p. 3), and network executives vociferously denied growing charges that its news operation has bent toward favoritism to Administration. "The implication... is not only unsupportable, it is ridiculous," said Rule. Commentator Harry Reasoner, who recently switched from CBS, shocked some with: "Any station having a network affiliation and not clearing that network's news is a disgrace." At news conference closing convention, Duffy said he agreed, that "disgrace" is to communities which lose network news service. Reasoner said he came to ABC because "this is where the action is... ABC News is going up, but it takes a while... There's a steady upgrading all the way... We are fully competitive. We can go head-to-head with anyone and win."

ABC News Pres. Elmer Lower announced several new clearances of Smith-Reasoner show, but network news still isn't carried in 19 of top 100 markets, and 16 of 163 primary affiliates don't clear show. He said there's been 40% increase in news revenue in last 12 months, but that ABC had recently lost \$2.5-\$3 million to other networks because of lack of news clearances.

At closed meeting (at which participants reported hardly any criticism was leveled at network), affiliates unanimously adopted resolution "strongly opposing the effort of Congress or other legislative bodies to subpoena untelevised material, reporter's notes or sources of information. The Assn. shares the opinion that such action violates the spirit and the letter of the First Amendment, and represents a serious threat to the democratic process."

In luncheon speech, Rule suggested that industry has "not made enough of a noise on the side of freedom for electronic journalism." He said House subpoena of CBS leaves industry faced "with a direct, untenable attempt at the worst kind of censorship. One cannot help suspecting... that there is an attempt, conscious or unconscious, to drive a credibility wedge between TV and its audience... We cannot surrender, under threat of regulation or any other threat, our right to free speech and free journalistic pursuit... We must make our viewers aware that perhaps there are those who would convert their windows on the world into a Berlin Wall of the mind... This is no time to run and no time to run scared. And we're not about to do either."

Citing growing pressure for reform in children's TV, Duffy warned industry to listen to critics and react. "Now is the time to face this issue and to do something about it," he said. "Have we, in the face of mounting govt. and citizens' group criticisms, undertaken a 'band-aid' application rather than the surgery that is really called for?" He announced ABC will sponsor Children's Programming Workshop June 23-24 in N. Y., to which advertisers, agencies, stations & critics of kid's TV will be invited. At news conference, Duffy said that if industry doesn't improve children's programs, govt. will step in "not just because Dean Burch says so, but because we should have done more on our own."

ABC-TV received many kudos from stations for persisting with full-scale affiliates' session (though budget was cut considerably from previous years) after CBS's total cancellation (it will closed-circuit new shows to affiliates) and NBC cutback from 3-day L. A. affair to one day (May 12) in N. Y. ABC attracted record number of affiliates, 75 of them secondary. Many were hard-line CBS or NBC primaries which had never attended an ABC convention—and ABC will reap benefits. Couple told us they definitely will clear more ABC prime time this fall, and secondary affiliates are lining up fast to take extra ABC shows under FCC's 3-hour rule. Affiliates' Vp Richard Beesemyer said new shows "received best reception ever," predicted that "we'll get the best clearances ever this fall." Affiliates Chmn. William Warren, KOMO-TV Seattle, said he agreed on both counts.

FACT vs. RUMOR IN FCC CABLE DISCUSSIONS: Some trends are apparent in FCC's CATV deliberations to date—but there are very few certainties, regardless of what you hear. We can tell you where discussions seem to be leading, but it would be most unwise to conclude ballgame is over in any significant respect. Here are facts:

- (1) Distant-signal decision hasn't been made. Definition of "local" signal hasn't been

made. There's no fixation on "3-1-1" or "3-3-1" or some such formula (referring to number of affiliates, independents & ETVs).

(2) FCC has almost certainly rejected concept that CATVs should be able to carry any signal "receivable out of the air." This proposal by Cable Bureau (Vol. 11:17 p2) appears too wide open for FCC majority—which apparently is frightened by vision of cablemen erecting 2,000-ft. towers, "astronomy dishes" & tropo-scatter picking up signals 4-500 miles away.

(3) Fair chance is given "zone" idea—stating that CATVs are entitled to pick up signals within specific distance of stations (100, 125, 150 miles or so)—letting them use microwaves if needed within those distances. Existing microwaves would be grandfathered.

(4) Also in "zone" concept is possibility of 3 U.S. areas—East, Central & West Coast—because of distance & number of uhfs involved.

(5) "Uhf promotion" rather than "uhf protection" is gaining force. This is at least one commissioner's idea that uhf imports should be piggy-backed on vhfs. That is, if you import a vhf, you have to import one (maybe more) uhfs.

(6) "Channel access" is like motherhood. Govt. bodies, educators, etc. will be given channels, "compatible with state of the art." Other groups will have access on "equitable" basis.

(7) FCC will break its neck trying for decision this month—because Chmn. Burch has promised it to McClellan, Pastore, Macdonald, et al.; because Burch & R. E. Lee will be in Europe, starting May 26 (Burch 2 weeks, Lee 6). Five more days in May have been set for cable discussions, including parts of May 12-13.

(8) Commission hasn't decided what kind of "effective date" to put on package, once it's wrapped up. That's what Burch told Macdonald preceding week (Vol. 11:18 p1), and it's still true. Said one knowledgeable FCC official: "I think we'll talk to the Hill about that."

(9) Technical standards, including minimum number of channels, will be based on "state of the art"—meaning that Commission will push for upgrading of facilities as much as it can realistically get.

(10) FCC will "preempt" state & local regulation—but no one knows how far it will go, except that it's expected to regulate more than it does. It's quite unsettled, but charges of city council bribery, extortion, etc. have had impact. Almost any expansion of regulation would mean substantial increase in FCC staff. And Congress & White House aren't so reluctant to increase budget—now that govt. makes industry pay for it through fees.

(11) Some relaxation of footnote 69 still appears in works.

STAGGERS PLANS HEARINGS ON 'PENTAGON': Subpoena people. That seems to be next move of Rep. Staggers (D-W.Va.) & his Investigations Subcommittee—as CBS gained more & more support for its refusal to turn over non-broadcast internal material. Subcommittee is considering subpoenaing CBS Pres. Stanton, CBS News Pres. Salant, et al.—and Asst. Defense Secy. Daniel Henkin already has been subpoenaed to testify May 12. Henkin had claimed that CBS distorted his remarks on "Selling of the Pentagon." Subcommittee had planned to subpoena Army Col. John MacNeil, who also claimed distortion, but this was dropped when MacNeil filed \$6-million libel & defamation suit against CBS & WTOP-TV Washington.

In report to Subcommittee this week, staff is expected to conclude CBS failed to support "only possible reason" why it would not be legally bound to comply with subpoena. CBS had stated: "The Subcommittee statement does not set forth a valid constitutional basis for demanding [outtakes]." Staff is expected to recommend legislation to prevent "flat lies" in news or documentaries, staged or prearranged events, tape manipulation or editing out of context. Similar recommendations from staff, Subcommittee and Commerce Committee followed investigations of CBS documentaries "Hunger in America," "Pot Party," and "Project Nassau." In last case, Subcommittee subpoenaed & received outtakes, sound tracks, notes, etc. CBS complied with subpoena then because program was never aired, and since law violations were charged.

Object of hearing, we're told, is to build record before recommending legislation or contempt citation to full Committee. It appears that if Staggers pushed contempt motion on Com-

mittee now, it would fail. We talked to many Committee members, and here's sample:

Rep. Moss (D-Cal.): "I would not have supported issuing the subpoena." Haiti investigation, (Nassau), he said, "was an entirely different matter." Dingell (D-Mich.): "The subpoena must be honored... I don't see any fundamental difference" from Haiti. Broyhill (R-N.C.): "I would like to be able to review some on-the-record testimony before voting." Tiernan (D-R.I.): "I don't support subpoenaing the outtakes... That comes close to censorship & intimidation." Shoup (R-Mont.): "We [Subcommittee] are not judges or a court. We're not going to find CBS guilty or not guilty... All we're interested in are the laws. Are they sufficient to protect the public? I'm concerned with the accusation that the network would be dishonest enough to mislead the public... We're on real delicate ground. Freedom of the press does come in, so we'll have to be very careful." In letter to several inquiring congressmen, Staggers said Subcommittee was not interested in censoring "electronic press," but said public's right to disagree is "illusory" if news is distorted.

One who first protested "Pentagon" documentary, House Armed Services Committee Chmn. Hebert (D-La.), said he would never support laws requiring reporters to reveal sources, but asserted there's difference between sources and notes, saying latter could be revealed. Does he support subpoena of "Pentagon" outtakes? "Hell, how else are you going to evaluate it?"

* * * *

Who's intimidating whom? was subject of exchange last week between NBC News Pres. Reuven Frank (speaking to U. of Mo. Journalism School) and Vice President Agnew speaking in North Carolina. Said Frank, mentioning Agnew by name: "I warn you again, we have been pushed & prodded, palpitated & pulled like fish market mackerel on a Friday morning and we have had enough." Responded Agnew: "Let me tell that gentleman he doesn't have to warn me. I will not be intimidated by the news media any more than they intend to be intimidated by me."

Top-level seminar on govt.-broadcast journalism relations at Columbia U. School of Journalism was scheduled for evening of May 7. Moderated by Dean Elie Abel, panel comprised: Dean Burch, FCC chmn.; Richard Salant, CBS; Reuven Frank & John Chancellor, NBC; Edward Barrett & Louis Cowan, Columbia U.; Edward P. Morgan, ABC; Wrede Petersmyer, Corinthian; Richard Clurman, Time-Life; Mike Dann (ex-CBS), Children's Workshop; James Day, NET; E. William Henry (ex-FCC chmn.), Management TV; Lloyd Morrissett, Markle Foundation; Roger Tatarian, UPI; Telford Taylor, attorney; Dan Seymour, J. Walter Thompson; John Crichton, AAAA; Seymour Siegel, WNYC N. Y.

Cutback on conglomerate questionnaire, to conserve time & money, is recommended by FCC Comr. Houser. Commission had given him assignment of analyzing form. Houser concluded that most of questionnaire is adequate but that one question (no. 15) is unnecessarily demanding—3 years of raw correspondence (1967-69) between parents & broadcast subsidiaries. He thinks one year is enough. He suggested formation of special FCC committee to consider future requests for more data by Conglomerate Study Task Force—committee to comprise a commissioner, gen. counsel & chief of Broadcast Bureau. Houser doubts whether revision of Question 15 requires new approval of questionnaire by Office of Management of Budget—but that approval should be sought, if needed.

Multi-sound TV, containing up to 24 soundtracks, will be demonstrated around midyear by ITT. Developed by firm's German labs and subject of papers at several engineering sessions in last 2 years, system stores time-compressed AM sound signals in vertical blanking interval of TV picture for information storage & readout during following field period. System is proposed for conquering language barriers in worldwide or continent-wide transmissions.

To improve Nixon's TV image, White House hired ex-ABC-TV producer Mark Goode as production asst. and L. A. TV consultant Bill Carruthers as part-time asst. Carruthers succeeds Roger Ailes, one of President's top image makers during 1968 campaign, now doing other work for GOP. The Rev. John J. McLaughlin, who ran unsuccessfully against Sen. Pastore (D-R.I.) in Nov., is expected to become a Nixon speech writer. A Jesuit priest, he formerly wrote on TV-radio matters for America Magazine. Another recent addition to White House staff is attorney Richard Moore, former head of KTTV L. A., long-time adviser to Nixon on TV appearances and other subjects.

Warrant for arrest of NAB convention speaker Al Capp was issued last week by Eau Claire, Wis. judge for alleged sodomy, attempted adultery & indecent exposure. Charges were brought by 20-year-old married coed at Eau Claire State U. Offenses allegedly occurred April 1-2 days after Capp spoke at NAB lunch in Chicago.

FCC's annual report, 278 pages, includes summary of year's developments, industry tabulations, etc., available for \$2.25 from Govt. Printing Office.

COURT UPHOLDS 3-HOUR RULE: FCC won all the way in U.S. 2nd Circuit Appeals Court last week, in decision supporting every aspect of prime-time-access rules. In 35-page ruling written by Judge Paul R. Hays, Court concluded that Commission was "reasonable" and in no way "arbitrary."

Citing Red Lion case & Associated Press cases, Court threw out First-Amendment argument, stating that new rule, "far from violating the First Amendment, appears to be a reasonable step toward fulfillment of its fundamental precepts, for it is the stated purpose of that rule to encourage the 'diversity of programs and development of diverse and antagonistic sources of program service'... Thus, while the rule may well impose a very real restraint on licensees in that they will not be able to choose, for the specified time period, the programs which they might wish, as a practical matter the rule is designed to open up the media to those whom the First Amendment primarily protects—the general public..."

"The Commission does not dictate to the networks or the licensees, or the independent producers whom it hopes to stimulate, what they may broadcast or what they may not broadcast; it is merely ordering licensees to give others the opportunity to broadcast."

Regarding syndication & financial-interest rules, Court said: "The record... shows that there are many different opinions as to the propriety & wisdom of the rules and it is not our function to weigh the evidence in support of these various points of view. We should not, and indeed cannot, substitute our judgment for that of the Commission [nor] inject 'our personal views regarding the effective utilization' of the communications media... The evidence in the record leads inescapably to the conclusion that access to network affiliated stations during prime time is virtually impossible for independent producers of syndicated programs. On the basis of this conclusion, the Commission's attempt to remedy the situation is far from arbitrary; it is directed, in fact, to the heart of the problem..."

"Viewed in the context of the purposes of the prime-time-access rule, the financial interest prohibition may well be a necessary tool to forward the development of the strong independent suppliers who will be needed in the newly created market if the aims of increased diversity and decreased network domination are to be accomplished. At the very least, it was reasonable for the Commission to make this finding."

As for harm to smaller stations—because networks won't offer full schedule if they can't serve top-50 markets—Court noted: "This decision is not the Commission's... However, it seems probable that, at least initially, small licensees will be hurt by the prime-time-access rule... The Commission has carefully considered the arguments of the smaller affiliated licensees, made findings, and determined that it should act."

Court rejected "insufficient notice" argument (that original proposal didn't plan to restrict off-network & feature film), saying such restrictions "are ancillary prohibitions that are implicit in the purpose of the prime-time-access rule."

CIA TIES WITH NEWSMEN ALLEGED: Appearing on program to be telecast May 12, ex-CBS & ABC newsmen Sam Jaffe charges CIA tried to hire him as agent while he was employed by CBS and that approach was made with connivance of network. "There's a lot of this" going on, he said in show—All About TV, 10 p.m., WNYC-TV N.Y.—already taped. "There are newsmen in Washington that play games with the CIA. There are newsmen who've been pulled back from overseas, one of whom left NBC rather mysteriously, because of pressures from the government."

Jaffe said he was brought back from Hong Kong by ABC in 1969 and never told why, though he demanded to know. (In interview with Television Digest last week, Jaffe said govt. "intelligence agency" ordered his return. "They pulled me back rather suddenly... I didn't want to come back." He also charged that TV networks have "blacklisted me," which kept him from getting 2 jobs recently with public broadcasting.)

Alleged CIA contact first came in 1955, Jaffe said on TV show, shortly after he applied for job with CBS. He said CIA agent told him that he (Jaffe) would be hired by CBS, and that he would be sent to Moscow if he agreed to work for CIA. Jaffe continued: "Now you can't say this was not without someone's approval at CBS... I couldn't believe this... The man spent 3 hours with me. He said we... are willing to release certain top secret information to you in order that you try and obtain certain information for us." Jaffe said he was hired by CBS, but didn't go to Moscow until several years later and implied that was because of CIA intervention. He said CIA approached him again at that time. "What they wanted from me, I'll never know because they never contacted me later."

Jaffe also charged that when he was in Vietnam, network newsmen "went out into the field and did what we felt were constructive stories to inform the American people. Time & time again they were shelved. The network chiefs, the news chiefs, were not interested." He said this was because of govt. pressure.

ABC News Pres. Elmer Lower told us that Jaffe was returned to U.S. because he refused to go to Vietnam again. Lower said he knew of no network newsmen approached by CIA or working for it. Of "blacklist" charge, he stated: "Absolutely ridiculous... There is no blacklist on anybody." CBS News Pres. Richard Salant said blacklist statement was "absolute nonsense." Both news executives said they'd never been asked for reference on Jaffe. Salant said he wasn't at CBS News at time of alleged contact with Jaffe, added: "CBS just wouldn't allow it... I'm sure it didn't happen. Anyone working for us and the government at the same time would be fired so fast..."

A Washington-based newspaper reporter, considered expert on CIA by his peers, told us he doubted if CIA had made any attempts to use American newsmen in recent years, but that several such approaches were made during cold war. He said it's common knowledge, however, that CIA pays foreign newsmen for information.

NBC's new Washington address: 1800 K St. N.W. 20006, Suite 610; phone, 202-833-3600.

DINGELL MAPS CODE HEARING: While NAB & AAF are re-evaluating their codes, Rep. Dingell (D-Mich.) announced his Small Business Subcommittee will start hearing on both, June 7, 11 & 14, with follow-up in Sept. Tentative schedule has AAF & NAB testifying first day, consumer witnesses 2nd, FCC & FTC 3rd.

Also on consumer front: Testifying before House Govt. Operations Subcommittee, FTC Chmn. Kirkpatrick and AAF spokesman William Rogal opposed creation of Consumer Protection Agency. If Congress insists, Kirkpatrick said, best place for consumer advocate would be in FTC. He disagreed with Rep. Rosenthal (D-N.Y.) that such move would be "a conflict of interest."

Same day, Rep. Moss (D-Cal.) introduced bill calling for 7-member independent Consumer Product Safety Commission with tough regulatory powers, "free from political influence and... bureaucratic failures of the past." He said Finance Subcommittee, which he chairs, would start hearing on bill soon.

Sen. Frank Moss (D-Utah) introduced bill to establish National Institute of Advertising, Marketing & Society within FTC. Institute's dir. & deputy would be appointed by President for 6 years, but serve under "general supervision" of FTC chmn. A Special Advisory Council would include FTC (Council chmn.), FCC, HEW, Environmental Quality Council, Environmental Protection Agency, National Science Foundation, Consumer Protection Agency.

Institute's first task would be studies on relationship between advertising and drug abuse, alienation of youth, attitudes of children. Budget would be \$5 million.

Strongly dissenting from Commission waiver allowing KBTN Cable, Neosho, Mo. to import vhf KPLR-TV St. Louis instead of much closer uhf KCIT-TV Kansas City, Comr. Robert Lee stated: "There is clearly leapfrogging... The CATV will always prefer to microwave in the big city signal... so these signals will always be more readily available. Tomorrow there will be another town just 15 miles from Neosho requesting carriage of the St. Louis vhf independent, and then another 15 miles further, and so on. The CATV system thus sets the policy—not this Commission—in the public interest. Allowing waivers on this rationale completely undermines the leapfrogging policy. Furthermore, it is a misnomer to call this kind of action 'a waiver'. Such action effectively switches Commission policy."

Theta-Com's short-haul (AML) CATV microwave has been type-accepted by FCC, may now be sold, and Pres. Robert Behringer reports that first deliveries are expected in Aug. The 12-GHz equipment is being produced at new 50,000-sq.-ft. plant, 9320 Lincoln Blvd., L.A. 90045.

GE Bcst. & Cablevision subsidiaries have been placed under new Home Entertainment Business Div., headed by Vp-Gen. Mgr. Donald E. Perry who headed former Consumer Electronics Div. to which both subsidiaries previously reported.

Personals

Robert King, gen. mgr., WKBW-TV Buffalo, promoted to exec. vp for TV, Capital Cities Bcstg Philadelphia bq; **Philip Beuth**, ex-gen. mgr., WSAZ-TV Huntington, named gen. mgr., KFSN-TV (ex-KFRE-TV) Fresno, succeeding Jay Soundheim; **Peter Orne**, gen. mgr., WTEN-TV Albany, becomes gen. mgr., WTNH-TV (ex-WNHC-TV) New Haven, succeeding **Howard Mashmeier**, who becomes asst. gen. mgr.; **Eugene McCurdy** elevated to gen. mgr., WPVI-TV (ex-WFIL-TV) Philadelphia.

White House Communications Dir. **Herbert Klein**, FCC Comr. **Thomas Houser**, NAB Pres. **Vincent Wasilewski**, TvB Pres. **Norman (Pete) Cash**, John Blair & Co. Vp **Jack Fritz**, ABC Radio Pres. **Walter Schwartz** & Gov. **John Gilligan** are featured speakers for May 13-14 Ohio Assn. of Bcstrs. convention, Cincinnati.

CBS Bcst. Group Pres. **Richard Jencks** keynotes National Bcst. Editorial Conference, June 23-25 in St. Louis... **William Breda** elevated to sales mgr., ABC International TV; **John Angier**, ex-CBS, named attorney, ABC Circle Entertainment; **Steven Berzner** promoted to legal & business affairs dir., ABC sports.

Questions affecting broadcasting, raised at RCA stockholders meeting last week, were fielded by NBC Pres. Julian Goodman: (1) News "slanting"—"What people really don't like is the news itself. We haven't changed—we think objectivity lies in the eyes of the observer." (2) Cigaret revenues—"The vacuum to a great extent has been filled by increasing commitments by existing advertisers and to an even greater extent by new advertisers." (3) Prime-time rule—It "probably will be a financial asset [for the time being], but we think it will be to our long-run benefit to fight it. The bottom-line effect will not be very large."

Championing "the reasonable man," FCC Comr. Thomas Houser urges more compromise in communications matters. Addressing FCBA last week, he said he was surprised by parties' advocacy of absolute ban on CATV imports on one hand, unlimited imports on other, called for "reasonable compromise." Regarding children's programs, he warned against "polarization of positions," stated that "national criticism may lead to regulation which is undesirable." And, referring to drug-lyrics decision, he decried "over-reaction."

Legality of subpoenas served on newsmen compelling them to reveal news sources or information to police will be decided next term of Supreme Court. Cases on appeal involve WTEV Providence-New Bedford reporter Paul Pappas, N.Y. Times' Earl Caldwell and Louisville Courier Journal's Paul Branzburg. Meanwhile, in Northern Ireland, BBC TV newsmen Bernard Falk received 4-day jail term for refusing to tell Belfast court identity of IRA man he interviewed.

FCC testimony before closed session of House Appropriations Subcommittee last week was described by participant as "unexciting... no big controversy about cable, satellites, land-mobile, etc."

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, week ended April 23 (16th week of 1971):

	April 17-23	1970 week	% change	April 10-16	1971 to date	1970 to date	% change
Total TV.	156,330	113,613	37.6	150,115	2,981,694	2,609,825	14.2
color	75,046	54,764	37.0	77,588	1,578,539	1,318,190	19.8
monochrome	81,284	58,849	38.1	72,527	1,403,155	1,291,635	8.6
Total radio	420,698	296,110	42.1	361,364	5,762,635	4,895,278	17.7
home, portable.	165,798	109,532	51.4	161,982	2,344,699	2,119,588	10.6
AM-only	96,698	69,332	39.5	91,217	1,415,157	1,386,422	2.1
FM & FM-AM	69,100	40,200	71.9	70,765	929,542	733,166	26.8
auto	254,900	186,578	36.6	199,382	3,417,936	2,775,690	23.1
Total phono	49,502	34,956	41.6	42,840	1,133,706	897,134	26.4
portable-table	38,340	24,382	57.2	32,458	873,350	575,227	51.8
console	11,162	10,574	5.6	10,382	260,356	321,912	-19.1

Color TV 5-week moving average: 1971-87,155; 1970-66,830 (up 30.4%)

IUE SEEKS INDUSTRY AID FOR IMPORT BOYCOTT: Plan for nationwide consumer boycott of imported TVs was revealed in letter to domestic manufacturers by IUE District 3 Pres. William Bywater. It's understood IUE national officials also are considering filing import injury adjustment aid request on behalf of all workers in U.S. consumer electronics.

Bywater said IUE plans publicity program about import-caused job loss and urging purchase of U.S.-made TVs only. He said union would publish names of manufacturers "cooperating by maintaining jobs in this country."

Union's anti-import actions include: (1) Proposing legislation to establish import quotas and to restrict export of capital for foreign export-assembly operations. (2) \$67-million suit against Japanese producers, charging that TV dumping forced closing of Emerson plant. (3) Informing public of job losses.

Before launching boycott, Bywater states, IUE wants "to enter into discussions" with domestic producers to persuade them to maintain production in U.S. and bring back production from Hong Kong, Taiwan, Mexico, Singapore, etc.

Responses to Bywater letter have started coming in. Admiral & RCA said they'll meet with IUE, as did TMA Pres. Daniel Domin, who noted that TMA was "one of the few" TV producers without offshore facility. Though expressing sympathy with idea, NUE said value of meeting would be doubtful since NUE no longer manufactures own Emerson-DuMont line. Magnavox said it's "deeply disturbed" by flood of Japanese TV in U.S., which it considered "ironic" because high tariffs keep U.S.-made TVs out of Japan.

IUE officials declined to confirm they plan to ask Tariff Commission to declare all workers eligible for import adjustment aid. Past requests have been filed for workers formerly employed by specific companies. In event Commission finds that tariff concessions granted by U.S. negotiators led to increased imports and so injured industry as whole, President has right to raise duty rates on TV from present 6% up to 52.5%, or negotiate voluntary export quotas with major source countries.

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In other action on foreign-trade front, Taiwan is worried over ruling by European Common Market that island would lose status as underdeveloped country July 1 and no longer be eligible for preferential treatment. Loss is serious, coming when major trading nations, including U. S., are developing plans to permit duty-free importation of goods from developing countries. Taiwan is expected to seek U. N. help in getting repeal of ECC action.

At request of Senate Finance Committee, Tariff Commission has begun 4-part study: (1) Customs valuation procedures in U. S. & other countries, with view toward international standard. (2) Tariff & non-tariff barriers in major trading nations. (3) Tariff concessions in past years. (4) Influence of multinational firms on world trade and on trade & labor in U. S.

THAT HOME VIDEO PIE-IN-THE-SKY: In 1969, we were being told the home videoplayer was 2 years away. Now it's conceded to be 3 years in the future. Where will it be by 1974?

The hangover is starting to set in without even the memory of a good roaring spree. Nowhere was this more evident than at first international videocassette symposium (VIDCA) in Cannes—originally intended as launching pad for huge new industry—at which speaker after speaker cautioned that whole field was fraught with problems, that it would be slower than expected, that standards situation was huge obstacle, that nobody had faintest idea what type of programming will succeed.

Best summation came from Capitol Industries Pres. Stanley M. Gortikov: "There exists that uncomfortable feeling that we are all hurriedly building a skyscraper—only somebody forgot to design an adequately solid foundation. I fear that some pied pipers among us are leading us full-speed ahead, but with destination unknown."

But suddenly the pied pipers are playing more subdued tune. Those lavish consumer magazine spreads about "The Good Revolution" have yielded to hedging, doubtful—and some downright cynical—articles. Press-agentry is relatively cheap; it's expensive to start production in field whose future is unknown—and industry has put on the brakes and entered period of careful thought & contemplation, which is cheap. Cry for standards hasn't fallen on deaf ears—and very few want to rush to be first with what turns out to be "non-standard" machine.

One by one, we've seen introduction dates & prices change. Sony's \$350 home videoplayer, announced for 1971, now turns out to be \$800 educational-institutional-industrial machine for marketing in 1972. Cartridge TV's home tape unit has been pushed from early 1971 to 1972. RCA's Holotape SelectaVision most certainly won't meet original 1972 marketing date, but company may introduce home VTR some time before holographic system is ready (Vol. 11:17 p7).

Caution is suddenly replacing hyperbole. CBS's EVR is an educational-institutional-industrial machine, as is Ampex's Instavideo, although consumer versions are promised in indefinite future. No cartridge videoplayer will be on market in 1971 for less than \$795—and this is not a consumer price.

New recommended half-inch Japanese color VTR standard (Vol. 11:18 p9) is industrial—not consumer—standard. Panasonic was first to offer recorders & players meeting new specs, but is taking very cautious attitude toward going into consumer videocassette market—merely conceding that it's experimenting with many formats (see p. 11).

Equipment problems may be dwarfed by programming dilemma. Despite many studies, nobody seems to have any idea what consumer will want to watch, or how much he'll be willing to pay to buy or rent programs. Rank Organization's Michael Murray Grant underlined unknowns at VIDCA when he asked whether any British customer will "buy or lease a cassette on Majorca when for as little as \$24 he can spend a weekend in the place."

Only one company has near-term commitment to production of videoplayers & programming especially for the home. That is Cartridge TV (CTV), which plans to bring out unit early next year. Admiral & Emerson are licensees. Industry will be closely watching success of its upcoming stock offering as guide to investors' appraisal of videocassettes' immediate future. And CTV's marketing efforts—and degree of success they achieve—could either key headlong plunge into field by many manufacturers or set back home video tape for years.

As it stands now—and will for some time—cartridge videoplayer is another stage in evolution of industrial & educational training-instructional field, where it should find important

market. Migration into home could be long, gradual process, dependent on reduction of cost and evolution of programming.

Significant cost-cutting breakthroughs could shorten path to the home. Although not a cartridge videoplayer, AEG Telefunken-Teldec video disc could be one such breakthrough, if equipment & program cost targets are met by developers when it is commercialized (now scheduled for late 1972-early 1973). RCA's Holotape, as originally outlined in 1969, had earmarks of cost breakthrough from standpoint of program medium if not player itself. Home videoplayer age may well be on way—but it looks like long, slow haul which could possibly take some surprising twists.

MAGNAVOX LEADS WITH BOLD PRICE HIKE: First U.S. manufacturer to unveil 1972 color line, Magnavox substantially increased fair-trade prices, as forecast here (Vol. 11:18 p10). Company said boost averages about 7%, but straight average of all sets in line vs. average year ago looks more like 10%.

Sony, meanwhile, prepared to introduce longest line of Trinitron color sets this week, led by 2 new 17V", with 3 new 12V" (including, for the first time, automatic color, AFT & 8-channel preset uhf), plus holdover 9V".

Being first with introductions, Magnavox obviously hopes to strengthen pricing backbone of its competitors, who have already indicated they're looking seriously at increases (Vol. 11:7 p8). In April 29 dealer letter, company pointed out that color TV prices have dropped 12.5%, b&w 28.1% since 1965, while house prices have risen 25.1%, services 21.9%, appliances 15.6%, furniture 11%, wages 9.1%. Letter expressed belief that "all other manufacturers will follow Magnavox" in pricing when new lines are shown.

In exchange for price increase, Magnavox has added features and more elaborate cabinetry to color line—TAC is now available in every major size category from 12V" up. Matrix tube is featured in most models from 19V" up. Redesigned chassis are 70-88% solid-state with "more plug-in modules & plug-in transistors" for easier service. In keeping with Magnavox agreement with FTC (Vol. 11:17 p7), traditional 4-color catalog contains no price information.

Dropped from line is 20V" size, with only two 18V" & two 23V" models—and no 23V" or 25V" table models (but there are detachable-leg consoles)—although color line remains at last year's length of about 65 pieces. Magnavox has added its first 16V" color sets, including remote-control pecan-finish table model with doors (\$459). Line heavily emphasizes vertical TV-stereo combos, including, for first time, 3 with 19V" screens (\$849 manual, \$925 remote) and has expanded 21V" vertical combo line from one to 3 models (\$995). All of Magnavox's color sets, including 12V", are U.S. made.

"Stereorama" is new showcase line of unique designs—most striking of which is slim rosewood pedestal containing 8-track tape player, stereo-FM-AM radio (\$349)—probably industry's first tape cartridge console. Others in series: Glass-&-pecan modern stereo radio-phonotape cartridge console (\$549), vertical stereo in etagere shelves with space for TV, record storage, etc. (\$499), rosewood "campaign chest" table stereo with speakers in lid (\$249). Also new to Magnavox is series of chairside drum table stereos, one piece providing omnidirectional sound (\$349). Company is changing over from 4-speed to 2-speed (33 & 45) phonos in all products. Magnavox also announced entry into audiophile component field with 75-, 100- & 150-watt receivers at \$269.95-\$379.95. For details of new sets, see p. 11.

RCA broke ground for \$2-million, 35,200-sq.-ft. consumer electronics design center in Indianapolis last week. Under direction of Tucker Madawick, RCA Consumer Electronics Div. Industrial Design vp, center will contain offices, design studio, 7 product display galleries & 100-seat theatre. CCTV will connect center with executive offices.

Curtis Mathes has established manufacturing subsidiary in St. Kitts, British West Indies, to manufacture electronic assemblies, including circuit boards, as feeder for its P.R. color TV plant.

RCA adds optional 2nd-year warranty to replacement picture tubes, following similar move by Sylvania (Vol. 11:16 p11). Like Sylvania, RCA will sell its tube distributors books of adhesive extended-warranty stickers. Resale price of extended warranty will be about \$10.

Thailand licensee for Sylvania-brand b&w TVs & transistor radios was announced last week by GTE International. Chantapha Industries, Bangkok, will assemble & market consumer electronics using parts provided by Sylvania Hong Kong.

RCA'S ANDERSON SPEAKS: RCA Consumer Electronics Mktg. Vp William Anderson, in office 7 months, discussed need for streamlining distribution process, in first speech before major industry group at NARDA convention in Chicago recently (Vol. 11:17 p10). Earlier, in interview, he expounded in detail his—and RCA's—marketing philosophies. Although he didn't detail plans for streamlining, he made it clear that key figure in marketing chain, 2nd to consumer, is retailer.

RCA is "shifting emphasis," he said, gearing all activities more directly to retail than to wholesale. "In the past we haven't responded to the dealer as fast as we should." Factory-dealer contacts will be increased and local meetings between dealers & factory personnel will be instituted. Answer to malaise of entire distribution chain, he believes, is removing "investment fixed cost expense—the cost of moving goods"—from the whole system as much as possible. Increases in distributor profits, he said, won't come out of expanded margins, but from increased efficiency. He may have foreshadowed future policy when he said changes in lines & models "are too frequent for dealers to put real thrust behind fast-moving models."

Moving to ultimate consumer, Anderson cited RCA's new philosophy: "We accept financial responsibility for product operation over the useful life of the product." This concept involves establishing standards on "useful life," and educating consumers to recognize that they must expect need for reasonable repairs. Where business has failed, he said, is in not effectively communicating with consumer as to what he can expect from products in increasingly complex & technological age. "We must do business with each consumer as an individual."

He cited RCA survey which showed that in 2/3 of TV sales, brand choice was based on reputation or recommendation of friends. Another survey indicated that of the 27.5 million families without color sets, 75% would prefer & can afford color but have reservations about price, maintenance cost & reliability. "Consumerism," said Anderson, "is a sound business practice, assuring repeat business and enhancing brand reputation."

He outlined some steps RCA is taking: (1) Purchaser Satisfaction (PS) program and changeover to 100% solid-state modular receivers with full-year labor & parts warranty. (2) Experimental program on West Coast since Nov. 1, advertising direct toll-free phone line to Indianapolis for day-&-night complaint & guidance calls. Some 80% of calls, he said, were inquiries rather than complaints. (3) RCA has had 3 conferences of top-level representatives of all 740 of its outside suppliers "to get them on board the RCA reliability & quality program." They were told about company's product plans and how their components would be used in RCA sets. "We told them we were willing to pay more for higher quality parts and asked them to take same pledge to quality we're taking."

National Industrial TV Assn., newly organized trade group, holds first general meeting May 22-23 at N. Y. Hilton. Contact: Richard Van Deusen, Secy., NITA, Box 262, Maplewood, N. J. 07040.

PREMIUM SHOW HIGHLIGHTS: More than 60 consumer electronics manufacturers & importers, including most of industry's biggest names, were among 1,000 exhibitors at Premium Show in N. Y. last week, hoping to grab larger share of estimated \$4-billion market. Show frequently offers advance look at some products which won't be formally unveiled until later distributor meetings or Consumer Electronics Show.

Sharp displayed futuristic 5V" b&w portable, in tangerine or white, operating from D cells, 12-volt car battery or AC adaptor-recharger mounted in detachable swivel base, at \$99.95. Also with new TVs were Emerson, with \$99.95 AC-battery 7V" portable, and Symphonic, which featured prototype 3V" b&w TV-FM-AM digital clock radio combination at \$269.95, along with \$29.95 manual stereo phono.

VM unveiled colorful portable stereo phonos at \$59.95, \$79.95 & \$99.95, some models capable of driving optional extra speaker pair; stereo phono with either stereo FM-AM tuner or 8-track tape player at \$149.50, and 4 component systems, all with changers, \$129.95-\$400. Lear Jet showed stereo FM-AM 8-track tape player-digital clock combination at \$159.95, and small \$49.95 8-track auto player.

Topp Electronics is moving into modular hi-fi packages with 10 models from 3-piece unit at \$84.50 to \$349.95 version with stereo FM-AM receiver, changer, 8-track recorder-player, air-suspension speakers, stereo headphones & cart. Topp also showed digital clock FM-AM-weatherband radio at \$59.95, AC-battery cassette recorder with external & built-in microphones at \$54.95, and FM-AM radio version at \$79.95... Arvin previewed pair of 3-piece compact receivers, both with built-in 8-track players, at \$105.95 & \$169.95, new AC-battery cassette at \$39.95... Peerless Telerad had pair of AC-battery 8-track tape players at \$79.95 & \$129.95, latter with stereo FM-AM radio.

Admiral Overseas Corp. was Taiwan's largest manufacturing exporter and 7th largest importer in 1970, according to Chinese Nationalist govt. Admiral Corp. (U.S.), customer for 96.7% of Taiwan firm's sales, purchased \$22,461,000 worth of products from Admiral Overseas last year, according to proxy statement of Admiral International Enterprises, parent of Admiral Overseas. The 6 leading Taiwanese exporters were Taiwan Sugar Corp., Chinese Petroleum Corp., Taiwan Fruit Mktg. Assn., Admiral Overseas, Nan Ya Plastics, RCA Taiwan. Taiwan's big domestic TV-appliance manufacturer Tatung Engineering Co. was 6th largest importer.

Semiconductor sales by U.S. factories in Jan. totaled 208.6 million, valued at \$89.7 million, down 29.3% & 20.1% respectively from Jan. 1970, EIA reports. Unit & dollar volume were off for all reported classifications except linear IC sales, up 11.4% to 3.9 million. Total monolithic IC sales of 25.3 million were up 0.8%, while value declined 12.2% to \$33.7 million. Hybrid IC totals of 32.1 million at \$40.6 million, were off 8.3% & 14.4%. Sales of discrete devices fell 32.1% to 176.5 million, with value down 24.4% to \$49.1 million.

NEW MAGNAVOX LINE: Color line starts with 12V" at \$269, replacing last year's 11V" at \$259.90, with TAC step-up at \$299 (see p. 9). Two 14V" are \$279 & \$319 (TAC), replacing old \$259.95-\$299.95 series. New 16V" TAC sets are \$359 & \$459, latter with doors & 4-function remote. Two 18V" are \$359 & \$399 (vs. former single model at \$329.50). The 19V" models are \$449 (up \$50) & 3 at \$469 (up \$40), remotes (now 4-function) \$549 (up \$70). Console 21V" are \$499 (up \$40), remote \$579 (up \$80). Two 23V" consoles are \$499 (vs. last year's \$469.50-\$569.50 series).

The 25V" series, all TAC, starts with new \$569 leader, with 3 step-ups at \$649. Console groups: \$699 (up \$70), full-function remotes \$850 (up \$120); \$750 (up \$70), remote \$899 (up \$120); new tambour-door series \$775; folding doors \$795 (up \$45), remote \$945 (up \$95). New Vertical 19V" combos are \$849, 4-function remote \$925; 21V" vertical combos \$995 (up \$100). In 25V" combos, former leader open-faced group at \$849.50 has been dropped, all combos now having doors. Group at \$1,095 is up \$45, as is remote group at \$1,295. Remote armoire vertical series (formerly \$1,495) is replaced by new \$1,595 group.

Monochrome line is relatively unchanged, although some prices are down \$5. Portable phono line & prices are close to last year's. Compact stereo consoles at \$179 (without radio) & \$229 are up \$10, larger units at \$299 up \$20. Leader Astro-Sonic consoles, formerly 30 watts, are now 20, prices unchanged at \$379. New compact credenza group, 30 watts, is \$399, new armiores \$479. Other consoles, at \$499-\$750 are up \$50 from predecessors, with Imperial Astro-Sonic consoles now \$1,795 (up \$100). Magnavox has large grouping of compact systems, some of them down in price. Cassette line has been enlarged and some radio prices are down \$2-\$20. Flip digital clock radios have been added, 3 units at \$39.95-\$54.95.

In other introductions: Motorola drops in promotional 16V" Quasar portable at \$319.95, lowest-priced Insta-Matic set in line (previous low was open-list 16V" designed to sell in \$369 area)... Philco Ford will offer 4-channel converter for existing stereo systems, consisting of 8-track deck, amplifier, 2 speakers with phase switch (under \$180)... Advent premieres new Dolby cassette deck with switch for using chromium dioxide tape (\$280), accessory microphone preamp (\$20).

"Substantial increase in TV set sales," along with "continuing increase in commitments for broadcast advertising" were cited by Chmn.-Pres. Robert Sarnoff as recent "particularly encouraging developments" at RCA annual meeting in N. Y. last week. He said reversal of economic downturn sets stage for "strong economic performance in 1972." Bulk of his report was devoted to dispelling fears expressed by stockholders at Feb. special meeting that RCA was abandoning electronics through acquisitions (Vol. 11:8 p10). He said nearly 75% of total revenues come from electronics, communications & information and that "RCA's principal role in the home remains the broadcast or recorded program and the instrument to receive & reproduce it."

RCA'S 'VIBRA' LINE: "RCA Vibra" is special audio product line which will be sold direct to large accounts as RCA follows practice of Panasonic and other import & domestic firms. Initial offering contains 50 items, none of which will be duplicated in RCA's regular 1972 line. Although products themselves contain RCA logo only, cartons are marked "RCA Vibra," and it's expected that RCA Vibra name will be used on products in future lines.

Purpose of specialized line is to make possible one-price program for large retail chains which don't require such distributor services as warehousing. Line will be handled by national sales reps—most or all of whom are expected to be chosen from among RCA distributors. Although national accounts are major targets for new line, regional chains—presumably those which straddle distribution areas—will also be offered it. Vibra line received first major exposure at N. Y. Premium Show last week.

Line contains two 4-piece stereo modular systems, 7 portable phonos, one cassette recorder, 4 cartridge players & decks (including 4-channel), 6 battery radio clocks, 2 desk-set radio clocks, 12 portable radios, 6 table radios, 10 clock radios. Although it includes some discontinued items from 1971 line (goblet radio, hanging kitchen radio clock, etc.), many of products are distinctively styled, some featuring new beige-&-walnut coloring. RCA, it's learned, plans to emphasize youth-appeal products in Vibra line, based on research indicating large number of young buyers are major customers of big chains.

Panasonic unveiled first production half-inch open-reel color VTR designed to standard recommended just week earlier by EIA-Japan (Vol. 11:18 p9). Intended for industrial-education market, unit comes in 2 versions, recorder at \$1,200 & playback-only at \$800. Both provide 240-line color & 300-line b&w, use 7-in. reels and are compatible with EIA-J Type 1 (b&w) standard machines. Also introduced were 12V" color monitor at \$495 & 22V" b&w monitor at \$300. All are for delivery next month. Alvin Barshop, asst. gen. mgr., VTR-CCTV Dept., emphasized that Japanese parent, Matsushita Electric, was continuing development work on VTR cartridge formats in several tape sizes, hasn't settled on cartridge standard or plans for consumer market. At week's end, Ampex said its Instavideo half-inch cartridge color VTR, due for introduction later this year, would conform to new EIA-J standard. When first showing unit last year (Vol. 10:36 p9), Ampex said color circuitry was mounted on plug-in modular board which could be redesigned to new standard. VTR is being made in Japan by Toamco, Toshiba-Ampex venture.

Tape topics: 3M will promote new Scotch High Energy audio tape (Vol. 11:12 p11) in radio & consumer magazine ads this summer. Trade campaign for audio & video tape begins this month... **Japanese market** for recorded 8-track cartridges jumped 150% last year to nearly 18 million. Recorded cassette output climbed 264% to 2.1 million, while reel recorded tape rose 114% to 176,000, according to Japan Phonographic Assn.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Aerovox			
1971-qtr. to March 27	6,987,000	11,000	.01
1970-qtr. to March 31	8,689,000	151,000 ^a	.11
Andrea Radio			
1971-qtr. to March 31	499,715	(33,651)	--
1970-qtr. to March 31	859,785	11,920	.02
Automatic Radio			
1971-6 mo. to March 31	17,939,000	(490,000)	--
1970-6 mo. to March 31	22,658,000	852,000	.35
1971-qtr. to March 31	7,961,000	(425,000)	--
1970-qtr. to March 31	9,144,000	(174,000)	--
Citizens Financial			
1971-qtr. to March 31	4,349,000	346,000	.31
1970-qtr. to March 31	3,584,000	261,000	.24
Clarostat			
1971-qtr. to April 3	2,333,200	31,300	.06
1970-qtr. to April 4	2,749,900	1,700	--
Downe Communications			
1970-year to Dec. 31 ^b	87,969,000	(9,466,000)	--
1969-year to Dec. 31 ^b	85,073,000	(1,289,000)	--
Esquire Radio			
1971-qtr. to March 31	4,095,928	124,872	.19
1970-qtr. to March 31	2,868,007	121,034	.19
Fairchild Camera			
1971-qtr. to March 31	48,188,000	(1,614,000)	--
1970-qtr. to March 31	64,654,000	1,092,000	.25
International Rectifier			
1971-9 mo. to March 28	25,656,593	(1,549,341)	--
1970-9 mo. to March 29	30,969,894	719,382	.26
1971-qtr. to March 28	8,894,462	(320,906)	--
1970-qtr. to March 29	11,064,053	272,239	.10
Lynch Corp.			
1971-qtr. to March 31	4,829,000	(518,000)	--
1970-qtr. to March 31	4,204,000	(247,000) ^a	--
Oxford Electric			
1970-year to Dec. 31 ^b	35,656,890	315,192 ^a	.16
1969-year to Dec. 31 ^b	36,469,282	(3,757,204)	--
PEPI			
1971-qtr. to March 31	41,887,000	579,000	.19
1970-qtr. to March 31	43,216,000	1,714,000	.57 ^c
Reeves Industries			
1971-qtr. to March 31	1,437,000	20,000	.01
1970-qtr. to March 31	1,667,000	194,000	.06
Soundesign			
1971-qtr. to March 31	7,229,033	173,906	.13
1970-qtr. to March 31	4,244,078	21,502	.02
Standard Kollsman			
1971-qtr. to March 31	21,029,035	(248,568)	--
1970-qtr. to March 31	22,166,893	232,708	.10
Storer Bestg.			
1971-qtr. to March 31	14,406,000 ^d	806,300 ^a	.19
1970-qtr. to March 31	14,545,000 ^d	2,274,200	.54
TCI			
1971-qtr. to March 31	2,899,941	126,766	.04
1970-qtr. to March 31	1,930,050	79,164	.03
Teletronics			
1971-9 mo. to March 31	591,349	43,556	.10
1970-9 mo. to March 31	701,268	71,964	.17
1971-qtr. to March 31	213,799	21,897	.06
1970-qtr. to March 31	150,341	24,723	.06
Tenna			
1971-9 mo. to March 31	23,801,749	806,382	.27
1970-9 mo. to March 31	27,198,583	1,301,068	.44
1971-qtr. to March 31	5,761,411	(201,139)	--
1970-qtr. to March 31	6,850,760	(252,705)	--

Company & Period	Revenues	Net Earnings	Per Share
Terminal-Hudson Electronics			
1970-year to Dec. 31	16,733,242	(143,387) ^e	--
1969-year to Dec. 31	17,627,898	399,236	.31

Notes: ^aAfter special credit. ^bRestated. ^cAdjusted. ^dFrom broadcast operations. ^eAfter special charge.

Trade Personals

Horace Kelton, former exec. vp, elected pres. of **Curtis Mathes Mfg. Co.**, succeeding late **Charles Mathes**; **Burke Mathes** named exec. vp; **Curtis Mathes Sr.** continues as chmn., with **Curtis Mathes Jr.** chmn. of exec. committee... **Peter Triolo**, ex-Ogilvy & Mather, joins Magnavox as ad services dir... **C. Vernon Phillips**, NUE vp and exec. vp of Emerson TV Sales Corp., elected to NUE board.

Louis Topp named chmn. of Topp Electronics succeeded as pres. by **David Topp**, former mfg. vp; **Charles Kates** appointed vp-sales dir. for firm's Juliette Electronics (own brand) operation; **David Kronfeld** named Juliette vp-gen. sales mgr... **Don Vale** appointed Philips Electronics Industries of Canada video products mgr. in Consumer Products Div... **Ronald Freure**, former gen. mgr. for product planning, export, organ & contract sales, advanced at Electrohome Electronic Products Div. to gen. mktg. mgr.

George Long, ex-Magnavox, appointed East region sales mgr. for MGA Div. of Mitsubishi International, succeeding **Joseph Sullivan**, resigned... **M. E. Schuster** appointed Craig key account mgr., South Cal. region... **Leonard West**, ex-Automatic Radio, appointed Boman Astrosonix sales & mktg. dir.

John Luke, ex-Texas Instruments, joins Fairchild Semiconductor as sales dir., replacing **John Duffy**, now product mktg. dir.; Duffy succeeds **Eugene Selvin**, now in new post as special programs dir... **Robert Sickler**, ex-Fairchild Semiconductor, named Bourns distributor sales dir... **Don Dussault** appointed International Rectifier Semiconductor Div. industrial distributor sales mgr., new post.

Roy Lewis, former IC products mfg. mgr. at Syracuse, named to set up new GE Singapore IC production... **Walter Bewley** appointed gen. mgr., Teledyne Semiconductor Monolith Div... **Richard Larkin**, ex-Ampex International Div. mktg. mgr., heads new Electronic Memories & Magnetics International Div.; **Ronald Ballintine** promoted at Ampex from International Div. development planning mgr. to succeed Larkin.

Consumer electronics prices in Feb. were down from Jan. but up from Feb. 1970, according to Labor Dept.'s Consumer Price Index. With index of 100 representing 1967 average, portable & console TV average for Feb. was 100.1 (down 0.2% from Jan., up 0.7% from year earlier); portable-table radios 98.6 (down 0.5% & up 0.2%); portable tape recorders 95.6 (down 0.1% & up 0.7%); TV replacement tubes 121.1 (down 0.2% & up 5.9%).

WEEKLY

Television Digest®

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MAY 17, 1971

VOL. 11, NO. 20

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FORCED CATV ORIGATION BANNED: Appeals Court says FCC lacks power to impose rule or to favor one medium over another. It's uncertain whether Justice Dept. will permit Commission appeal to Supreme Court. (P. 1)

NBC AFFILIATES BULLISH, TOO: "Things look great for fall" is prevailing attitude at one-day convention; \$174 million in fall business. Stations reverse position of year ago, back network news on fairness. Peacock taken out of clutter dispute. (P. 3)

STAGGERS OPENS DOOR to hearing on 'Pentagon', claims 'clear & obvious' jurisdiction. Defense Dept. spokesman Henkin scores 'doctoring', but as former newsmen, wouldn't surrender notes to subpoena. Subcommittee may subpoena Stanton. (P. 4)

NEW ATTACKS ON ARB REPORTS: Dimling & Cash question diary methodology, demand explanation of low viewing levels reported by ARB. (P. 5)

SATELLITE APPLICANTS SEEK to keep options open. Comsat wants competitors disqualified; NCCB wants Comsat dropped. Stations & CATV groups seek right to own ground stations. (P. 6)

FTC HEARING ON TV ADS starts in Washington Sept. 13, expanding to other cities later. Commission concerned over effects on children. (P. 7)

COURT BANS FORCED CATV ORIGINATIONS: Mandatory CATV originations—something almost no one favors, perhaps not even today's FCC majority—were thrown out May 13 by 8th Circuit Appeals Court. Big question now: Will FCC seek Supreme Court review? Even bigger question: Will Justice Dept. (JD) let Commission seek reversal? FCC can't appeal by itself, must persuade JD—and latter hasn't been very sympathetic to Commission's tough cable rules.

Immediate impact of court decision is impossible to predict. If FCC & JD ask 8th Circuit to stay effectiveness of decision while appeal is taken to Supreme Court, and if stay is granted, then mandatory origination rules could continue in effect. But—stay may not be sought, may not be granted if sought, etc. On balance, our guess is that FCC won't want to cram rules down industry's throat, for immediate future, while there's judicial uncertainty.

It was surprising victory for Midwest Video and its counsel Harry Plotkin—who were quite lonely in appeal, no one else thinking they had ghost of chance. Court bought appellant's fundamental argument: FCC doesn't have legal authority to impose such rules; Congress never gave it such power in CATV field.

Consumer Electronics

COLOR PRICES UP—RCA makes industry-wide boosts inevitable, announcing general 5% hike in distributor costs on new & holdover models which are effective this week. (P. 9)

EXTRA DUTY ON JAPAN TV sought by Zenith in request that Treasury offset alleged govt. export-subsidy program. Fomer RCA, Emerson workers win aid battle. Senate sets foreign-trade hearings. (P. 9)

SOLID APRIL RECOVERY shown in domestic-label sales figures, well above 1970 and exceeding 1968 & 1969 levels in many cases. Month's final week, unseasonably strong, set record for year's 17th week in color sales. (P. 10)

TV IMPORTS TOPPED MILLION in first quarter, jumping 30% above 1970 period. Japanese TV rose 36% to 323,000, b&w 16% to \$560,000. Taiwan, Mexico imports soared. Japan prices seen rising again. (P. 10)

PHILCO-FORD WILL PLUG 'Philcomatic' automatic system in new line. Sony 17V" Trinitron priced at \$399.95. Electrohome, raising color prices, is first with videotape adaptor for sets. (P. 12)

MINIMAL X-RAY HAZARD faced by technicians, HEW says in Baltimore report. Study shows need for education program on high-voltage. (P. 13)

The 12-page decision written by Chief Judge Martin D. Van Oosterhout, for himself, Floyd R. Gibson & Donald P. Lay, included these key observations:

"No direct authority is granted to the FCC by the Communications Act to regulate CATV systems...The concern is not over the power of Congress to regulate CATV but over the authorization Congress has actually made...The compulsory origination rule here goes far beyond the regulatory power approved by Southwestern Cable Co...The Commission recognizes that smaller CATV operations could not afford to provide origination services and concedes that there is no consensus as to the appropriate cutoff point or ability to provide origination. The Commission then arbitrarily adopts 3,500 subscribers as the cutoff point..."

"The Fortnightly holding that the CATV operator is not a broadcaster and that the operation falls on the viewers' side of the line affords strong support for the petitioner's contention that the Communications Act does not authorize the FCC to compel program origination. We find no balance of public interest which requires stretching the Act to confer such authority. In so holding, we are not passing on the power of the FCC to permit CATVs to originate programs and to prescribe reasonable rules for such CATV operators who voluntarily choose to originate..."

"The Commission's power to adopt rules requiring cablecasting to the extent that it exists must be based on the Commission's right to adopt rules that are reasonably ancillary to its responsibilities in the broadcasting field. Cablecasting's link to TV is primarily economic. As held in Fortnightly, broadcast signals are dedicated to the public by [stations] and the right to receive & distribute them may be exercised by any one with capacity to capture the signals."

"The Communications Act confers no authority to the Commission to favor one mode of electronic communications over another...There is a distinct possibility that [mandatory originations] may force CATV operators out of business thereby making unavailable the recognized useful service performed by CATVs in areas where distance and topography impair favorable reception of TV signals...We hold that the FCC is without authority to impose the program originating rule on existing cable TV operators." (Last sentence had lawyers asking each other if Court means that FCC can impose rule on new systems.)

Few attorneys had chance to study decision, so most reactions were admittedly off-the-cuff. Said Plotkin: "It gives FCC no comfort. The FCC may try to go up to the Supreme Court—but I wonder whether Justice will go along. What's the hurry? The FCC should get a couple years' experience with voluntary originations first, learn something about it. First, the FCC wouldn't let them originate. Then, it reverses itself and forces origination. It's just wrong."

NCTA Gen. Counsel Gary Christensen: "There's something for everybody in the decision. I doubt whether FCC will go to the Supreme Court." NCTA Pres. Donald Taverner: "NCTA still favors voluntary originations." NAB Gen. Counsel John Summers: "I haven't seen the decision, but NAB is on record as opposing mandatory originations. I always thought the FCC required it as a trade-off for signal carriage." FCC Cable Bureau Chief Sol Schildhouse: "It's a kind of woolly decision. We'll probably want to appeal—but there's a question whether Justice will go with us. The Bureau had recommended that the FCC exempt old systems from mandatory originations." FCC Gen. Counsel Richard Wiley couldn't be reached for comment. Decision is quite a blow to former Gen. Counsel Henry Geller, principal architect of rule. He couldn't be reached for reaction.

One worry for CATV presented by decision is this: Most "public interest" organizations urged FCC to give CATV distant signals to insure system viability, to enable CATV to provide originations and access to minority groups. If FCC can't force originations, will it withhold distant signals?

* * * *

FCC continued discussing CATV policy last week, but reportedly reached no significant conclusions yet. It has May 18-19 & 24-26 scheduled for topic. Chmn. Burch is doing damndest to nail down policy before he leaves for Europe at end of month—though no one expects final polished document for many weeks thereafter.

It will be intriguing to see where JD comes out on mandatory-origination issue. Recently, it filed with FCC a blast at Commission's restrictions on pay-TV programs over cable. In the

document, JD noted that it had supported Commission's forced-origination rules, stating: "We viewed this response to the emergence of cable technology as a rival of broadcasting, as a positive regulatory policy fully consistent with the aims & purposes of, and in keeping with the policy of competition inherent in, the Communications Act."

In rest of document, JD climbed all over FCC for applying to cable-pay TV the same kinds of restrictions it has on telecasting subscription TV. JD & 8th Circuit judges seem to be reading same sources, because JD paper states: "There is nothing in the Communications Act which justifies the Commission in favoring one mode of communication over another."

FCC "has no specific statutory mandate" over cable, JD said. "The Commission does not license CATV systems, and CATV does not use scarce spectrum space. Moreover, since the number of channels on a CATV system can be expanded with little 'natural' constraint, there is very much less justification (if any) for the Commission to concern itself with the details of channel allocation. In sum, neither the stature nor the rationale under which the Commission has been accorded total control over broadcast entities applies to cablecasting."

NBC-TV AFFILIATES BULLISH, TOO: Optimism at ABC-TV affiliates meeting in L. A. 10 days ago (Vol. 11:19 p1) carried over to NBC-TV's "mini" convention in N. Y. last week. NBC even left out customary stewardship report ("There's really no need to puff ourselves the way we usually do at these meetings," said Network Pres. Donald Durgin.), but gung-ho mood prevailed anyway. "Everything looks rosy for fall," said one affiliate. Another: "The ABC guys are probably right, too. It's CBS [which canceled affiliates' convention] which will be fighting to stay out of 3rd place."

Among news-making items of convention: (1) NBC announced major steps to reduce clutter—including abolition of peacock color logo except at start of Today, Tonight & afternoon schedule, plus before specials. (Peacock now is shown at start of each show.) Move will cut about 30 sec. of non-program matter per hour. (2) For first time in several years, network brass had full-scale Q-&-A session with affiliates. (3) First week of May was largest 3rd-quarter billing week in NBC-TV history. "Our 4th-quarter sales are booming. Already we have secured \$147 million firm business for the 1971-72 nighttime schedule. The average commercial minute price is up 7% over a year ago."

Those who expected fireworks on network news were disappointed. If huge majority of NBC affiliates aren't four-square behind their network on news, they kept feelings well hidden. Only one—Don DeGroot, gen. mgr. of WWJ-TV Detroit—openly accused NBC of bias, and his complaint was countered by Jack Harris, KPRC-TV Houston, Douglas Manship, WBRZ Baton Rouge, among others. This was sharp contrast to 1970 convention when several affiliates accused NBC News of liberal bias, and in show of hands about 2/3 voted for proposition that network's news was unfair (Vol. 10:21 p4).

Outgoing Affiliates Chmn. Harold Grams, KSD-TV St. Louis, told news conference "the affiliates got a little panicky a year ago... We really have no major disagreements [news or otherwise] with the network now... A vast majority believe that NBC is doing an excellent job in news." NBC affiliates—like ABC counterparts—adopted resolution on CBS Pentagon issue (see p. 4), though subpoena of CBS wasn't specifically mentioned: "We vigorously oppose demands made by congressional committees, law enforcement officials and other government agencies for material obtained by newsmen on a confidential basis and material that has not been published or broadcast."

NBC Pres. Julian Goodman urged affiliates "to support the integrity of news against the attack of those who would like to have broadcast news used as instruments of policy or to reflect only the views that they think are right." He pledged NBC will resist such efforts. "The best way for us to do that is to continue to... cover the news fairly, thoroughly, accurately & objectively." He said news "cannot be operated by a committee... We cannot, and will not, shy away from covering important news subjects... just because there are those who do not wish to face the unpleasant facts that the news often represents."

Stressing children's programs, Goodman said he was "confident" NBC & ABC will work out joint kid's show by fall 1972. (CBS has withdrawn from joint talks.) He said show would be "commercial," and that NBC would participate in ABC-sponsored Children's Programming

Workshop June 23-24. At convention, NBC announced new children's show for fall—Take A Giant Step—which will have entertainment-information format. (NBC was criticized last week by ACT Pres. Evelyn Sarson for dropping informational Hot Dog from Sat. morning schedule. She said: "When your schedule shows that Hot Dog has been replaced with old faithful Mr. Wizard, it doesn't look too much like the innovative & creative programming NBC is always talking about. If you didn't have ratings as the only criteria for success, there would be room for both Mr. Wizard & Hot Dog on a Thursday afternoon... And after all, what happens next year when you regretfully cut out Mr. Wizard because he isn't getting the ratings?")

Durgin didn't totally eliminate puffery in previewing NBC's fall schedule, and Goodman added: "We have every reason to hope & expect that we will be the leading network in size of audience next season." Affiliates weren't shown any complete pilots, and no footage at all from the 2 most wanted to see—"the costliest half-hour (Jimmy Stewart Show) and the costliest hour (James Garner as Nichols)" on TV this fall. Durgin also bragged that NBC has "the costliest 90-min. show" in Mystery Movie. Added Durgin: "On the nighttime schedule [for season just ended], this is the year CBS won't be able to run that ad any longer... saying once again for the 14th consecutive year we are the leader."

STAGGERS OPENS DOOR FOR 'PENTAGON': Bristling over charges that his Investigations Subcommittee overstepped bounds of First Amendment by subpoenaing CBS outtakes from "Selling of the Pentagon," Rep. Staggers (D-W.Va.) opened hearing to public last week only to hear Daniel Henkin, asst. Defense secy. for public affairs, former newsman, sympathize with network's refusal to accede. "My inclination," he said, "would be not to provide my notes or source material." Just as Pentagon is "not for sale," he continued, "not for sale either is the right of a free press to criticize the Pentagon."

But Staggers defended Subcommittee's motives. "This is a matter which has clear & obvious implications on the adequacy of the present laws governing broadcasting," he said, also spurning accusations he was attempting to defend Defense Dept. against documentary's criticism. "I want to emphasize for the public record, as I have tried very hard to do previously," he said, "that this Subcommittee does not propose to enter into the merits of that controversy... Our legislative concern has nothing to do with the viewpoints expressed on the program."

Subcommittee meets early this week to consider staff recommendation which is expected to conclude that CBS Pres. Stanton, CBS News Pres. Salant, et al. must be subpoenaed before Subcommittee votes any contempt citation (Vol. 11:19 p3). "If we're going to have an air-tight case," source told us, "we've got to have the person here." Staggers, meanwhile, is laying foundation for possible contempt vote by getting everything on public record. He also released transcript of April 28 closed-door hearing when CBS attorneys refused to hand over requested outtakes (Vol. 11:18 p3).

CBS is very concerned over outcome of confrontation with Staggers—so much so that Stanton personally called affiliates, asking them to determine how members of Commerce Committee from affiliates' areas would vote on contempt citation. Our own survey shows that majority of Committee would oppose citation. And it's known that House leadership doesn't want issue to get to floor, thinking it would give Republicans powerful political issue.

Purpose of May 12 hearing, Staggers said, was to get Henkin's statement on record that CBS "doctored" his words. "I have never questioned the integrity of CBS News," Henkin said. "I have, however, questioned the professionalism of the show... I was disappointed & concerned by the doctoring of words and the misrepresentations in this particular show." He had no objection to CBS handing over outtakes of interview with him, but made "absolutely no judgment" about what CBS should do. He balked at legislation compelling editing disclosures, said matter was best left to networks. He accused network of withdrawing syndication of documentary overseas, but CBS blamed hold-up on House Armed Service Committee Chmn. Hebert (D-La.) who withdrew permission for CBS to include his interview in program.

In long article in May 16 N.Y. Times Magazine, Robert Sherrill, Washington correspondent for the Nation, quotes "Pentagon" producer Peter Davis: "The Pentagon, now that we've told the truth about it, is telling lies about us, and they are telling them at a very rapid pace... We have to answer each of these things. We can't keep up with this. They simply have too many

foot soldiers over there. Jesus, they are doing this every single day." Salant: "There is coercion and intimidation here, for government intervention & coercion can take a multitude of sinister forms other than naked censorship... This is the place to tell them that how we edit is none of their business."

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Speaking to Ill. Bcstrs. Assn. last week, NAB Pres. Wasilewski & Sen. Percy (R-Ill.) attacked efforts to subpoena "Pentagon" outtakes. Said Wasilewski: "The issue is: Can such programs continue if govt. is going to sit in judgment, ex post facto, and determine truth? Many of us do not believe they can continue—and that would be a sad & great loss to free journalism and the American public."

Said Percy: "Regrettably, too few people are reacting sufficiently... to conscious efforts being made to nibble away at the freedom of the press... Through its authority to grant or withhold a license to broadcast, the govt. has the power, if not the authority, to judge a news medium. The power of the govt. is so vast that its attempts to discredit the press carry alarming overtones... I personally am far more concerned over the possibility... that governmental errors will go unreported & undetected than I am over the prospect of a few inaccurate stories by a few reporters."

(Same day Percy spoke to broadcasters in Peoria, he argued in Chicago speech that TV violence contributes to increased crime. TV stations compete with each other to see which can televise the most violence, he said, charging there is a "direct correlation between the age of TV and the age of violence.")

NEW ATTACKS ON ARB REPORTS: More shots were fired last week in continuing TV industry fuss with ARB over disparity in levels of viewing as reported by ARB & Nielsen. Noting that ARE figures are well below Nielsen's, NAB Research Vp John Dimling wrote ARB Pres. Peter Langoff:

"The weight of evidence is against ARB... The basis of our concern is not the financial self-interest of broadcasters—although we are obviously concerned that inaccurately low ratings cost TV stations a great deal of money in lost revenue. Our concern [is] that the disparity in levels between Nielsen & ARB raises questions about the methodologies involved." Dimling said that letter was written at direction of COLTRAM, that independent study had substantiated higher figures based on meters. He added: "We urge that ARB seek to determine why your audience estimates [based on diaries] fall below the others... The members of COLTRAM feel that the need for review & testing of procedures is urgent."

TvB Pres. Pete Cash wrote similar letter to ARB & Nielsen. Said Cash: "Recent reviews of your reports show audience estimates considerably below comparable meter-determined levels. If the meter is fact, then your figures must be questioned... As long as the existing difference continues, we of TvB will feel obligated to point it out to both advertiser & telecaster... When can we expect corrections to be made?"

Time-Life's 4 radio stations will be sold to separate buyers for \$11.1 million. WFBM-AM-FM Indianapolis goes to Rahall for \$3.05 million; WOOD-AM-FM Grand Rapids, to group headed by station's Gen. Mgr. Willard Schroeder for \$2.1 million; KLZ-AM-FM Denver to Group One Bcstg., Akron, for \$2.8 million; KOGO-AM San Diego to Retlaw for \$2.9 million KOGO-FM to KCRA-TV Sacramento for \$250,000.

"Panicked desperation" is behind latest effort of WHDH-TV Boston to get FCC to reopen Ch. 5 case, CP-holder Boston Bcstrs. Inc. told Commission last week in response to WHDH-TV charges. (Vol. 11:17 p6). BBI said "this desperation is evidenced by the large number of unadulterated lies contained in affidavits" submitted by station in questioning character qualifications of BBI principals. Filing over 30 sworn statements to refute WHDH-TV charges, BBI said if Commission doesn't reject petition, "administrative finality in FCC renewal cases would become a practical impossibility since the unsuccessful applicant could perpetuate the case indefinitely..." BBI also argued that Commission doesn't have authority to reopen record since case now is before Supreme Court. WHDH-TV reportedly has been seeking support of House Commerce Committee to get FCC to reopen record—and some congressmen make no secret of fact that efforts have irritated them, consider case untouchable since it's before courts. Rep. Keith (R-Mass.) quizzed FCC Chmn. Burch closely on WHDH-TV at recent hearing, until Burch finally said questions put him in "awkward position" (Vol. 11:18 p2).

U.S. color TV homes total 29.7 million (49%), according to ARB estimates based on Feb.-March sweeps. ARB figures are higher than NBC's, which last week estimated 46.8% (28.6 million) of TV homes have color (see p. 11). Color saturation increased by 4.4 million homes (17.4%) from March 1970, according to ARB. Las Vegas (67%) has largest penetration; 6 other markets have more than 60%, 72 markets over 50%. Uhf is in 79% of TV homes; 40% have more than one set.

WHCT Hartford which conducted pay-TV experiment 1962-69, will be donated by RKO General to Faith Center. Religious group also owns KHOF-TV-FM San Bernardino, Cal.

SATELLITE COMMENTS: All parties sought to maintain their options in comments last week to FCC on applications for domestic satellites. There were no surprises, although Comsat argued that it's almost sole qualified applicant. It said "eligibility should be limited to those applicants with no major conflicting interests"—such as manufacturers of space hardware and present "terrestrial common carriers." Such activities by prospective satellite operators "raise numerous anti-competitive questions," Comsat said.

On other hand, NCCB said that Comsat application and joint Comsat-AT&T proposal should be rejected because "the major purpose... seems to be their desire to extend their international relationship to the domestic field." Also, NCCB said, Comsat's application is "inconsistent" with FCC order seeking "innovative proposals stressing specialized services."

Hughes Aircraft (which makes space hardware) said FCC should license 3 systems and "one of these should be the innovative, yet conservatively designed, Hughes-GTE proposal" because it would promote nationwide cable system. RCA Globcom & TV Communications suggested that FCC encourage "consortium" of all applicants. Said MCI-Lockheed: "It is apparent that [our] proposal is most responsive to the public needs." Western Tele-Communications promised to build its system regardless of how many FCC approves.

Many of those commenting—including 3 network affiliate groups, CATV & microwave owners—urged Commission to permit users of satellites to own ground stations. USITA, on other hand, said ownership of ground systems should be limited to existing common carriers and should be allocated on territorial basis. CPB & PBS repeated demand for free ETV use of satellites. And then there was comment to the Hawaiian Telephone Co. which said Hawaii should be left out of domestic system because no need "has been shown for additional service to Hawaii."

Complying with Justice Dept. directive, Pulitzer has sold KVOA-TV Tucson to Donrey for \$2.6 million. Justice required divestiture of TV in approving Pulitzer buy of Ariz. Daily Star, Tucson (Vol. 11: 15 p6). Pulitzer acquired KVOA-TV from Steinman in 1968.

Attacks on news media will be major issue at first convention of AP Bcstrs. Assn. June 11-12, Sheraton-Blackstone, Chicago. AP Gen. Mgr. Wes Gallagher will keynote; other speakers include White House Counsel Robert Finch & Dr. Warren Agee, dean of Grady School of Journalism, U. of Ga.

Doctoral dissertations on TV-radio are listed in bibliography compiled by Kenneth R. Sparks, Syracuse U. School of Journalism (119 pp., \$3.50). Sparks notes that dissertations averaged about 10 yearly during 1925-61, are now running about 80 a year; total exceeds 900.

"The Second Generation" is NCTA theme for 20th convention, Sheraton-Park, Washington July 6-9. Pres. Donald Taverner said theme "means that broadcasting was the 'first generation' and cable is the second."

Freedom of information in U.S. is undergoing its most formidable challenge, says Brooklyn Law School Prof. Dr. Morris Forkosch. His report is U.S. contribution to world-wide survey commissioned by Italy's National Research Council. Eventually, reports from 50 countries will be published in 4 volumes. Forkosch said Vice President Agnew's "tirades" inhibit only "weak-kneed & weak-bellied individuals... When a President uses his high office as a grandstand from which to attack any individual or channel of information because he disagrees... he is going beyond the allowable degree of counter-criticism... The power of the office is such that a democracy cannot tolerate its abuse of the media for partisan ends."

CATV earnings: TelePrompter, first quarter, \$1,407,367 (45¢) vs. \$943,454 (30¢) year ago. Revenues were \$9,382,839 vs. \$7,268,016. For both years, figures reflect pooling of interest of H&B; 1971 figures include Reeves Telecom. TPT has 560,000 subscribers in 102 systems... **American TV & Communications** reported first-quarter earnings of \$283,005 vs. \$47,789 last year. Gross revenues were \$2,814,743 vs. \$2,137,496. ATC owns all or part of systems serving 184,000 subscribers vs. 162,000 year ago.

GE's WSIX-TV (Ch. 8) & educational WDCN-TV (Ch. 2) Nashville have agreed to swap channels, have received local approval, will file with FCC. WSIX-TV will extend coverage because of lower channel, WDCN-TV because of height increase. GE will give educators \$755,000 or equivalent in equipment, agree to maintain & operate ETV transmitter for 99 years (worth \$25,000 annually), give WDCN-TV space on new tower and transmitter building (worth \$8,000 a year). It's expected shift will take 12-18 months.

Pictronic is new Columbia Pictures division specializing in high speed tape duplicating & traffick-ing, headed by Jack Lemmon, ex-WCD Productions, and Milton Schwartz, ex-CFCF Montreal. Using new Ampex ADR 150, Pictronic plans to produce 24 duplicates of hour-long videotape per hour, or 1,200 sixty-sec. commercials in same period. Ampex ADR 150 operates at 150-in. per sec., compared with conventional 15-in.

NAB Audio Reports Service is gradually gaining acceptance from member stations. First day, May 1, only 13 stations phoned; number grew to 60 by May 13. Daily reports may be recorded for broadcast by calling 202-223-2802.

Fire gutted WKBD-TV Detroit studio May 14, but WXYZ-TV, WWJ-TV, WJBK-TV & WTVS provided studios & equipment to keep station operating.

Price of KWHY-TV (Ch. 22) L.A., which Zenith is buying for pay TV (Vol. 11:10 p6), is \$1.6 million, according to application with FCC.

Control of WNYS-TV Syracuse (80%) is being sold to Outlet Co. for \$6 million in stock, remainder to be kept by Founders Corp. subsidiary Syracuse TV.

Laser Link's short-haul microwave, intended primarily for CATV, has been type-accepted by FCC. Production plans are to be disclosed soon.

FTC HEARING ON TV ADS: Concerned over "new methods" of TV advertising, especially effects on children, FTC plans extensive hearings beginning in Washington Sept. 13, several major cities later.

Commission said hearings are "for informational purposes only," not for specific violations. Bureau of Competition Dir. Robert Pitofsky said Commission must obtain "sophisticated knowledge," wants to know if TV ads "appeal to the irrational & emotional." Commission listed 4 areas: (1) Effects on children. (2) Whether TV ads "unfairly exploit desires, fears & anxieties." (3) Whether techniques cause deception. (4) Consumers' physical, emotional & psychological responses.

"Certain photographic and other techniques used in making TV commercials may make use of non-verbal persuasion which is not recognized by viewers, and therefore cannot be guarded against or weighed in a rational way," Commission said. "New methods of TV advertising may be causing effects in viewers different from those customarily generated by advertising."

Meanwhile, House Communications Subcommittee Chmn. Macdonald (D-Mass.) asked FCC to establish a Children's TV Bureau within Commission. In letter to Chmn. Burch, Macdonald said Commission "may become bogged down in attempting to deal with so complex & important a subject... Our children deserve better TV." He plans hearing in June.

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Commercials in kid's TV will be a major item when NAB TV Code Board meets May 25-26 in Washington. Consultant-nutritionist Robert Choate has been invited to present his ideas for controls, including guidelines on edible products. At Conference on Corp. Responsibility in Washington last week, Choate attacked NAB Code as ineffective, said proposed AAF self-regulatory code "will overlap [with NAB] and confuse the public as to its responsibilities." At closed AAAA conference in White Sulphur Springs, W. Va., Pres. John Crichton made pitch for support of AAF plan, said formal machinery will be announced May 26. "For self-regulation, the time is now," he said.

TelePrompTer has bought National Security Systems (electronic protection) through stock exchange, plans eventually to offer home security devices to subscribers via CATV. In other stock deals: Cox Bcstg. is offering 120,000 shares at \$29.25 each through underwriter, Lazard Freres & Co. (Vol. 11:14 p9); Cox Cable, 713,217 shares at undisclosed price through Paine, Webber, Jackson & Curtis; LVO Cable of Tulsa, 340,000 shares at \$10.50 each through CBWL-Hayden, Stone.

CBS has joined ABC in filing counterclaim anti-trust charges against several movie companies. Suit alleges film makers conspired to exclude competition and of restricting sale of films to TV. ABC filed \$100-million suit (Vol. 11:16 p4) against companies—which earlier had sued 2 networks (Vol. 10:40 p6).

WCJB-TV Gainesville, Fla. becomes NBC primary affiliate.

Fairness-doctrine inquiry of "broad scope" & "wide-ranging participation" was promised by FCC at conclusion of decision turning down complaints that Chevron gas commercials were "controversial." Complaints had been filed against San Francisco & L.A. stations by 2 citizens who argued that statements in commercials such as "F-310 turns dirty exhaust into good clean mileage" were misleading and dealt with "controversial" public issue of air pollution, thus warranted anti-commercial spots. FCC concluded: (1) FTC complaint that the commercials are deceptive is still pending. (2) FTC has primary jurisdiction over deceptive ads. (3) If FCC ordered stop to the commercials, it would be "sentence first, verdict later." (4) FCC ruling on cigaret commercials was in "unique situation." (5) Chevron commercials don't "argue a position on a controversial" issue; rather, they "advance a claim for product efficacy." (6) However, licensees should examine carefully those commercials subject of FTC complaints. FCC majority comprised Burch, Wells & Houser—with Bartley & both Lees absent, Johnson dissenting. Johnson's statement included a Mason Williams poem, a Johnson trademark: "I look out the window / As the day goes by / Watching the progress / Screw up the sky." Johnson adds: "We are screwing up the law as well as the sky."

Fate of Federal Elections Commission proposed by Senate Minority Leader Scott (Pa.) will be decided by Senate Rules Committee, which plans hearing on campaign spending bill May 24-25. Witnesses include Atty. Gen. Mitchell, GOP & Democratic national chairmen, senators. Elections Commission was shelved by Commerce Committee when it approved bill (Vol. 11:17 p5), but Republicans hope to revive it when Rules Committee tackles disclosure section of bill. Legislation is expected to reach floor in mid-June. In House, Communications Subcommittee Chmn. Macdonald (D-Mass.) is expected to schedule hearing soon. Latest bill, offered by House Administration Committee Chmn. Hays (D-O.) and Elections Subcommittee Chmn. Abitt (D-Va.), limits Presidential candidates to expenditures of 6¢ times U.S. population for primary & general election combined. Senate & House candidates would be limited to 6¢ per person in their state for each primary & general election, but House candidates would be restricted to \$30,000 limit in each election.

One-time "pimp, bootlegger & numbers racketeer," black civil rights leader Charles Evers—mayor of Fayette, Miss. and Loyalist Democratic candidate for governor—is also vp of group seeking channel of WLBT Jackson. Attorneys for 4 other competing applicants filed petition with FCC to include Evers' "confessions" in license hearing.

Obituary

Gerald C. Gross, 67, world communications specialist, died May 7 in Alexandria, Va. after lengthy illness. He served FCC as International Div.'s engineering chief, later headed Common Carrier & Broadcast divisions. He was secy. gen. of International Telecommunications Union from 1959-65, founded Telecommunication Consultants International in 1966. Wife, son, 5 daughters survive.

Personals

Robert Ferguson, WTRF-TV Wheeling, elected chmn. of NBC-TV Affiliates Board, succeeding **Harold Grams**, KSD-TV St. Louis; elected to Board were **Joseph Sinclair**, WJAR-TV Providence; **Ancil Payne**, KING-TV Seattle; **Norman Bagwell**, WKY-TV Oklahoma City; **George Hatch**, KUTV Salt Lake City.

CBS Pres. **Frank Stanton's** reappointment to U.S. Advisory Commission on Information has been confirmed by Senate; he's also chmn. of Commission... **Carl Ward**, CBS-TV affiliate relations vp-dir., appointed successor to **William Lodge**, head of affiliate relations & networking, as CBS rep on NAB TV Board; Lodge, who plans to retire from CBS early next year, had longest continuous service on NAB Board.

Robert Rice, CBS finance vp, also becomes development vp; **James Geer**, controller, and **Kenneth Hoehn**, treas., elected vps... **Morton Goldstein** elevated to production control dir. & asst. business mgr., ABC-TV L.A.; **Edward Lerche**, to financial forecasts mgr. & production controller; **Patricia Zissu** & **Gladstone Ford** appointed ABC attorneys; Zissu succeeds **Steven Berzner**, now legal & business affairs dir., ABC Sports.

Richard Schade elevated to account exec., NBC-TV Sales; **Carl Meyer** to participating program sales, succeeding Schade... **Robert Gordon**, vp & gen. mgr., WCPO-TV Cincinnati, elected a dir., parent Scripps-Howard Bcstg... **Keith Rowan** promoted to Avco Corp. communications vp.

William Moore, ex-WIS-TV Columbia, appointed program-promotion mgr., WSFA-TV Montgomery... **Paul Cleveland** elevated to news dir., WOR-TV N.Y.; **George Snowden**, ex-CBS-TV, named programming dir.; **Marsha Kaminsky** advanced to public service mgr.

Dixon Lovvorn, ex-WSFA-TV Montgomery, Ala., named corporate services dir., parent Cosmos Bcstg... **Robert Joneson**, ex-National Teleproductions, named asst. chief engineer, WNEM-TV Bay City-Saginaw-Flint... **Edward Boghosian** elevated to sales development dir., WJAR-TV Providence; **Earl Baker** succeeds Boghosian as gen. sales mgr.

Horace Slone, member of FCC Review Board, retires, successor not yet chosen; he was sole engineer on Board. Also retiring: **Daniel Arnold**, chief, Industrial & Public Safety Rules Div... **George S. Smith**, retired chief of FCC Bcst. Bureau, joins Marmet & Webster, Washington law firm, as counsel... **A. Dale Ledbetter** joins Arthur Stambler law firm, Washington.

Casey Cohlmlia, ex-KHON-TV Honolulu mgr., previously promotion dir. of WFAA-TV Dallas, named senior vp, Phillips Advertising, Dallas... **Edward Thiele**, Leo Burnett Co., elected AAAA chmn., succeeding **Archibald McG. Foster**, Ted Bates; **James McCaffrey**, LaRoche, McCaffrey & McCall, vice chmn.; **James Henderson**, Henderson Ad Agency, secy.-treas.

Joseph Sutton, ex-NBC, named asst. network relations dir., LaRoche, McCaffrey & McCall advertising... **Carol Peach**, ex-Edward Petry, named

WEEKLY Television Digest

with
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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N. Y. research & promotion dir., Century Bcstg... **Howard Kany**, ex-CBS international business relations dir., elected vp & exec. dir., Bcst. Foundation of America (BFA); **Seymour Siegel**, BFA co-founder, resigned as communications services dir., WNYC-TV-AM-FM N. Y., to become BFA pres.

Thomas Tannenbaum, Paramount TV network sales vp, promoted to production vp; **Emmet Lavery**, business affairs vp, also becomes administration vp; both succeed **Douglas Cramer**, now independent producer for Screen Gems & Columbia... **Sheldon Mittleman**, ex-Screen Gems, joins MCA law dept.

Douglas MacLatchie promoted to Pacific Coast senior vp, Avery-Knodel; **William Moore** advances to San Francisco office vp... **Irwin Neadel**, ex-H-R TV, joins Avery-Knodel in N. Y.

Tony Cassara, ex-Metro TV Sales, named to Tele-Rep N. Y. Sales... **Irwin Unger**, ex-Edward Petry, Chicago, joins Storer TV sales, Chicago... **Ken Lane** elevated to media dept. mgr., Leo Burnett Co.; **Dick Hobbs**, to assoc. media dir... **Daniel Greenblatt** promoted to account exec., Metro TV Sales, N. Y.

Perry Schwartz, ex-RCA Cable Systems, appointed CATV system design mgr., AEL; **Maurice Rosen**, Walter Kidde pres., elected a dir.; **Elliot Bell** named western salesman; **William Stone** advanced to field sales mgr... **Donald Carver**, ex-TV Communications, named model shop supervisor, C-COR; **James Fogel** joins systems engineering dept.

Richard Vance elevated to CATV national sales dir., TVC... **Robert Williams** promoted to northwest programming mgr., TelePrompter... **Roy Romijn** promoted to dealer sales mgr., TeleMation... **John P. Lewis**, Winchester, elected pres., Va. Cable TV Assn.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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

STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, week ended April 30 (17th week of 1971):

	April 24-30	1970 week	% change	April 17-23	1971 4-months	1970 4-months	% change
Total TV	189,501	139,421	35.9	156,330	3,171,195	2,749,246	15.3
color	104,003	63,641	63.4	75,046	1,682,542	1,381,831	21.8
monochrome	85,498	75,780	12.8	81,284	1,488,653	1,367,415	8.9
Total radio	466,629	265,681	75.6	420,698	6,229,264	5,160,959	20.7
home, portable	257,380	85,076	202.5	165,798	2,602,079	2,204,664	18.0
AM-only	137,842	55,539	148.2	96,698	1,552,999	1,441,961	7.7
FM & FM-AM	119,538	29,537	304.7	69,100	1,049,080	762,703	37.5
auto	209,249	180,605	15.9	254,900	3,627,185	2,956,295	22.5
Total phono	89,390	36,039	148.0	49,502	1,223,096	933,173	31.1
portable-table	75,957	24,701	207.5	38,340	949,307	599,923	58.2
console	13,433	11,338	18.5	11,162	273,789	333,250	-17.8

Color TV 5-week moving average: 1971-87,783; 1970-63,234 (up 38.8%)

COLOR PRICES UP—RCA MAKES IT OFFICIAL: Industry's traditional pricemaker, RCA, assured industry-wide color TV price increases at week's end when it announced it was boosting distributor costs approximately 5%, effective with unveiling of 1972 line May 19.

RCA's action confirms our forecast of last month (Vol. 11:16 p7) and follows recent action by Magnavox—only domestic manufacturer to show line so far—in instituting across-the-board price hikes (Vol. 11:19 p9). Increases will apply, "with few exceptions," to "all RCA color models," including holdovers. RCA gave 3 examples from current line, all leaders in their product categories: "Retail guide price" of 19V" portable will go up \$20 to \$419.95; 21V" solid-state table model & 21V" console will rise \$30 to \$429.95 & \$579.95, respectively. New models, said Consumer Electronics Exec. Vp Barton Kreuzer, "will be priced in line with these increases."

ZENITH SEEKS ADDED DUTIES ON JAPAN TV: Backing up charges made repeatedly by Chmn. Joseph Wright—that Japanese govt. subsidizes its TV exports—Zenith has asked Treasury to launch probe which could lead to higher U.S. tariffs on set imports.

In other action on foreign-trade front: (1) President Nixon declared some 3,000 former workers at defunct RCA Memphis & Emerson Jersey City TV plants eligible for import adjustment aid. (2) AFL-CIO Executive Committee, in break with tradition, issued strong protectionist statement. (3) Senate's new International Trade Subcommittee prepared for hearing this week with Wright & GE Chmn. Fred Borch among witnesses.

Added duties, payable by importer, can be levied by Treasury under Tariff Act's Sec. 303 to offset any direct or indirect "bounty or grant" foreign govts. pay manufacturers whose products are exported to U.S. Wright, testifying at congressional, Tariff Commission & Treasury hearings, has alleged such aid is given Japan's TV industry. Treasury is understood to have looked into matter during Japan TV dumping probe, but apparently found nothing.

Breaking 2-2 Tariff Commission deadlock, Nixon ordered Labor Dept. to make aid available to ex-RCA & Emerson employees. Help can come in form of retraining & relocation al-

lowances, extended unemployment benefits. IUE Dist. 3 Pres. William Bywater said that while he was happy "these people will get some relief now," the President's action "does not answer the real problem" of import competition. He applauded AFL-CIO call, issued at Atlanta meeting, for legislated import quotas, restrictions on U.S. business exports of capital & technology and modernization of anti-dumping statutes.

Though Tariff Commission has 5 members, J. Banks Young, appointed last Jan., has regularly abstained in adjustment cases, while others consistently split on required finding that concessions granted by U.S. trade negotiators were prime cause of import injury. Combination of inexperience, short investigation time and complexity has caused him to hold back, Young told us. "I know these people need relief," he said, and "I feel badly when I don't vote." He implied, however, he did cast vote on at least one of 9 pending cases involving Sprague & workers at its 8 plants. Decision is to be announced this week. Still on Nixon's desk are aid requests for former Advance Ross workers & BelTronics Corp.

Increased weight is added to resolution of Young's position by reports that Comr. Bruce Clubb won't get reappointment when term expires next month. Clubb, along with Comr. George Moore, has steadily favored aid grants.

SALES FIGURES—SOLID RECOVERY IN APRIL: Climaxed by unseasonably good final week, domestic-label sales in April strongly indicated that consumer electronics is on real path to recovery. Not only did all products show gains over April 1970, but total TV, color TV, all radio categories and portable-table phonos exceeded sales figures 1969 & 1968 also.

Comparisons with '68 & '69 are better barometers than gains over recession-ridden 1970, although increases from last year are quite spectacular—color up nearly 39%, monochrome more than 20%, home radios 79%, portable-table phonos 93.5%. Console phono sales were ahead of preceding year for first month since June 1969—almost 2 years—thanks to 2 consecutive weeks of advances in April.

Color pulled strongly ahead in last week of April, pushing 63.4% above 1970 and easily establishing record for that particular week (17th) in any year. Final week showed such astronomical advances over 1970's week as 207.5% for portable-table phonos, 202.5% for home radio, 304.7% for FM (see State of the Industry, above)—and color TV 5-week moving average had record increase of 38.8% over 1970. Color's 4-month lead over 1970 now is 21.8%. Here are happy comparisons of domestic-label sales to dealers for April 1971, 1970 & 1969, from EIA:

Product	April 1971	April 1970	% change	April 1969
Total TV	668,053	516,343	29.4	658,459
color	343,625	247,521	38.8	321,702
monochrome	324,428	268,822	20.7	336,757
Total radio	1,594,954	1,134,554	40.6	1,150,302
home, portable	769,374	430,462	78.7	625,226
AM-only	433,569	289,783	49.6	365,819
FM & FM-AM	335,805	140,679	138.7	259,407
auto	825,580	704,092	17.3	784,483
Total phono	239,611	145,528	64.6	239,974
portable-table	193,206	99,852	93.5	170,828
console	46,405	45,676	1.6	69,146

TV IMPORTS TOP MILLION IN QUARTER: Dumping or no, Japan increased share of U.S. color & b&w TV markets in 1971's first 3 months. Commerce Dept. totals indicate that domestic industry leaders who claim that Treasury's dumping finding and higher costs in Japan have hampered Japanese sales here are whistling in the dark.

Total TV imports from all countries jumped 30% from 1970 first quarter to more than 1.1 million—color up 37.7% to 249,000, b&w up 27.8% to 853,000. March TV imports rose 20% to 420,590; color up 17.5% to 89,371, b&w 21% to 331,000.

Need to post 9% dumping duty bonds appears no deterrent to importers of Japanese TV, who brought in nearly 792,000 sets in quarter, up 21%. Imports of Japan-made color rose

36% to 232,000, with b&w climbing 16% to 560,000. Value of Japanese TVs imported was \$65 million—so importers posted bonds totaling \$5.8 million in first quarter alone.

Sharp increases in Japanese TV imports are well ahead of gains recorded by U.S.-brand sales-to-dealers in same period (Vol. 11:16 p7). This, combined with persistent reports that major U.S. private-label marketers—such as Penney, Ward & Grant's—are shifting to domestic suppliers seems to mean Japanese brands have greatly improved market position here.

Outlook for full year also is rosy for Japanese TV importers, if past history can be relied on. Over past 2 years, first-quarter imports have represented 18-20% of full-year totals. By that yardstick, Japanese color imports this year could edge past million level, b&w approach 3 million.

Sharing generously in improved import picture were U.S. manufacturers with overseas TV export assembly operations. Taiwan was source for 225,000 sets in period, up 51%—color up 50% to 14,806, b&w up 51% to 210,000. Mexico accounted for 80,410 b&w TVs, up 167%.

Screen-size mix shows increased importer emphasis on larger sets. In color, over-17V" TVs accounted for 43.3% of total, up from 30.6% in same 1970 period, while 11V"-17V" took 51.4%, up from 43.6%, and share for smaller sizes dropped to 5.3% from 25.8%. Larger-screen sets made up 25.2% of b&w imports, compared with 15.6% in 1970 quarter; mid-sizes took 51.4% share, up from 48.8%, and tinyvision slipped from 35.6% to 23.4%.

Import performance of other major consumer electronics in period was mixed. Total audio tape instruments climbed 8% to 3.1 million, with recorders up 6.4% to 1.6 million, players up 10% to 1.5 million. Home transistor radio imports, including clock, declined 7% to 6.5 million. Phono & radio-phono totals were off 8% to 415,000.

* * * *

Combination of pressures could well force Japanese to raise TV prices again. Among them: (1) Manufacturers there open labor contract talks this summer, and workers are seeking large wage hikes. (2) Japan-to-U.S. ocean freight rates go up 17.5% Oct. 1. (3) Japan may have to increase value of yen, now pegged at 360 to dollar. Result would be to raise cost of everything Japan sells here.

Sony color sets accounted for approximately 50% of all 17V"-&-smaller color imports from Japan in year's first 4 months, on basis of sales figures announced by Sony of America Vp Ray Steiner at Phoenix convention last week. In Jan.-April, he said, Sony sold 86,988 color sets here vs. 62,212 in same 1970 period. Monochrome sales rose to 85,119 from 69,212, radio to 184,214 from 123,224, compact stereo to 46,451 from 25,840, while phono sales dropped to 11,128 from 13,000. Dealers were told that Sony advertising in 2nd half would exceed total for any full year to date.

In restructuring of EIA's Marketing Services Dept., Clinton S. Lee has been promoted to new post of mgr.-coordinator, while continuing as EIA Consumer Electronics Group mktg. services mgr. EIA Pres. V.J. Adduci indicated that move was dictated, at least in part, by economy considerations. Mktg. Services Dept. Staff Dir. Daniell Dailey has been offered another EIA staff post, Adduci said.

Color TV households reached 28.6 million April 1, representing 46.8% of all TV homes, according to NBC estimate—increase of million in first quarter. NBC Planning Vp Allen Cooper said studies indicate 30% increase in color set sales in 2nd quarter. He forecast 50% saturation point would be reached during next 6 months. For ARB estimates, see p. 5.

Admiral expects profitable operation full year 1971, Chmn. Ross D. Siragusa told annual meeting. He confirmed our report that sale of color tube production facilities to RCA—completed recently—was at "full book value," or about \$11.2 million (Vol. 11:18-p7). He said Admiral has launched "accelerated program" to replace company-owned branches with independent distributors, having franchised 11 independents in 1970. There were "some delays," he said, getting into full production of private-label electronics last year, but company is now proceeding on "efficient basis." New color line, said Siragusa, will feature circuit innovations, substantial increase in use of black matrix tubes and single control for AFT & Color Monitor (flesh-tone circuit).

Import pressures facing appliance industry will be discussed by Zenith Chmn. Joseph Wright and Asst. Treasury Secy. Eugene Rossides at Appliance Suppliers Exhibit & Conference, Chicago, June 14-16. Wright & GE Chmn. Fred Porch are slated to testify at Senate International Trade Subcommittee hearing in Washington this week.

Philco has fewer problems now, and they're being solved, Henry Ford told Ford shareholders, adding forecast that it would become profitable subsidiary. Philco of Italy, he said, was trying to break agreement to buy 120,000 b&w 24" picture tubes from Russia because of softening domestic market.

MORE '72 INTRODUCTIONS: Philco-Ford, unveiling line this week, will introduce new word—"Philcomatic"—to describe "14 totally automatic circuits, systems & controls" bringing better color and tuning. Philcomatic covers all automatic circuitry from degausser to Cosmetic Color flesh-tone circuit, but most visible manifestation will be "color control light," which lights up when viewer is tuned within range where AFT can take over. "When the light is on," says Philco, "the viewer knows that Philcomatic is in control." Feature will be on 22 of the 27 color sets—three 19V", nine 23V", ten 25V". This week's new sets:

Sony's new 17V" Trinitron (Vol. 11:19 p9) will be \$399.95, with still-unpriced step-up model due in fall. New 12V" Trinitrons are priced same as predecessors—\$219.95, \$319.95 & \$349.95—and 9V" remains in line at \$309.95. Sony has 10-model b&w line, including 4 new sets—two 7V", one 9V", two 11V"—priced same as previous models. Ten compact music systems are \$149.95–\$399.95, some of them \$10–\$20 below last year's prices.

Electrohome is first to designate color sets "adaptable for videotape recording," through use of company's color video adaptor which can be installed on back of set to permit both recording & playback. Company has new hybrid color chassis, record number of 20 models, with AFT & automatic tint in all sets except leader 18V" portable. Top four 25V" sets (\$749 & up) have varactor tuning. Electrohome's prices appear to be generally higher than in 1971 line. U.S. prices on color line: 18V" at \$399 & \$429 (vs. \$389 starting point last year); 19V" at \$469 (\$389 year ago); 21V" portable \$529; 21V" consoles \$579 & \$599 (\$539 starting price last year); five 23V" consoles \$549–\$679; eight 25V" consoles \$579–\$899.

Unique Electrohome b&w set is "space bubble" model on pedestal, with globe-shaped plexiglas covering 16V" screen, at "under \$200." Ultra-modern stereo line includes T-shaped pedestal console at \$349, room-divider curio-cabinet unit with removable globe-shaped speakers at \$399, bubble-topped pedestal phono with separate globe speakers at \$299.

Harman-Kardon demonstrated "Quadriphonic Synthesizer" in N. Y. Scheduled for Oct. at about \$300, system (including reverb & phase-shift) converts 2-channel stereo to 4-channel, or mono to 2-channel or 4-channel. It's designed for use with existing stereo system, has 2-channel amplifier.

Magnavox demonstrated its determination to enforce prices in fair-trade areas by obtaining permanent injunction against Sun TV & Appliances, Columbus, prohibiting sale of products below fair-trade minimums.

Expanded network of franchised independent parts distributors—250 by Sept.—was announced last week by GE TV Receiver Products Dept. GE is also testing new no-prepayment credit policy and telephone ordering systems in 2 areas of country.

Symphonic sales increased in first quarter, but lower profit margins contributed to increased losses by parent Lynch Corp.

FOREIGN EXPANSION PLANS: RCA's planned French color picture tube manufacturing venture places spotlight on trend among U.S. component producers toward overseas plants. In annual report, Sprague says international expansion helps firms seeking share of growing European market and in filling needs of American manufacturers assembling complete products overseas.

Among Sprague's foreign activities last year: Built capacitor plant in Matamoros, Mex.; expanded Ciudad Juarez (Mexico) IC facility; formed Japanese capacitor venture with Nichicon; established capacitor plants in Germany & Scotland, expanded in Belgium; started building Taiwan plant for capacitors & magnetic components. Annual reports of others show similar activities.

Oak transferred microelectronics operations to Hong Kong. Main products are IC modules for TV tuners. Company licensed Murata of Japan to make & sell Oak-designed tuners. Oak said Selectronics Div. increased share of U.S. vhf tuner market through addition of new customers and expansion of sales to existing customers... **P.R. Mallory** established electronic component assembly operation in Matamoros last year, has formed new subsidiary, Mallory Taiwan, to produce ceramic capacitors in plant scheduled for completion this fall... **Globe-Union** seeks Taiwan site to produce Centralab capacitors. Firm now operates in Hong Kong. Other foreign activity: **Transitron** closes Melrose, Mass. diode & rectifier facility, transferring production to Wakefield, Mass. & Nuevo Laredo, Mex... **National Semiconductor** seeks Okinawan govt. permission to build plant.

Mergers & acquisitions: **Magnavox** announced acquisition of Instamatic Corp., producer of accessories for recreational vehicle industry, price undisclosed. Instamatic, with sales of more than \$10 million, is being merged into LaSalle-Deitch, mobile home furnishings producer, acquired by Magnavox last year (Vol. 10:47 p11)... France's **Schneider Radio-TV Co.** has agreed to cooperative pact & possible merger with **Radiotechnique Co.**, French member of Dutch Philips group. Move is seen as attempt to offset impact of joint French color TV picture tube venture of RCA & Thomson-Brandt-CSF (Vol. 11:17 p9)... **Hammond Corp.** said it would sell Gibbs auto tape player, radio & accessory business to **California Auto Radio (CAR)** for undisclosed sum. **Tandy Corp.**, **Radio Shack** parent, is negotiating acquisition of Gavin Instruments from Advance Ross. Gavin produces TV antennas, uhf converters, accessories & MATV gear, has yearly sales of about \$2 million... **Alco Standard** is acquiring Kay-Townes Antenna, Rome, Ga., for undisclosed number of shares.

B&w-to-color TV converter was again shown in Canada by F.V. Topping, pres. of Topping Electronics, this time at meeting hosted by Hessel Investment Ltd. In 1969, Topping said unit would be marketed that year at \$130 (Vol. 9:35 p8). All plans now are uncertain, with price estimated at \$100, which when added to cost of 19V" b&w portable, makes complete system about same price as small-screen color portable.

JAPAN'S FIRST QUARTER: Auto radios provided brightest spot for Japanese consumer electronics exports to U.S. in first quarter, outperforming even TV (Vol. 11:18 p8), with unit increase of 86% over same 1970 period, according to Finance Ministry.

Other unit gainers: tape recorders, up 17% to nearly 1.3 million; radio-phonos, up 51% to 345,926; lower-power transceivers, up 41%. Transistor radio shipments (excluding clock) were off 32% to 1.5 million, auto tape player volume declined 12%, phonos fell 60%.

Following are Japan-to-U.S. exports of selected consumer electronics for first quarter, with 1970 results for comparison:

JAPANESE EXPORTS TO U.S.

	Jan.-March 1971		Jan.-March 1970	
	Units	Value (\$)	Units	Value (\$)
Total TV.....	855,087	70,456,544	588,572	48,099,986
color.....	255,442	40,831,403	174,877	27,745,675
b&w.....	590,761	29,312,644	410,675	20,245,794
b&w chassis, kits.....	8,884	312,497	3,020	108,517
Rad.-phono, stereo.....	136,464	8,174,242	228,763	5,203,758
Rad.-phono, mono*.....	209,462	2,461,961	-	-
Rad.-rcdr. & other comb.....	728,799	29,387,019	497,438	21,140,642
Clock rads.*.....	470,267	7,295,728	-	-
Tr. rads. w/FM.....	1,001,511	26,474,189	1,530,586	34,986,616
Tr. rads., other.....	547,210	3,088,461	736,613	6,339,659
Auto radios.....	373,116	5,787,275	200,252	3,184,161
Trcvrs., under 100 mw.....	317,178	1,069,269	225,369	758,414
Trcvrs., other.....	70,888	2,908,069	91,591	2,137,169
Phonos.....	53,558	795,203	135,184	1,846,478
Tape players, auto.....	489,772	9,325,317	558,608	12,145,667
Tape rcdr. reel.....	71,244	1,892,200	175,942	5,339,316
Tape rcdr. cassette.....	1,205,829	20,709,103	917,124	18,499,681
Other cart., rcdr. & players*.....	195,492	5,049,394	-	-
Tape decks*.....	313,741	10,533,028	-	-

*Not reported separately in 1970.

Radiation standard for TV picture tubes is being established by UL as new listing service. Action, UL says in letter to manufacturers, will permit use of alternate tubes by OEM without further X-ray tests, give servicemen means to control X-rays when making replacements. UL spokesman said standard would be based on present JEDEC standard. Present UL picture tube standard covers implosion protection only. Effective Dec. 1, 1972, UL proposes that its markings on listed consumer electronics include, in addition to traditional UL logo, manufacturer's UL identification number and description of product, such as "household TV." UL said manufacturers who mold listing marks into cabinets would be granted deadline extensions covering useful life of dies.

Teletronics Industries, color TV manufacturer specializing in leasing sets to public, has entered hotel-motel sales field with base price of \$218 for 18V" color set. Five-year service contract, including theft insurance, costs \$60. Company will buy back set for \$50 after 5 years. Teletronics has hq in Mesquite, Tex.

X-RAYS & TECHNICIANS: Repairmen aren't being exposed to excessive X-radiation while servicing color TVs, and an industry-wide "program of careful high-voltage measurement & control" would effectively reduce exposure for consumer & technician alike. These are major conclusions of 8-month HEW survey of Baltimore-area repair shops recently released (Vol. 10:14 p7).

Check of 279 radiation film badges worn on rings, eyeglasses & lapels of repairmen in 59 shops revealed average absorbed radiation over week-long period running from 0.01 milliroentgen (mR) to 0.04 mR above natural background radiation; highest reading was 0.3 mR. By comparison, HEW color TV performance standard permits receivers to radiate up to 0.5 mR per hour 2 in. from outside surfaces. In fact, HEW's report says, variations in background radiation from "one shop to another were often larger than the relatively small radiation emissions expected from color TV receivers."

HEW surveyors checked 58 sets (15 brands) in shops, found 45 with no measurable emissions, 2 with surface radiation in excess of standard. Both had been repaired and were on way back to consumer with high voltage adjusted higher than manufacturer specifications. Proper adjustment eliminated X-rays. Measurements taken inside receivers showed 4, including 2 above—all with excess high-voltage—emitting more than 0.5 mR/hr. from picture tube funnel, and one emitting 0.7 mR/hr. from shunt regulator tube. In special tests, involving retraction of deflection yoke, opening high-voltage cage door and removing shunt regulator tube shield, only one set was made to emit excess radiation.

Only real criticism in report was of "inadequate procedures used by some service technicians," who monitor high voltage by "'feel', intuition, or the appearance of the picture," rather than with test equipment. Study was to have been pilot for national survey, but, HEW said, data indicates health significance of X-ray exposure to repairmen is "minimal," and no further surveys are planned.

Cassette Science Corp. (CSC) of N.Y.C. plans public stock sale, joining Cartridge TV (Vol. 11:11 p13) in seeking public financing for videoplayer development. CSC offering covers 250,000 shares at \$10, leaving more than 85% of stock in hands of officers & firm's parent, Allied Management & Systems Corp. CSC has developed Cassette-Vision System, consisting of color TV, videoplayer & keyboard computer terminal. TV-player combination is to retail at \$650, with complete package carrying \$1,300 list. For minimum monthly charge, owner of complete system would be hooked up to computer, which, for \$1 an hour, would provide various instructional services, play games and handle such tasks as check-book balancing & menu planning. Shop-at-home from catalog is another planned service. CSC also expects to provide entertainment & instructional programs, selling at \$10-\$40 (depending on length), with feature film rental at \$2 daily minimum. CSC now has no videoplayer or computer programs, hasn't made computer leasing arrangements, has no hardware manufacturing capability.

Trade Personals

Thomas R. Maher named pres. of Magnavox Co. of Tenn., consumer electronics subsidiary, succeeding **George Leinenweber**, resigned; Maher is succeeded as Tenn. firm's Electronics Div. vp by **Phillip Collier**, ex-gen. plant mgr.; subsidiary has been placed under Magnavox Consumer Electronics Co... **Daniel F. Minahan** elected Magnavox secy., post formerly held by **William Ledbetter**, now with Addressograph-Multigraph; **Burnett S. Tremlett** & **Jack Feddersen** elected Magnavox vps; they head subsidiaries Consolidated Furniture Industries and H & A Selmer, respectively.

Lawrence Isaacs, ex-RCA vp-controller, elected finance vp, Allis-Chalmers... **Bhaskar Menon**, Capitol Records pres., also named pres. of parent Capitol Industries, replacing **Stanley Gortikov**, resigned, who remains on board.

Toshio Doko, Toshiba pres., named to exec. committee of newly formed Japan-U. S. Economic Council, Japanese counterpart of U. S.-Japan Advisory Council on Economic Relations (Vol. 11:18 p11); Japan group includes Nippon Electric Pres. **Koji Kobayashi**, Hitachi Pres. **Kenichiro Komai**... **Irving Greene**, ex-University Sound, appointed mktg. dir., Javelin Electronics, L. A.-based CCTV & VTR importer.

Dale Koopman advanced from special projects mgr. to gen. mgr. & sales dir., Orrtronics... **Samuel Stone** promoted at Blonder-Tongue Labs from asst. mktg. mgr. to sales mgr., Distributor Sales Div... **William Gladkowski**, ex-EIA International Data Programs staff mktg. services mgr., joins Commerce Dept. Office of Import Programs.

Harold LaPoint advanced from financial administrator to controller, Sylvania Precision Materials Group... **Robert Klem** promoted at RCA Solid State Div. from administration mgr. to govt. sales mgr.

Export assembly zone & resort complex is being created in Dominican Republic by Gulf & Western under agreement with govt. there. First electronics tenant is Tenna Corp., which will make auto antenna cables. Tenna has several assembly operations in Puerto Rico... **Subcontract electronics assembly firm**, Mfg. Concepts Inc., has been established in Nuevo Laredo by group headed by Thomas Lowe, formerly vp in charge of Transatron's Mexican border semiconductor plant.

Rate of return on stockholders' investment in "radio & TV equipment & related products" industry declined from 15% in 1968 to 12.7% in 1969, according to FTC study of all major industries. Measuring 12 largest firms in field, Commission found radio & TV industry as one of 5 reporting "significant decreases" in rate of return. Nevertheless, the industry in 1969 ranked 12th in rate of return; drugs & medicines with 19.9% was first.

Obituary

William C. Dove, purchasing agent for RCA Electronic Components and 20-year career RCA employee, died May 7 of heart attack. He's survived by wife, son, 2 daughters.

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 TV & Communications			
1971-9 mo. to March 31 ^a	7,418,582	577,336	.13
1970-9 mo. to March 31 ^a	6,013,031	26,729	--
1971-qr. to March 31	2,814,743	283,005	.08
1970-qr. to March 31 ^a	2,137,496	47,789	--
Columbia Cable Systems			
1971-6 mo. to March 31	1,973,000	216,000	.22
1970-6 mo. to March 31	1,637,000	164,000	.17
Entron			
1970-year to Dec. 31	4,346,843	(1,992,473)	--
1969-year to Dec. 31	8,123,163	(1,197,999)	--
Harvey Group			
1971-year to Jan. 31	31,499,677	(667,334) ^b	--
1970-year to Jan. 31 ^a	32,493,546	535,247 ^b	.34
Lafayette Radio & Electronics			
1971-9 mo. to March 31	51,690,268	2,535,530	1.04
1970-9 mo. to March 31	50,387,129	2,371,348	.97
MCA			
1971-qr. to March 31	78,868,000	3,619,000	.44
1970-qr. to March 31	72,814,000	3,021,000	.37
National General			
1971-qr. to March 31	137,821,000	4,273,000	.81
1970-qr. to March 31 ^a	125,812,000	2,215,000 ^b	.43
Oak Electro/Netics			
1971-qr. to March 31	20,269,318	19,815	--
1970-qr. to March 31	18,987,773	(131,292)	--
Oxford Electric			
1971-qr. to March 31 ^a	5,665,990	(220,477)	--
1970-qr. to March 31 ^a	5,973,307	(211,999)	--
Pacific & Southern Bcstg.			
1971-qr. to March 31	3,062,134	111,810	.07
1970-qr. to March 31 ^a	2,970,306	174,510	.11
Philips Lamp			
1971-qr. to March 31	1,005,000,000	18,200,000	--
1970-qr. to March 31	910,000,000	35,300,000	--
Sonderling Bcstg.			
1971-qr. to March 31	5,209,000	156,000	.16
1970-qr. to March 31 ^a	4,880,000	185,000	.18
Sprague Electric			
1971-qr. to March 31	27,651,017	(2,433,237)	--
1970-qr. to March 31	36,622,436	456,242	.13
TelePrompTer			
1971-qr. to March 31 ^c	9,382,839	1,407,367	.45
1970-qr. to March 31 ^a	7,268,016	943,454	.30
Viacom International			
1971-qr. to March 31	4,474,000	305,000	.08
1970-qr. to April 4 ^d	4,806,000	383,000	.10
Vikoa			
1971-qr. to March 31	5,075,000	38,000	.02
1970-qr. to March 31 ^a	5,882,000	68,000	.03

Notes: ^aRestated. ^bAfter special item. ^cIncludes CATV systems purchased from Reeves Telecom. ^dPro forma.

Red China thaw has Japanese manufacturers weighing value of bird in mainland-market bush against one in hand on Taiwan. Straddling fence is Hitachi, with announcement: (1) It won't expand Taiwan plant investment program, and (2) will form mainland China market-research team. Hitachi has 5 Taiwan subsidiaries producing TV, radios & components for local & export markets.

Warwick expects to break even in 1971, Pres. Robert Bloomberg told annual meeting last week.

WEEKLY

Television Digest®

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MAY 24, 1971

VOL. 11, NO. 21

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC ONE-TO-A-MARKET 'OVERKILL' cited by industry in comments. Newspapers stress separation. TV-radio combinations point to economies, past record. Justice Dept. calls for newspaper-TV divestiture, would halt formation of new newspaper-radio, TV-radio & newspaper-CATV combinations. (P. 1)

FCC PROGRESS SLOW ON CATV RULES: Considers special treatment of top 5-10 markets, may go for 3-3-1 carriage in next group, then 3-2-1 & 3-1-1. Thumbs down on MCA plan, leaving copyright to Congress. Anti-cable groups claim court action on originations kills argument for distant signals. (P. 2)

STAGGERS VOWS NO LET-UP in 'Pentagon' subpoena, denies rumors Congress leadership pressuring to shelve issue. Cronkite sees 'grand conspiracy' by Administration to discredit press. Moss defends media against govt. 'paranoid with fear'. Chief Justice Burger again shuns TV camera. (P. 3)

ARB's 'OPEN-MINDED ATTITUDE': Langhoff says 'foresight & preparation' of TV measurement procedures 'are professionally more responsible' than broadcasters will admit. 'Open-minded' view toward improvements cited. (P. 4)

NAB's TENUOUS \$\$\$ BALANCE: Original \$135,000 deficit turned into \$7,000 surplus through judicious pruning. Biggest saving, \$75,000, in personnel & salaries. (P. 4)

INDUSTRY ATTACKS ONE-TO-MARKET 'OVERKILL': Broadcasters went all-out—newspaper-affiliated particularly—opposing FCC's proposed one-to-a-market rules with comments filed last week. Huge pile of pleadings strongly reflected basic positions taken by ANPA (Vol. 11:14 p10) & NAB (Vol. 11:15 p4). Virtually all urged abandonment of proposals and reliance on case-by-case consideration of abuses.

Whether large or small, liberal or conservative, combination owners argued that newspapers & broadcast properties are kept separate in significant respects (editorials, news, etc.). Pointing to many diverse media in most markets, they argued that divestiture would increase number of owners by very few percentage points. Some stated that forced sale would depress market, at same time impose heavy financial burden on new owners who might neglect public service in order to meet payments. Networks argued that loss of their radio o-&-o's may well force them to abandon radio networks—and there's no one in sight willing to risk start of new ones, since radio networks are notorious losers.

Examples of comments: Chicago Tribune recited history of pioneering & losses in radio

NAB HITS FTC AD HEARINGS: Wasilewski accuses govt. of pre-determined bias against TV commercials, hits 'daddy knows best' philosophy. Ad groups announce long-awaited self-regulatory plan. (P. 5)

Consumer Electronics

NEW LINES, NEW PRICES from RCA, Philco, GE—but Motorola holds out against rises. RCA adds 33 solid-state color models, silent 20-channel remote varactor tuner. Motorola cuts size of line, with new solid-state chassis, color remote at only \$50 increment. GE debuts b&w IC module. Philco cuts small-product lines, sees black ink ahead. (Pp. 7 & 11)

U.S. BRANDS CHECKED IMPORT penetration of consumer electronics market in first quarter, EIA totals show. Foreign-brand TV market share rose less than 1% in period, U.S. manufactures increasing radio, phono, recorder shares by 5-9%. (P. 9)

ZENITH TAPS MARKETING MAN as pres., appointment of former Ford Vp John Nevin widely regarded as indication that company will be even more aggressive. (P. 9)

HIGHER TV DUTIES, QUOTAS asked in 'escape-clause' petition filed with Tariff Commission by labor unions. Commission rejects import-impact aid requests from RCA & Sprague workers. GE's Borch, Zenith's Wright called for 'fairness'. (P. 10)

& TV; described separation of newspaper-broadcasting staffs; noted that area has 402 media, 224 owners; listed public benefits of TV-radio staff & facilities sharing; said it would cost \$1 million to run WGN-AM separately. Washington Post pointed to opposing editorial positions taken by newspaper & WTOP-TV-AM; to many media in area; to history of performance. WSM-TV-FM-AM Nashville recited record of contribution to country music, technical innovation, etc. Paducah Newspapers said stations & paper are so separate that they're even on opposite sides of town.

Justice Dept. (JD), however, is gung-ho for: (1) Divestiture of TV-newspaper combinations. (2) Prohibition of formation of new newspaper-radio or new TV-radio combinations or sale of existing combinations. However, JD doesn't call for divestiture of newspaper-radio or TV-radio combinations in major markets; in markets below top 100, it recommends case-by-case consideration, on grounds such combinations may be monopolistic at times. JD also supports prohibition of newspaper-CATV ownership in same market—but it questions whether FCC has authority to impose such ban.

JD pooh-poohed ANPA & NAB studies—stating that "the basic deficiency in their analysis is their preoccupation with the number of competitors and their indifference to the relative strengths of various types of competitors." JD also disputed claim that divestiture will depress values of properties, saying potential buyers aren't interested only in stations, so that "another 20 sources a year will hardly change the supply." Furthermore, JD said, almost 1/3 of publishers now are multiple owners, so "replacing the divested license with an out-of-town license would not pose new difficulties for their management." JD would allow exceptions for hard-pressed uhfs. JD comments were signed by Antitrust Chief Richard McLaren, attorneys Donald Baker, Barry Grossman & Peter Carstensen.

FCC PROGRESS SLOW ON CATV RULES: Still agonizing over CATV policy, FCC spent several more hours on subject last week, reached no final conclusions. Most of time was spent on distant signals, and staff has been asked to put in writing ideas discussed. Firm instructions are expected to be given this week, so that proposed final order will be ready when Chmn. Burch returns from May 26-June 11 European trip.

Commission has just about given up on Burch's expectation that conclusions would be ready for Congress before his trip (Vol. 11:18 p1). Tight wraps have been kept on Commission discussion, and conflicting reports have emerged, but our impression is that middle-of-the-road is being trod. Neither pro- nor anti-cable factions in FCC are very happy with way talks are going. Commissioners reportedly are giving serious thought to following ideas:

(1) On signal carriage, there'd be special rules for top 5-10 markets; in next group (whether cut-off would be top 25, 40 or 50 hasn't been decided), permit 3 networks, 3 independents, one ETV; then there'd be group of markets (still no determination on size) permitted 3-2-1; other markets (probably 101 & smaller), 3-1-1. There's talk of using mileage concept rather than Grade A & B contours. One formula would require carriage of all stations within 60 miles, permit carriage of all within 120.

(2) Copyright considerations are left strictly up to Congress. MCA proposal, providing for negotiation & arbitration, appears shunned by Commission.

Surprisingly, some FCC insiders expect Commission to be unanimous on many aspects of decision. Certainly, this sounds like compromise is in wind.

FCC wants to appeal 8th Circuit's mandatory-originations decision to Supreme Court (Vol. 11:20 p1). Gen. Counsel Richard Wiley urged Commission to seek reversal, on ground that lower court cast doubt on FCC's authority to regulate cable in some significant respects. He argued that 8th Circuit has narrower view of FCC's power than do other appeals courts; that Supreme Court therefore would want to resolve such differences. Wiley is optimistic about persuading Justice Dept. to go along with appeal to top court.

FCC is expected to freeze its mandatory-originations rules, meanwhile, complying with 8th Circuit decision. But systems originating voluntarily must comply with rules (fairness, equal time, etc.). Anti-cable groups, as expected, have been quick to advance argument that Commission shouldn't give CATV distant signals, now that it can't force origins. NAB Exec.

Committee discussed court decision at length this week, concluded that CATV's argument for distant signals has been weakened considerably. NAB hasn't decided on next move.

When & if Supreme Court agrees to review 8th Circuit decision, and after FCC comes out with new cable policy, someone is bound to argue that new policy can't be put into effect while case is in courts. Then Congress will be in act, too—because it could settle issue by legislation telling FCC specifically what it can & can't do.

Courts gave Commission another kick in teeth on cable last week, when 3rd Circuit (Philadelphia) tossed Meadville, Pa. case back. Meadville cable system had sought waiver of non-duplication rules, seeking to carry WFMJ-TV Youngstown (45 miles) instead of WICU-TV Erie (30 miles). Cable system presented study by engineer Archer Taylor, designed to show Erie signal was inadequate. Court said FCC kissed off CATV's claims "with a few unenlightening phrases," must not "rely on conclusory & undefined terms such as 'acceptable' & 'satisfactory'." We have before us the Taylor engineering study which appears on its face to offer such support for petitioner's position as to permit us to say, particularly when we also consider petitioner's other evidence, that petitioner has satisfied its burden of proof... The summary denial of these petitions constitutes unreasonable & illegal action by the Commission." Judge Van Dusen wrote decision; other judges were McLaughlin & Hannum.

STAGGERS VOWS NO LET UP ON CBS SUBPOENA: "We're going to follow it through to a conclusion. We have to. It's too important to the American people. It has to be now... Anything that needs to be done, Congress is prepared to do." That's what Rep. Harley Staggers (D-W.Va.) told us last week, emphatically denying rumors that his Investigations Subcommittee may shelve subpoena for outtakes, etc. of CBS's controversial documentary "Selling of the Pentagon" or that House leadership was pressuring him to back off.

Classic confrontation between CBS & Subcommittee thus appears inevitable. Other 4 Subcommittee members are backing Staggers to hilt, and staff attorneys are recommending subpoenas for top CBS officials, urging Congress to take contempt ruling right to Supreme Court if network refuses to comply. Subcommittee is scheduled to meet this week to consider staff proposals, map strategy. Network, meanwhile, in letter to FCC, claimed it met all fairness requirements stemming from documentary, praised Commission's "restraint" in refusing to intervene as "national arbiter of truth" (Vol. 11:18 p3).

While network was picking up more support in & out of Congress over subpoena controversy, CBS newsman Walter Cronkite & Vice President Agnew again traded jabs. Speaking in Jackson, Miss., Agnew urged "the great majority of thoughtful Americans" to reject "editorial double-think" from the "seaboard media." Addressing IRTS luncheon same day in N.Y., Cronkite saw "a clear indication on the part of this Administration of a grand conspiracy to destroy the credibility of the press."

"The evidence today buttresses the suspicion that this Administration... has conceived, planned, orchestrated and is now conducting a program to reduce the effectiveness of a free press, and its prime target is TV," Cronkite stated. "I would like to see us take the offensive far more than we have to secure legislation spelling out the inviolability of the press & broadcasting from government harrassment... It is necessary that Congress specifically apply the First Amendment to us, once and for all underlining that the licensing power carries no right to question news judgment or performance."

Another defense of TV newsmen came from Sen. Moss (D-Utah), who urged broadcasters to be "free of the surge toward thought control by an Administration paranoid with fear," added that Congress has "no right" to meddle in reporting or programming. "The calculated effort launched by the Vice President... struck right at the core of press freedom," he said. "Mao Tse Tung can command & enforce silence. Spiro T. Agnew cannot." Chief Justice Warren Burger, on other hand, criticized press in Washington talk to American Law Institute. Urging stronger disciplinary procedures to deal with unruly lawyers in court, he said lack of civility exists in press. "Editorials tend to become shrill with invective, and political cartoons are savagely reminiscent of a century past." He also refused to speak in front of TV cameras, later declined CBS interview.

ARB's 'OPEN-MINDED ATTITUDE': Responding to criticisms of NAB & TvB, ARB Pres. Peter Langhoff said last week that tests & audits of ARB's diary balancing procedures have vindicated its methods. "It could be that our foresight & preparation of TV audience measurement procedures are professionally more responsible than some broadcasters chose to credit," he wrote NAB Research Vp John Dimling.

"The investigations which we have undertaken... in the past few years cannot be read as anything but an open-minded attitude toward improving the quality of our measurement," Langhoff said. He told Dimling (who has been critical of ARB's diary questions on product usage and of audience reports lower than Nielsen's) that ARB hasn't had opportunity to check evidence (CONTAM study of prime-time viewing) which NAB says is against ARB. He asked Dimling to use his "considerable authority" to secure release of CONTAM raw material for ARB study "before we launch our investigation of diary design." "It also happens not infrequently... that ARB levels are higher than NSI levels," he added.

In response to TvB Pres. Norman Cash, Langhoff stressed that ARB is launching "comprehensive study" of diary design this fall, and that it would be "undesirable to make annual changes which would destroy trend tracking." Therefore, he said, ARB won't make any changes effective until fall 1972.

Also last week, ARB claimed that large majority of stations, agencies & advertisers confirmed usefulness of ARE ratings "in their present format." Clients like all sections of 5-part reports that will be included in fall 1971 ratings books, ARB said. Research firm already has agreed to drop product use information from fall 1971 reports, but will retain such questions in diary for non-TV reports.

Recent CATV purchases: By Cypress, Kern Cable, serving 18,000 homes in Bakersfield, Delano, McFarland, Shafter & Wasco, Cal., price undisclosed. By ATC, Capitol Cablevision, serving 12,000 in Charleston, S. Charleston & Dunbar, W. Va., for unspecified shares of stock. By Cable Information Systems, systems in Apena, Mich. (6,200) & Logan, W. Va. (6,800) for cash & notes. By Columbia Cable, Parker firm, serving 3,200 in Worcester, Leicester & Spencer, Mass., price not reported; system has 216 miles, passes 25,000 homes. By Communications Properties, system in Springfield, Ill. (3,400) for more than \$1 million. By TVC, Portville, N. Y. (300), price unannounced.

How agencies such as FCC reacted to recommendations from Presidential and other national commissions is subject of May 25-27 hearing before Senate Administrative Procedure Subcommittee. Chmn. Kennedy (D-Mass.) wants to know how FCC reacted to Dr. Milton Eisenhower's Violence Commission report on children's TV (Vol. 10:3 p4). Regulatory agencies haven't been asked to testify. Witnesses: May 25, Judge Otto Kerner (Kerner Commission), William Lockhart (Pornography Commission); May 26, Dr. Eisenhower and former Atty. Gen. Nicholas Katzenbach (President's Commission on Law Enforcement); May 27, Matthew Byrne (President's Commission on Campus Unrest).

NAB's TENUOUS \$\$\$ BALANCE: Following much pruning & reassessment of priorities, NAB has turned an expected \$135,000 deficit for fiscal year beginning April 1 (Vol. 11:4 p2) into projected \$7,800 surplus. This was report given to—and approved by—Exec. Committee last week.

Largest saving (about \$75,000) came from salaries through combining some jobs (field managers were reduced by one, for instance), reassigning other personnel, replacing retirees with persons already on staff. Other savings: Travel, about \$19,000 (including \$8,000 from Board meetings by reimbursing directors on basis of first-class air fare instead of 10¢ a mile); BRC payment was cut in half to \$12,500; deferred research, \$10,000; increased registration fee for fall conferences and less staff attending, \$15,000; several thousand by abolishing full-time Washington apartment for NAB chmn.

Exec. Committee also approved final plans for June 22-25 Board meetings in Washington. Regular dinner will be replaced by June 22 reception at which members of congressional Commerce Committees, FCC members & top staff, will be invited. Directors will be encouraged to visit congressmen.

Permanent financing plan for CPB, long promised by Administration, is clearing hurdles at OTP & HEW, and there's good chance it will reach Congress soon, with hearings by July. However, neither Capitol Hill nor CPB is pleased over tentative White House decision to include financing bill for first time in HEW appropriation. "We just don't need that kind of anguish. We can't live with that," CPB source told us. Designed by OTP, and first reported by Television Digest (Vol. 11:11 p4), Administration plan would create Public Broadcasting Fund bolstered by \$35 million annual appropriations for 5 years and matching funds. Similar proposal has been introduced by Rep. Tiernan (D-R.I.) to include Fund, higher annual appropriations for 6 years and matching funds (Vol. 11:16 p4). CPB regards both bills as "improved arrangements" rather than real permanent financing, and neither plan is likely to appease House Communications Subcommittee Chmn. Macdonald (D-Mass.). In recent letter to Commerce Committee Chmn. Staggers (D-W.Va.), CPB Pres. Macy said Tiernan bill is "a useful step" that "clearly represents an improvement" over current financing, indicated he'd accept plan if alternative were status quo, but called annual appropriation "deficient," since it restricts CPB's independence from Congress. He said it's no substitute for special tax. If Administration delays financing plan further, CPB will probably propose own bill, considering it vital to get public hearing in either house by early July at latest.

Electing new pres., Charles C. Hermanowski, who succeeds Theodore Baum, Vikoa seeks to reduce losses which ran \$8 million last year. Baum remains a dir. Company is closing, at least temporarily, cable plant in Freehold, N.J., where it has been losing \$750,000 yearly. It is considering sale of plant. In first quarter, company earned \$38,000 on sales of \$5.1 million vs. \$68,000 & \$5.9 million same period last year.

NAB HITS FTC AD HEARINGS: "Traveling road show which will muck about the country"—NAB Pres. Vincent Wasilewski's characterization of FTC plan to hold hearings to determine "whether TV advertising may unfairly exploit desires, fears & anxieties" (Vol. 11:20 p7). Speaking to Ecst. Ad Club of Chicago, Wasilewski charged Trade Commission has reached pre-determined conclusions—all inimical to TV commercials, to wit:

"Non-informational advertising is unfair. TV advertising is non-informational. Therefore, TV advertising is unfair." He said NAB "challenges the specious assumption that advertising should be solely informational... For the Commission to argue implicitly that... non-informational advertising is unfair is nonsense... Such an attitude reflects a basic mistrust in the ability of human beings to make up their own minds about what they want to buy... The real—and disturbing—basis for this kind of thinking is the 'daddy knows best' philosophy."

* * * *

Much-heralded National Advertising Review Board (NARB) was announced formally last week by 4 sponsoring groups—AAF, AAAA, ANA & Council of Better Business Bureaus. New division will be established within CBBB in attempt to police national advertising in all media. Staff will monitor ads, consider complaints, issue advisory opinions, make recommendations to 5-man panels of NARB for rulings. NARB will have 50 members from advertisers, agencies & public. Chmn. & pres. of sponsoring groups comprise Advisory Committee which will form NARB and coordinate self-regulatory efforts. NARB hopes to be operative in fall, will have \$1.2 million annual budget. If specific ad is found misleading or fraudulent, and advertiser refuses to correct it voluntarily, NARB will refer ad to FTC or other govt. agency for prosecution.

Signs of life for campaign spending legislation are showing in House again, as Communications Subcommittee Chmn. Macdonald (D-Mass.), who guided bill through House last year, introduced 2 spending bills, announced hearing would start June 8. He termed first bill "an effective & workable approach"; it's same one President Nixon vetoed last year, Macdonald said. Other meets "rhetorical concerns" outlined in veto message; it's similar to one pending in Senate—limits spending in all media, repeals Sec. 315 for Presidential & Vice Presidential candidates only, includes lowest unit rates. But, unlike Senate version which limits candidates to 5¢ on TV-radio and 5¢ on print, Macdonald's bill puts 5¢ limit on broadcasting, yet allows candidates to spend 10¢ on print. Senate bill also includes billboards, Presidential primaries, disclosure provisions and tax deductions, while Macdonald's bill doesn't. "We're still waiting for the Administration to send up a bill," Macdonald said, "but we can't wait much longer... It seems apparent to me that by taking many different positions, the Administration hopes to see any legislation on this subject get bogged down in the legislative process." Senate, meanwhile, hopes to have bill on floor by mid-June. Its Rules Committee scheduled hearing May 24-25 (Vol. 11:20 p7).

Office of Telecommunications Policy Dir. Clay T. Whitehead's first testimony before Congress last week, seeking \$2,702,000 for 1972 before Senate Appropriations Subcommittee, included: (1) Fairness Doctrine—"The time has come for an over-all re-assessment of the doctrine & its effects—including its application to the political field and the threat of governmental content control." (2) CATV—"Cable seems to have the... potential of providing a new diversity, flexibility & quality in TV programming. There may be some danger, however, that it could destroy our present system of over-the-air TV without providing a satisfactory substitute." (3) Domestic satellites—"Six years have passed, and even though American private industry has been willing & able, the American public still does not have the benefit of even a satellite system for national communications. The problem has not been money or technology, but simply governmental delay & indecision..." (4) OTP proposals coming soon—Long-term CPB financing; plans for transatlantic satellites & cables; "updating & amplification" of domestic satellite suggestions.

TV networks shouldn't be permitted to sign long-term agreement with AT&T for satellite transmission, Justice Dept. (JD) told FCC last week in late comments on domestic satellites. AT&T restriction is necessary to maximize possible number of competing systems "during the infant stage of this industry," JD said. In other points, JD urged: (1) Satellite "competition in a free market." (2) Grants of systems without comparative hearings which would further delay domestic satellites. (3) Comsat-AT&T joint application should be thrown out unless FCC is satisfied Comsat offers phone company lower rate than other applicants. (4) Close look at anti-competitive threat of AT&T-Comsat ties. (5) Manufacture of satellite equipment shouldn't be bar to ownership of system—a blow to Comsat which claimed such manufacturers shouldn't be considered (Vol. 11:20 p6). JD implied comments had support of White House; asking FCC to accept filing 10 days late, JD said it was necessary "for consultations with other interested persons within the Executive Branch."

Public broadcasters may not be thrilled over new HEW plan to expand ETV-radio facilities matching funds program to include other areas of telecommunications. Current program authorizing \$15 million annually expires in 1974, and according to bill sent to OTP for approval, HEW wants to make money available for closed-circuit TV, computer banks, etc., at schools & universities. This could be serious blow to educational broadcasters unless more money than anticipated \$15 million annually is invested in program. There are about 300 ETV-radio applications before HEW, with \$35 million backlog for last 3 years. Expanded program could increase applicants by 3-4,000. "It's utterly silly to add new eligible applicants until current ones are caught up," high NAEB official told us, adding that HEW plan might "really destroy the effectiveness of the whole program."

Cartoonist Al Capp entered innocent plea to charges of sodomy, attempted adultery & indecent exposure (Vol. 11:19 p4).

Personals

Patrick O'Donnell resigns as legal asst. to FCC Chmn. Burch, becomes asst. to President Nixon's special asst. Charles Colson, is succeeded by **John M. Eger** from Commission's Office of Gen. Counsel. O'Donnell will be liaison with special interest groups (labor, management, blacks, etc.), also will have assignments in office of Herbert Klein, communications dir. Eger joined Commission in Jan., had been with Chicago law firm Menk, Johnson & Bishop, previously served with Ill. Bell... **Edwin Spievack**, legal asst. to FCC Comr. H.R. Lee, becomes chief counsel, Arcata Communications, San Francisco, June 11, successor not selected.

Max Buck, NBC-TV national sales vp, elected IRTS pres., succeeding **Richard Pinkham**, Ted Bates & Co... **Ward Quaal**, WGN Continental pres., elected a dir. of parent Chicago Tribune Co.; **H. F. Grumhaus**, pres. of Tribune Co., elected chmn.-chief exec. officer... **Kenneth Logowitz**, Outlet Co. pres., named chief exec. officer, succeeding **Joseph Sinclair**, who continues as chmn.

Mickey Hooten, ex-WTOL-TV Toledo, named asst. gen. mgr. & program-promotion dir., WIS-TV Columbia, S.C., succeeding **William Moore**, now program-promotion mgr., WSFA-TV Montgomery... **A. F. Mladenich** named administration & finance dir., KIRO-TV Seattle.

Ray Sutton advanced to NBC-TV western sales mgr.; **William Mallery** promoted to mgr., NBC eastern TV spot sales; **Don Douglas**, ex-sales mgr., WTOP-TV Washington, succeeds Mallery as Chicago spot sales mgr.; **Mitch Turner** moves from NBC-TV spot sales, Chicago, to N.Y.

Sidney Darion promoted to ABC-TV public affairs programs mgr.; **Joseph Keating**, ABC Radio News exec. dir., also to head public affairs & religious programs; **Douglas Shafner** elevated to special projects dir., ABC International; **Ralph Broitman** & **Allen Hirschman** advanced to ABC-TV sales development supervisors... **Alan Levin** promoted to CBS-TV assoc. business affairs dir.

Delmer C. Ports, ex-Atlantic Research and Jansky & Bailey, named NCTA engineering dir.

"A virtual Solomonic dilemma," was how FCC Hearing Examiner James Tierney described application by ABC to continue affiliation with vhf XETV Tijuana instead of uhf KCST San Diego. In initial decision recommending grant of ABC application, Tierney said San Diego affiliate would better serve community, but network was faced with "adverse downturn in the size of its national audience," and switch to uhf would cost ABC about 29,000 homes. He also ordered network to make full report to Commission whenever XETV felt required to delete portions of programs which Mexican law considers offensive to state.

"Oh! Calcutta!," first Broadway play sent across nation, by closed-circuit Sept. 28, 1970, was reviewed by federal grand jury in Corpus Christi and subsequent indictment charged Colormedia and its 4 top officers with interstate transportation of "obscene, lewd, lascivious & filthy" matter.

Corinthian-Dun & Bradstreet merger continued wending way through administrative jungle last week: (1) FCC declined to amplify decision approving merger, denying parties' petition that Commission knock down objectives raised in dissent of Comr. H.R. Lee. (2) Indiana attorney Anthony R. Martin-Trigona, perennial litigant before FCC, filed for review of decision in D.C. Appeals Court. (3) WLFI-TV Lafayette, Ind., which opposed merger before FCC, is considering whether to go to court or ask FCC reconsideration by May 24 deadline. (4) LVO Cable has dropped opposition. Last week, after Commission declined to amplify decision, price between Corinthian and Dun & Bradstreet stocks began to spread, as arbitrageurs got cold feet. Then, when D&B said FCC action doesn't affect merger, spread began to narrow again.

All profits of **WLBT Jackson**, effective April 17, have been ordered placed in escrow by FCC. At same time, Commission told Communications Improvement Inc. (which holds interim grant pending resolution of comparative hearing) to file license application, request for call letters and executed copy of loan agreement. Then, FCC said, WLBT & CII have 10 days "to reach an agreement" on transfer of operation. Commission ruled that interim authorization was effective April 17-30 days after Appeals Court upheld Sept. 1970 grant to CII.

"Technically unsound," NAB said of International Digisonics' (IDC) technique for coding TV commercials in asking FCC to deny final approval of system for electronically monitoring spots. NAB said IDC has had "full opportunity" to show system will work, but failed to do so. Among objections cited: "Great frustration & confusion" has resulted from rule authorizing system; coding of spots is "incompatible with present techniques & practices"; coding could cause "significant degradation" of signal and "is a gross waste of a limited electronic resource."

CBS won't seek Supreme Court review of 2nd Circuit Appeals Court decision upholding FCC's prime-time-access rule (Vol. 11:19 p5). In wire to affiliates, CBS said: "We still believe that the rule will not accomplish the Commission's goals, but on the contrary will be harmful to the public as well as to individual TV stations. But we have concluded that the most constructive approach at this time will be to ask the Commission to reconsider the rule on the basis of its practical consequences."

CBS-Viacom spinoff is expected to be ready for FCC vote this week, and commissioners reportedly will be faced with 2 conflicting staff recommendations: (1) Total divestiture. (2) Approval, on condition that major CBS stockholders (Paley, Stanton, et al.) reduce holdings in Viacom to 1%. Latter view is expected to prevail.

"Plant a flower in the vast wasteland—let cable TV grow" is theme of NCTA give-away of 250,000 packets of forget-me-not flower seeds. Campaign will kick off with full-page ad in May 26 Washington Post, culminate during July NCTA convention. All 1,750 lbs. of seeds are supposed to be mailed to Congress & FCC by cable systems.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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

STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended May 7 (18th week of 1971):

	May 1-7	1970 week	% change	April 24-30	1971 to date	1970 to date	% change
Total TV.....	148,471	107,421	38.2	189,501	3,319,666	2,856,667	16.2
color.....	79,425	47,317	67.9	104,003	1,761,967	1,429,148	23.3
monochrome.....	69,046	60,104	14.9	85,498	1,557,699	1,427,519	9.1
Total radio.....	312,880	262,697	19.1	466,629	6,542,144	5,423,656	20.6
home, portable.....	112,319	77,910	44.2	257,380	2,714,398	2,282,574	18.9
AM-only.....	66,302	50,783	30.6	137,842	1,619,301	1,492,744	8.5
FM & FM-AM.....	46,017	27,127	69.6	119,538	1,095,097	789,830	38.6
auto.....	200,561	184,787	8.5	209,249	3,827,746	3,141,082	21.9
Total phono.....	38,973	34,368	13.4	89,390	1,262,069	967,541	30.4
portable-table.....	27,572	25,248	9.2	75,957	976,879	625,171	56.3
console.....	11,401	9,120	25.0	13,433	285,190	342,370	-16.7

Color TV 5-week moving average: 1971-84,601; 1970-58,968 (up 43.5%)

NEW LINES—RCA, MOTOROLA, PHILCO, GE: Industry's solid front on color price increases was broken last week by Motorola, whose Consumer Products Vp Ed Reavey told distributors: "We're holding firm." GE's new line showed increases of 2-4% at retail, Philco-Ford's 3-5%, RCA the 5% at factory level announced week earlier (Vol. 11:20 p9). Teledyne Packard Bell announced 5% average increase in both carryover & new console color & stereo models, effective today. RCA & Motorola left b&w prices unchanged to lower. Philco increased suggested list prices on compact & console stereo by 4-5%, radios 1%. GE's color TV boosts didn't change basic retail pricing points.

For RCA & Motorola, introductions contained goodly share of innovation—both emphasizing tuning ease & remote control. All RCA color sets, except 4 leaders introduced in March, are AccuColor models (AFT, automatic tint). Likewise, only 2 Motorola models lack Instamatic feature; Philcomatic (Vol. 11:20 p12) is in 22 of 27 color models, and GE put its One-Touch system into one 16V", most 19V" & all 25V" sets. Quick rundown on new lines (details p. 11).

RCA moved up solid-state guns at Las Vegas convention, introducing 33 new solid-state color models, in addition to 4 holdovers—christening its modular chassis "XL-100" (for "extended life, 100% solid-state"), and claiming more solid-state models than rest of industry combined. Featured in one table model, 6 consoles & 3 combos is brand-new "Instant Electronic Tuning," 20-channel varactor-tuned system which can be pre-set to any needed combination of vhf & uhf channels. Modularized system has only one motor, works silently in either direction, with positive channel identification on set. Front of set, with secondary controls covered, shows only 3 pushbuttons. Remote contains "reset" button, which returns all controls to positions selected on receiver itself. New remote adds \$120 to price to set.

Among unique color products is modular 21V" combination with 4 vinyl-clad rectangular cabinets (TV, stereo, 2 speakers) which can be stacked or arranged in variety of ways (\$1,050). In RCA monochrome line, surprising model is 15V" at new low price for any remote set—\$129.95. Remote unit controls on-off & channel-change. RCA also added first 19V" solid-state b&w set

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(\$189.95 with pedestal stand), covered by same year's labor warranty as its solid-state color sets. Missing from color line is 18V" 110-degree set, which presumably will be replaced later by 19V" version when picture tube is ready.

RCA will break advertising on new line unusually early—with newspaper ads July 11, six weeks ahead of regular ad campaign. Distributors have option to combine this "preview" advertising with "Official Clearance Sale" promotion on '71 models.

Motorola color line is surprisingly short—only 23 models, including 7 carryovers—and is highlighted by new Quasar solid-state chassis with 94% of circuitry on 8 panels (down from 10 but using only 2 new panels). Included this year is new transformerless power-supply panel which can be used in both 19V" & 25V" sets and is credited with cutting costs and improving performance. Of Motorola's new line, 13 sets are all-solid-state. Matrix tube has been added to some sets.

Motorola also is innovating in remote control—with vhf-uhf 2-button unit (on-off, 3-step volume, channel) on 5 sets at increment of only \$50. Motorola calls unit "full-function" with claim that Instamatic handles all picture functions automatically. It uses varactor uhf tuner with number inserts for positive channel identification. Company's philosophy is that remote control, given proper pricing & promotion, can be as popular a feature on TV as automatic transmission is for autos. Pushbuttons (varactor uhf) are on all Quasar table models & consoles.

Short line cuts off with top-end remote credenza consoles at \$775, compared with \$995 top in Dec. line. Motorola has discontinued combinations, is understood to be liquidating remaining inventory, has no intention of re-entering that area which it considers "dying market." Its monochrome line is also short—15 sets, 13 with instant picture—and features b&w equivalent of Instamatic—"Quick-Set" button which returns brightness, contrast & vertical adjustments to pre-set level.

Motorola audio line has unusual quadra-sonic gimmick. It's built into 5-piece, 4-channel tape system (\$399.95), is called "Electronic Balancing." It's display device consisting of square grid of green lines on which red dot of light is superimposed. Two knobs move dot horizontally & vertically so it can be located on grid to represent location of listener in room—providing proper balance of 4 channels.

Reavey revealed that Motorola had spent \$8 million on TV warranty, \$1 million advertising new 16V" Instamatic low-end color set, has built new Canada plant, is expanding in Taiwan and has increased distributor margins. "We could be in 3rd place this year," he told distributors.

At GE's Chicago meeting, limited to TV line, company showed first step into modular construction—but in monochrome, not color. Plug-in IC audio module is in new 19V" solid-state portable at \$159.95, featuring easily serviced chassis, modified A-frame cabinet. Other versions will be added in fall. Brighter color tube with improved phosphors, gun & high-transmission glass—no black matrix—is in all 19V" & 25V" GE models. GE has trio of 19V" table models, replacing similar 18V" sets introduced last year.

Philco-Ford made clear it hopes to turn 1971 into first black-ink year in more years than parent Ford Motor Co. cares to remember—it all but dropped out of small consumer electronics business, giving up on portable phonos and cutting portable radio line to 2 models. Philco held color & b&w lines to about same size as last year, nearly doubled console phonos, tripled stereo compact line. Last year some in industry "were giving Philco up for dead," but company has improved market standing and made strong sales gains, Pres. Philip Caldwell told distributor meeting in Philadelphia. Streamlining will continue, he said, next step being consolidation of 56 parts stores into 6 regional Philco-only depots. "The No. 1 priority for all of us," he said, is to "perfect our dealer structure."

Distributor meetings brought usual spate of sales claims & forecasts. RCA said its year-to-date color portable & table model sales were up 40% over 1970, forecast it would regain No. 1 position in monochrome. On top of record first quarter, Motorola said 2nd quarter will be "by far the best in history." GE TV Receiver Product Dept. Acting Gen. Mgr. Don Johnstone forecast total color sales of 6.2 million this year, with b&w dropping to 6.6 million. Through April, he said, GE color sales were up 47% from last year, 19V"-&-under increasing by 2.5

times, console phono sales up 66%, b&w up 32% and representing 1/3 of total industry gain. Philco saw color market climbing to 6.4 million this year, 23V"-25V" taking 49% share; b&w sales up to 7.1 million; radios 35 million. Console phonos, said Philco, will show 5% real growth, though statistics will show decline, not reflecting activity of import-assemblers.

U.S. BRANDS CHECK IMPORTS IN QUARTER: Intensive marketing efforts by U.S. manufacturers in first quarter succeeded both in increasing sales & blocking further major penetration of market here by foreign-brand consumer electronics, EIA total market figures for period indicate. Total market equals domestic U.S. factory sales plus imports.

Through quarter, market penetration for foreign-brand TV was up less than 1% from 1970, while U.S.-brand home radios, phonos & recorders recaptured significant market portions. Foreign (or import) brands are those imported by firm other than U.S. manufacturer. Foreign-brand share of TV market first quarter was 22.9%, vs. 22.8% for all 1970. Share by product: Color 11.6% (up from 11.1%), b&w 32.7% (was 31.8%), home radio 72.5% (was 77%), phonos 20% (was 29%) & recorders 73.4% (was 80%).

Total 1970 imports took 37% of TV market, but first quarter dipped to 33.2% as domestic production accounted for 84% of color sales (up from 83%) & 52.2% of b&w (was 47.9%). Imports also lost radio share, slipping from 91.5% to 90%, retained position in phonos & recorders with 36% & 96%, respectively.

Sales of U.S.-brand TVs in Jan.-March neared 2.6 million, up 14.7% from same 1970 months, with color up 27.1% to almost 1.4 million, b&w up 3.3% to 1.2 million. Home radio sales gained 7% to about 2 million, with phonos up 18% to 918,000 & recorders up 31.7% to 449,000. EIA didn't release domestic production sales totals for non-auto tape players.

It's too early to tell how important or permanent first-quarter improvement in U.S.-brand standing will be. Opening period usually is slowest of year for imports, and importers haven't been participating in Jan.-Feb. clearances sales. Figures indicate, however, that domestic industry can challenge imports head-on. Question is whether effort can be sustained through 3 more quarters.

Product	U.S. Produced	Imports U.S. Brand	Imports Foreign Brand	1971 Total Market	1970 Total Market	% change
Total TV.	2,218,160	340,594	761,230	3,319,984	2,652,479	25.2
color*	1,287,889	70,624	178,446	1,536,959	1,162,422	32.2
monochrome	930,271	269,970	582,784	1,783,025	1,490,057	19.7
Total home radio	719,301	1,261,337	5,228,815	7,209,453	7,582,168	- 4.9
AM	448,230	759,570	2,030,060	3,237,860	2,970,047	9.0
FM & FM-AM	271,071	501,767	3,198,755	3,971,593	4,612,121	-13.9
Total auto radio	2,803,293	—	751,693	3,554,986	2,753,347	29.1
AM	2,275,606	—	614,927	2,890,533	2,334,129	23.8
FM & FM-AM	527,687	—	136,766	664,453	419,218	58.5
Total phono	732,914	184,705	229,929	1,147,548	1,122,150	2.3
Total tape recorders	72,106	377,109	1,237,735	1,686,950	1,641,589	2.8

*Includes all imports of combinations.

ZENITH TAPS MARKETING MAN AS PRES.: Zenith's surprise selection of John J. Nevin as pres. & chief executive officer is widely regarded in industry as sign that company is on road to becoming even more formidable power in consumer electronics. Nevin, 44, was Ford corporate mktg. vp, held top posts with Ford in finance, product planning & general management.

Ford associates were amazed at news of Nevin's departure. He was recently given post as gen. mgr. of new Consumer Services Div. there, retaining his mktg. vp title. Considered a rising star at Ford, he was one of few in company with experience in almost all aspects of management. His position at Ford was solid—he was on right side in Iacocca-Knudsen battle.

"He was being groomed for bigger things at Ford," said one company insider. "He must have gotten a hell of an offer from Zenith."

Known as a top idea man, Nevin is described as articulate, friendly, extroverted without being too gregarious, "a diplomat who knows how to get along with people." He's well known as public speaker, has appeared before congressional committees on consumer matters. He received MBA degree with distinction from Harvard Business School, served with Ford 17 years.

Nevin is one of many former Ford officials now in consumer electronics—including RCA Staff Exec. Vp Chase Morsey, Bell & Howell Chmn. Donald Frey, and, of course, Philco-Ford Pres. Philip Caldwell & Exec. Vp Leo Beebe. Selection of new pres. climaxed long search, Chmn. Joseph Wright having served as pres. since death of Sam Kaplan in April 1970.

UNIONS ASK HIGHER TV DUTY: Petition seeking higher duties or quotas on imported TVs was filed by group of labor unions with Tariff Commission last week. Also, Commission turned down 9 industry requests for import-impact adjustment aid, and Senate subcommittee heard GE Chmn. Fred Borch & Zenith Chmn. Joseph Wright urge that foreign nations be persuaded to tear down import barriers and stop subsidizing exports.

In joint request, IUE, IAM & IBEW asked Tariff Commission to invoke provisions of Tariff Act which give President right to raise duties or set quotas when import increases resulting from negotiated trade concessions have injured an industry. Duty-rate reductions, unions claim, have resulted in TV import flood, shift of domestic production to overseas and nearly 25% job loss here since 1966. They ask that duty rates be raised from present 6% to 35% or that quotas, based on 1965-69 import levels, be established.

In decisions reached last week, Commission found that former RCA Cincinnati workers, employees at 7 Sprague plants & Sprague Corp., itself were ineligible for import adjustment assistance. In report to President, agency said that concessions granted under trade agreements were not major cause of increased imports which have harmed component industry. Only 4 commissioners participated; Comr. Clubb, who in past has always voted in favor of aid grant, is on leave. Comr. Young, who has abstained in past, voted against aid in RCA and one of Sprague cases, abstained in others.

Calling for international trade on "reciprocal, rational & fair basis," Wright told Subcommittee on International Trade & Finance that U.S. govt. has been lax in enforcing anti-dumping & countervailing-duty statutes intended to protect domestic industries from unfair foreign competition. At same time, he said, trade negotiators "opened up the U.S. markets to imports on a large scale" without getting equal access to foreign markets for U.S. goods. Confirming report that Zenith has asked that extra duties be placed on Japanese imports to offset alleged govt. subsidies (Vol. 11:20 p9), Wright accused Treasury Dept. of failure to enforce countervailing-duty laws, castigated Justice Dept. for not pressing criminal charges in dumping cases.

Echoing Wright's position, Borch said real complaint isn't "the fact of foreign competition, which is as inevitable as domestic competition, but

the fact of unfair foreign competition." Borch contended that U.S. has "been outmaneuvered on the international economic front" by other nations which protect home markets with non-tariff barriers & import restrictions while granting exporters tax incentives, indirect subsidies & rebates.

Matsushita lost top slot on Japanese list of most profitable companies. Matsushita Electric is now 2nd with 1970 declared earnings of \$258.3 million, up 5.7% from 1969. Bank of Japan was highest earner at \$282 million, up 38.7%. Hitachi was 3rd with \$169.7 million, up 23.9%; IBM Japan 6th, \$112.4 million, up 62.2%; Toshiba, 20th, \$62.9 million, up 81.9%; Fujitsu 23rd, \$56.5 million, up 63.6%; NEC 27th, \$49 million, up 37.6%. Post-tax earnings reports of electronics firms, covering 6 months through March, are expected to show declines. Toshiba said profits may be as much as 45% below year ago; Hitachi sees 30% decline; NEC expects first profit setback in 10 years.

Components standards agreement being hammered out by European industry shouldn't freeze U.S. producers out of market there, representative of FNIE (France's EIA) told EIA officials in Washington. Once standards pact is working in Europe, program would be expanded to include all other countries; in meantime, U.S. producers could continue sales to European customers, FNIE said. Goodwill visit won't affect position of U.S. industry which wants voice in initial standard-setting, to insure that eventual world standards reflect U.S. & European production methods.

Business improvement continued into May, as domestic-label color sales dealers set all-time high for first week in May—2nd such record in 2 consecutive weeks (Vol. 11:20 p10). Color's sales pace for last 5 weeks (5-week moving average) was 43.5% over 1970, and in first May week color TV, total TV & console phonos achieved highest weekly gains of year over last year. Console phonos were ahead of year earlier for 3rd consecutive week. (For figures, see State of the Industry.)

Service dept. management should be top-echelon function in today's business climate, Motorola Consumer Products Vp Edward Reavey told Council of Better Business Bureaus in Miami last week. He said after-sale service is cause of most consumer discontent, attacked some firms' "cosmetic consumerism" and "plastic programs".

1972 INTRODUCTIONS: RCA's color line still has 14V" sets at around \$289.95 price point, with hold-over at \$309.95, open-list swivel-base & leather-look models which could sell around \$329.95. Hold-over 16V" sets are \$319.95-\$349.95, with remote at \$379.95 (up \$10-\$20). Open-list (\$379-\$389) 18V" is up about \$20. In 19V" category, sets appear up \$20 at \$419.95 & \$449.95, with remote at about \$529.95. A 21V" table holdover is \$529.95 (up \$30), remote version \$599.95, door consoles at about \$550 also up \$30. Table-model 23V" is open at around \$459.95, with special console \$499.95, three others open-list but in \$529-\$539 area and not shown in catalog. Leader 25V" table is open (around \$549.95), with wood console series at \$599.95. Solid-state sets start with \$599.95 table model (remote version \$719.95), consolettes at \$639.95, other consoles running to \$995 (remote). Modular 21V" combo is \$1,050, other combos (remote) \$1,700 & \$1,850.

New to RCA b&w line are AC-DC 9V" at \$129.95, TV-clock-FM-AM A-frame \$150, remote 15V" \$129.95, solid-state 19V" with pedestal stand \$189.95. In tape, RCA introduced 5-piece, 4-channel modular with "depth" control, 8-in. speakers, at \$299.95, almost completely new group of portable cassette recorders at \$29.95-\$79.95. Portable phonos, redesigned, are at same pricing points as last year. Radios feature digital-clock unit using new General Time rear-lighted tape numerals at \$29.95 (AM) & \$39.95 (FM-AM).

Motorola carries over 7 color sets, adding 19V" solid-state at \$449.95, 21V" solid-state tables at \$539.95, \$549.95 & \$589.95 (remote). New hybrid 23V" is \$569.95, with all-new 25V" line running \$559.95-\$775 (10 models). Motorola monochrome sets start with 12V" at \$79.95, with step-up down \$10 to \$89.95, AC-DC version down \$20 to \$99.95, with 9V" AC-DC and 14V" tube set also \$99.95. Company's first 16V" is \$119.95, with 19V" sets at \$129.95-\$149.95, 21V" set with cart \$179.95 (down \$20), 22V" solid-state table \$189.95, consoles \$199.95-\$259.95.

Motorola's cassette recorders now cover 6 basic price points at \$29.95-\$79.95 and low-end mono portable phonos have been reduced \$3 to \$19.95 & \$29.95. New portable radio with FM-AM, police & weather bands is \$39.95, leaf-type FM-AM digital clock \$59.95. Stereo console line has 17 models at \$199.95-\$679.95, including models with full doors covering speakers. Wide variety of stereo components & accessories features receivers at \$99.95-\$299.95. Quadraphonic converters for consoles (including tape player, stereo amplifier, 2 speakers) is \$199.95, unit to convert component systems is \$229.95. Five-piece 4-channel system with "Electronic Balancing" is \$399.95.

GE added \$10 to high end of 10V" portable color line, dropped \$10 from bottom, so 5 models now range \$199.95-\$239.95; 16V" openers at \$299.95 & \$319.95 are unchanged, new model featuring automatic color control added at \$349.95; 18V" leader at \$329.95 is down \$30, with step-up at \$349.95; new 19V" portable line starts at \$389.95, automatic color is added at \$399.95 step-up, with uhf detent tuner included in \$419.95 model; 19V" table models with doors at \$449.95 replace similar 18V" models

which were priced \$50 lower; 20V" table is unchanged at \$419.95; 23V" consoles (3 models) open \$50 lower at \$449.95 rise to \$499.95. All but \$529.95 leader of 15 models in 25V" console line include automatic color, prices climbing to \$769. Four models include detent uhf tuners.

Price points remained relatively unchanged in GE b&w line. Smallest portable is 5V" at \$149.95, rechargeable battery included. Ten models in 9V"-12V" sizes are \$79.95-\$99.95; leader 15V" is open, 3 others \$109.95 to \$119.95; single 18V" is \$149.95; 19V" line has one tube-type portable with open list, one solid-state at \$159.95, 2 more to be added later. Four 22V" sets are \$179.95 to \$209.95.

Philco-Ford's color TV line opens with 14V" portable at \$289.95, moves to 16V" at \$339.95, \$359.95, all up \$10; opening 18V" price point is up \$10 to \$379.95, others at \$399.95 & remote version up \$10 to \$499.95; trio of 19V" portables, all with stands, are \$429.95, \$449.95 & remote at \$529.95, all with automatic color control. Leader 23V" console, to sell at about \$450, is open listed, 6 other models are \$499.95 to \$579.95, some up \$10. Initial 25V" price point, leg console, is down \$20 to \$579.95, step-ups at \$599.95 & \$639.95; trio of floor-length consoles up \$20 to \$689.95, full consoles up \$30 to \$729.95, \$829.95 & \$859.95, last with electronic uhf tuning. Combinations (2), with uhf detent tuners, are up \$75 to \$1,125.

B&w models, with selective increases to \$10, begin with 8V" AC-only portables at \$79.95, battery versions at \$99.95 & \$109.95; 12V" portables, in 3 models, step from \$89.95 to \$99.95, with table model in wood cabinet at \$129.95; 16V" is at \$109.95 & \$124.95; lone 18V" is \$134.95, with four 19V" from \$139.95 to \$159.95—all 18V"-19V" portables come with carts. In 22V" (6 models), prices range from \$199.95 for table model with stand to \$249.95 console.

Console phono line, upped 8 models to 18, runs about \$230-\$740. Stereo component line, 14 models (up by 8) is priced from \$119.95 to \$319.95. Compact & phono console prices are up \$10-\$20. Radio line has been pared to 18 models, from 23, with just 2 portables (FM-AM at \$17.95 & \$29.95), one AM table (\$12.95). Five FM-AM table radios are \$19.95-\$49.95; AM clock models (4) are \$14.95-\$24.95, with 4 FM-AM clocks \$29.95-\$59.95. Carryover digital FM-AM clock radio is \$59.95, with new version featuring A-frame design, swivel base & back-lighted tape display, to be added later at \$44.95.

Muter will close Chicago speaker plant, transfer operation to DuBois, Pa., Pres. Herbert Rowe says in annual report. During 1970, Muter wrote off investment in Stereo 1, a single-cabinet stereo speaker system introduced in 1969. Annual meeting is being delayed pending agreement on merger with Potter-Englewood.

Advance registration for June 27-30 Consumer Electronics Show is up 46% from last year, according to Jack Wayman, staff vp for EIA Consumer Electronics Group. He attributed increased response to fact that show will be held in Chicago this year, rather than N. Y.

Trade Personals

Joseph H. Colgrove, ex-RCA Electronic Components Picture Tube Div. mfg. mgr., promoted to vp-gen. mgr. of new Entertainment Tube Div., which absorbs Receiving Tube & Picture Tube Div., and glass manufacturing operation; also in new Div.: **Leonard Gillion**, Picture Tube Operations vp; **Joseph Cimorelli**, technical aide & license coordination vp; **Harry Seelen**, international development vp; Technical Planning Vp **Clifford Lane** adds duties as acting purchasing agent. In related move, all OEM electronic component sales, market planning & distribution have been centralized under staff group headed by **Gene Duckworth**, Div. vp, equipment mktg. & distribution.

Paul Davis named Philco-Ford color TV sales planning mgr., replacing **Richard Levin**, now in similar post with RCA; **Jack Morris**, ex-Philco Indianapolis district mgr., replaces Davis as b&w TV sales planning mgr. **Joseph Conroy**, ex-Emerison northeast sales mgr., promoted at NUE to Pilot Radio-TV sales vp, replacing **George Hakim**, now Emerson mktg. vp.

Jerry Meltzer, ex-independent sales rep, named national sales mgr. of Miida Electronics, new consumer electronics div. of Japanese trading company Marubeni Iida. **Gene La Brie** appointed consumer products national sales mgr., Maxell Corp. of America. **Lester Chagi**, ex-J. N. Ceazan Co., named Olympic western sales mgr. & supervisor of Olympic of Southern Cal.

John Messerschmitt promoted at North American Philips from pres. of Ampere subsidiary to corporate vp responsible for Electronic Components Group. **Michael Bank** advanced at International Rectifier from asst. to pres. to corporate communications vp. **Abraham Cohen** appointed special acoustic consultant to Benjamin Electronic Sound.

Toshio Takai named exec. dir. of EIA-Japan, succeeding **Masao Tsuchiya**, retiring; Takai formerly headed Japan's Industrial Manufacturers Inspection Institute. **Gordon Pilcher** resigns as Memorex finance vp to become pres. of Dirks Electronics.

Justice Dept. is suing to force Tandy Corp. sell-off of Allied Radio subsidiary acquired last year from LTV Ling-Altec for \$30 million (Vol. 10:16 p11). Tandy is also parent of Radio Shack, which like Allied, is retail store & mail-order electronics merchandiser. Purchase, Justice charges, could lessen competition, encourage other mergers in field.

Morse signed \$5-million loan agreement with Prudential Insurance, will use funds for working capital & growth. Loan term is 15 years, interest at 10.25%. Prudential also got 15-year warrants to buy 75,000 Morse shares (now about \$25) at \$15.

Obituary

Harold A. DeMooy, 65, who retired in Jan. as mgr. of RCA receiving tube operations, died May 18 in N. Y. U. Hospital. He joined RCA in 1926, had been living in Tequesta, Fla. for last 2 years. He's survived by wife, 2 daughters, 2 sons.

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
Advance Ross			
1970-year to Dec. 31	14,087,153	(944,168) ^a	--
1969-year to Dec. 31	18,055,281	(3,728,549) ^b	--
1971-qtr. to March 31	4,410,593	(97,764)	--
1970-qtr. to March 31	3,172,753	(315,792)	--
Allied Artists			
1971-9 mo. to March 27	2,285,500	(980,900)	--
1970-9 mo. to March 28	5,879,000	541,800 ^a	--
Bartell Media			
1971-qtr. to March 31	9,795,000	149,000	.07
1970-qtr. to March 31	9,265,000	161,000	.07
Columbia Pictures			
1971-9 mo. to March 27	184,106,000	347,000	.05
1970-9 mo. to March 28	182,800,000	5,345,000	.85
1971-qtr. to March 27	64,474,000	(611,000)	--
1970-qtr. to March 28	70,000,000	2,095,000	.33
Downe Communications			
1971-qtr. to March 31 ^d	26,352,000	877,000 ^a	.17
1970-qtr. to March 31	24,541,000	207,000	.04
Electrohome			
1971-qtr. to March 31	13,493,641 ^e	456,306	.74
1970-qtr. to March 31	11,139,170	316,863	.62
International Electronics			
1971-qtr. to April 30	2,627,337	143,617	.13
1970-qtr. to April 30	2,325,630	100,870	.09
Reeves Telecom			
1971-qtr. to March 31 ^d	2,325,146	(374,663)	--
1970-qtr. to March 31	3,409,567	(1,611,800)	--
Starr Bcstg.			
1971-9 mo. to March 31 ^f	5,251,016	326,000	.66
Taft Bcstg.			
1971-year to March 31	48,798,644	6,675,219	1.80
1970-year to March 31	49,732,716	6,944,317 ^a	1.90

Notes: ^aAfter special credit. ^bAfter special charge. ^cAdjusted. ^dRestated. ^eRecord. ^fPro forma; comparable figures not available.

Tape topics: New International Tape Assn. members: Dow Corning, Arvin Systems, Faraday (Ortronics) & E.I. duPont. Richard Gristle, duPont tape substrate sales mgr., named to ITA advisory board. **Ampex** will experiment with direct consumer mail-order sale of recorded cassette & 8-track tapes. Previous mail-order test of open reel tapes (Vol. 11:8 p10) proved successful and has become regular service. **TEAC** has introduced 6 completely new audio products, designed for use with tape decks, to be handled by limited number of dealers: Stereo integrated amplifier, allowing simultaneous recording & monitoring with 3 tape decks, facilities for playback from 5 decks, \$349.50; AM-FM-stereo tuner, \$349.50; stereo electronic 3-way crossover unit, \$199.50; stereo power amplifier (100 watts), \$199.50; cathode-ray tube total performance indicator, \$199.50; 3-way speaker system with multi-channel capacity, \$199.50. **Kenwood** introduces top-end stereo tuner, \$279.95.

TV set makers are alarmed about bill which slipped through Conn. House last week and is scheduled for Senate vote this week. Measure would require that all "household appliances including radio & TV sets" sold in state bear label listing year of manufacture, model number, manufacturer's suggested retail price and, in case of TV sets, "length & width of screen." Move is underway to limit measure to TV sets only.

WEEKLY

Television Digest®

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MAY 31, 1971

VOL. 11, NO. 22

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

KID'S TV, DUES & NAB CODE: Sharp increases in subscriber fees voted by NAB TV Code Board. Subcommittee formed to study commercials aimed toward children. Time standards relaxed for independents. ABC drops talks with NBC on joint kid show. (P. 1)

CATV 'MINIMUM SERVICE' RULES near final approval as Pastore calls FCC to June 15 hearing. 'Local' signal set at 35 miles. Leapfrogging, other questions still unresolved. Local access for 50% of channels. Justice expected to take origination appeal. (P. 2)

SHOWDOWN ON CBS SUBPOENA: Staggers' Subcommittee orders Stanton to testify June 9, surrender 'Pentagon' outtakes only from material aired. CBS remains 'unchanged'. Klein calls subpoena 'infringement' on press freedom. FCC & other networks may testify at later probe into news practices. (P. 3)

OTP'S 'RESPONSIBLE LEADERSHIP': Administration proposed all govt. agencies clear communications matters with OTP before sending them to Congress or FCC. Justice Dept. dissents. OTP denies 'muzzle' charge. (P. 5)

AFFILIATE PAYMENT TO NETWORKS predicted in 1980's by Durgin, who also sees end of agency compensation. Taft to limit breaks to commercials for 3 products. (P. 5)

KID'S TV, DUES & NAB CODE: Advertising directed toward children, hefty increase in subscribers' dues and personal products were principal issues at May 25-26 NAB TV Code Board meeting in Washington. If parent TV Board goes along at June 23 meeting, income from Code stations (network dues were left at \$30,000 each) will increase from \$355,721 to \$544,528. This will give TV Code expected income of \$638,528 for fiscal 1972, rising to \$678,528 by 1976. Present income is \$457,000.

Additional money will be used for enlarged N.Y. staff, one additional TV Code meeting a year and several subcommittee meetings, more staff travel & research. New rate is based on 7 times station's highest 30 sec. rate, with \$500 minimum, \$2,200 maximum. At present, fee is highest hour rate plus 15%; minimum \$350, maximum \$1,400. Under new rate, 41 stations will pay \$500 minimum, compared with 20 who now pay \$350 minimum. On other end of scale, 127 subscribers would pay \$2,200 maximum.

Code Dir. Stockton Helffrich told Board 30 sec. rate base was picked because it rises faster than minute rate, "thus providing the Code Authority with some built-in annual escalation of stations' fees to help offset normal increases in operating expenses." If ratified, new struc-

Consumer Electronics

CBS TO UNVEIL 4-channel matrix disc system next week in Switzerland. Low-cost & more deluxe decoders planned. System competes with those of Electro-Voice & Japan Victor. (P. 7)

COLOR PRICE INCREASES announced by Admiral, Packard Bell & Sylvania at conventions. Admiral shows 18V" color at new low of \$299.95. Sylvania guarantees sets against DOA, chops console stereo line, stressing components. Packard Bell shows its answer to Instamatic. (Pp. 8 & 10)

FIRST-QUARTER TURNAROUND shown in quarterly survey of industry financial figures, consumer electronics specialty firms aggregating net profit increase of 767% on 33.6% sales gain over 1970 prices. (P. 9)

JOKER IN FTC RULE on amplifier power ads claimed by EIA, which calls specification of 'minimum' power ratings attempt to 'rewrite textbooks'. EIA, IHF urge rule specify standard test techniques. (P. 10)

TV IMPORT GROWTH achieved in first quarter without significant price reductions. Taiwan & Mexico prices up slightly, Japanese prices down. (P. 11)

WARWICK WORKERS SEEK import-impact assistance as result of Zion, Ill. plant closing. New chairman named for Tariff Commission. Japan's April color TV shipments to U.S. climb 150%. (P. 12)

ture becomes effective Oct. 1, except for 2-step increase in maximum—\$2,000 this year, \$2,200 in 1972.

Code Board heard presentation by nutritionist Robert Choate on children's commercials ("some of his ideas were sound, but most were clear out in left field," said Board member), then set up new Subcommittee on Children's Advertising and asked for report in Dec. (Note: ABC last week pulled out of discussions with NBC looking toward jointly-produced late afternoon children's show. CBS had pulled out earlier [Vol. 11:11 p3]. ABC said action "doesn't preclude the possibility of exploring other joint projects." Network dropped out because it expected many affiliates to refuse to clear show. NBC said "we will continue to see what we can develop," is known to be planning daily, pre-school-age show at 1:30 p.m.)

That Code bugaboo for years—Preperation H—finally got green light when Board recommended (on 5-3 vote) that hemorrhoidal remedies be accepted. Also established was subcommittee to review "current prohibition against the advertising of certain feminine hygiene products in light of research of changing attitudes." Action came after BBDO presentation on behalf of Confidets sanitary napkins and following defeat of motion (6-2) rejecting such advertising.

Roger Rice, KTVU Oakland-San Francisco, made successful pitch (using slides) for relaxed time standards for independent stations. Board recommended that non-network subscribers be permitted 12 min. per hour commercial matter in prime time (present maximum is 9 1/2 min. for all subscribers). This issue has been debated many times, also, and its expected change will bring several independents (Metromedia is prime target) into Code.

FCC NEARS CATV 'MINIMUM SERVICE' RULES: It now appears that June 15—when Sen. Pastore (D-R.I.) has called FCC before his Communications Subcommittee as "first step" toward creating a "national policy on CATV"—will be magic date when TV & cable industries get first definitive indication of what direction Commission is going in cable regulation. Hearing is day after FCC Chmn. Burch is due to return from 2 1/2-week trip to Europe, and as he left last week commissioners & staff were in state of mass confusion over just what Commission intends to do. We talked to many sources at FCC, found numerous contradictions, though all stressed nothing has been finalized.

Commission's Cable Bureau is drafting document to include complicated "minimum service" standards, to wit: (1) In top 5 markets, 3-3-1. Cities which already have 3 independents (all 5) could import 2 additional independents. (2) Markets 6-100, 3-2 (one v, one u)-1. Markets which presently have one or 2 independents also could import 2 more signals. (3) Below 100, 3-1-1. If there's already independent, one more signal could be brought in. (4) Add to all of above—signals receivable off air within 35 miles of city (exact measuring point not decided) would be considered "local" and must be on cable. Exempt from 35-mile standard would be Washington-Baltimore & Boston-Providence. Some sources at FCC say that 35-mile signal would be defined as one which already is viewed by "significant or substantial" part of audience; others say no such determination has been made.

Most at Commission agreed on some points: No decision has been made on leapfrogging or any restrictions on where distant signals could come from. It's also understood that FCC is ready to rule that only 50% of system's channels can be used for retransmission of TV stations; remaining capacity would have to be reserved for originations & local access. Commission's decision won't be unanimous, as had been expected by some (Vol. 11:21 p2). At least one commissioner already is preparing dissent on his understanding of what's already been decided. Left unchanged are decisions reached earlier—preempt local regulation, leave copyright resolution to Congress. Technical standards still haven't been discussed to any degree.

Burch called on Pastore & House Communications Subcommittee Chmn. Macdonald (D-Mass.) last week to explain why no CATV proposals would be forthcoming by end of May as planned (Vol. 11:19 p2). June 15 hearing grew out of Burch-Pastore session. Commission is expected to outline all the alternatives it has considered, then say "here's what we plan to do," let Congress take it from there. Effective date isn't expected to be set before Senate hearing.

* * * *

As expected, Commission last week stayed program origination rules pending hoped-for

Supreme Court review of 2nd Circuit Appeals Court decision which declared rules unconstitutional (Vol. 11:20 p1). FCC reportedly has received "unofficial assurances" from Solicitor General that Justice Dept. would back Commission in seeking Supreme Court review. In another decision last week, Ohio Supreme Court overturned lower court action by ruling that cable systems have right to use power & telephone company poles without seeking easements from individual land-owners. Appeal had been filed by Cypress Cable TV.

SHOWDOWN NEARS AS STAGGERS SUBPOENAS STANTON: To bolster possible contempt of Congress case, Rep. Staggers' (D-W. Va.) Investigations Subcommittee has subpoenaed CBS Pres. Frank Stanton to testify June 9 and surrender outtakes from documentary "Selling of the Pentagon." Action was hardly unexpected (Vol. 11:19 p3 et. seq.) since Subcommittee considered Stanton's appearance logical follow-up after network refused April 7 demand for all material used in preparing documentary. However, to tighten case against CBS, Subcommittee withdrew earlier subpoena, which it felt courts may consider too broad, and substituted more precise one demanding only outtakes from material actually aired.

Positions on both sides now appear irrevocable. Staggers has vowed to "follow it through" to Supreme Court (Vol. 11:21 p3), and CBS spokesman said that while Stanton would testify, "our basic position in declining, on First Amendment grounds, to provide material not actually broadcast remains unchanged."

CBS may have Administration on its side, if remarks of White House Communications Dir. Herbert Klein are any indication. For 2nd time, he voiced strong objection to Staggers' investigation (Vol. 11:17 p3) in telling Ia. Bcstrs. Assn. last week: "I believe this is wrong and an infringement on freedom of the press. It could lead to further subpoenas of a reporter's notes." He said Administration "is not in favor of further restrictions" on broadcasters. "There has been no effort to intimidate the industry, and there will be none," he said.

"Filmed outtakes are not the equivalent of [reporter's] notes and have never been so held by a court of law," Subcommittee said in explaining unanimous vote on new subpoena. "The images & sounds appearing on such material are those pertaining to actual events recorded for possible presentation to the public. As such, they cannot be equated to the private thoughts & impressions of a reporter committed to a notebook. When such material is subsequently presented to the public as bona fide evidence concerning an actual event, the public has a right to be assured that such evidence is what it purports to be." Holding that documentary involved "questionable & deceptive practices," members particularly want to see complete film interview of Asst. Defense Secy. Henkin, who claimed his remarks were distorted (Vol. 11:20 p4).

Subpoenas for other CBS personnel such as News Pres. Richard Salant & "Pentagon" producer Peter Davis were considered by Subcommittee but rejected. "Our quarrel is with the people who set the policy," aide said. We're also told Subcommittee may subpoena other network presidents later when it investigates general topic of network news practices. "There seems to be a difference in corporate philosophy among the networks," we were told.

FCC may also find itself testifying before Subcommittee in separate investigation of "gradual erosion" of Commission's authority over news practices. It's understood that Staggers was upset when Commission refused to censor CBS (Vol. 11:18 p3), considers it inconsistent in face of FCC's reaction to coverage of 1968 Democratic convention in Chicago and Metro-media ruling (Vol. 8:31 p4) same year. In latter case, FCC criticized Metromedia for not exercising "reasonable diligence" to prevent "deliberate distortion" of video-tape interview by Canaan Productions with Presidential Asst. John P. Roche on Vietnam war. During interview, Q & A with Pierre Salinger (who wasn't present) was inserted.

While new subpoena drew little initial reaction from rest of Congress, (Rep. Ogden Reid [R-N. Y.], former publisher of defunct N. Y. Herald Tribune, called it "irresponsible harassment"), Salant also spoke to Ia. Assn. He said threats from Vice President Agnew have been "overtaken by the Staggers story. While we were looking over our shoulders at the executive & administrative sides of the government, we were hit on the blind side by a unit of the legislative branch. For what we had feared was involved in [Agnew's] attacks is now in fact involved in the current actions of Chmn. Staggers... The whole thing can be dressed up in a lot of words about distortion... But when you cut through all this language, it is nothing more and nothing

less that government surveillance of news—an attempt of a government body to sit in judgment on news editing and news accuracy."

1971-72 TELEVISION FACTBOOK: Fresh, new Television Factbook No. 41 is now in final stages of production, will be mailed in June. For highest-priority shipment immediately as volumes come from bindery, use enclosed order card.

Now in its 2nd quarter century, industry's fundamental reference work runs 1,800 pages in 2 volumes, updated throughout. Most meticulously researched document in field, Factbook includes more than 100 directories of all kinds—including full page for each commercial station in U.S., with map of its Grade A & B contours, audience coverage patterns county-by-county, personnel, ownership, technical facilities, representatives, (legal, engineering, sales), addresses (plus phone & TWX), digest of rate card, etc.

In CATV field, extent of detail is unique—serving as fundamental reference for FCC actions, court decisions, congressional deliberations, as well as the prime business directory of industry.

Among other features: Complete tabulations of station & receiver growth; financial performance of TV stations market-by-market, year-by-year; station-by-station tabulation of studio equipment (cameras, recorders, etc.); details of all TV station sales since 1949; directory of all TV CPs and pending applications; directories of communications attorneys, engineers, brokers, management consultants, reps; latest listings of network executives, affiliates & rates; trade associations; publications; equipment manufacturers; ad agencies; TV channel allocations (including Canada & Mexico); extensive directory of all overseas TV stations; translators; group station & CATV system owners, etc. For further information, consult enclosed brochure. (Note: All packing, handling & shipping charges will be prepaid if you send full payment with your order.)

Ceiling on campaign gifts, set by Senate Commerce Committee at \$5,000 per individual to any single candidate, is likely to be killed by Senate Rules Committee. Testifying last week, Deputy Atty. Gen. Kleindienst said such limits would be "a very serious mistake," unconstitutional, unenforceable and create widespread abuse. "The solution to this problem lies in full, timely disclosure of both contributions & expenditures," he said. Sen. Hollings (D-S.C.), who heads Senate Democratic Campaign Committee, also opposed provision, as did Rules Committee Chmn. Jordan (D-N.C.) and most Republicans. Kleindienst also said that media spending limits should be an over-all 10¢ (per vote), instead of present 5¢ on broadcast, 5¢ on print. Committee is considering other GOP demands for Federal Elections Commission, specific limits on how much of his own money candidate may spend, full disclosure provisions. Democrats hope to get bill out of Rules & Finance Committees to floor by mid-June. In House, Communications Subcommittee Chmn. Macdonald (D-Mass.) scheduled hearing on spending bill June 8 (Vol. 11:21 p5).

D. C. Appeals Court has been asked to reverse FCC ruling that Chevron gas commercials aren't "controversial" under fairness doctrine and thus free time need not be given to answer them (Vol. 11:20 p7). Complaint had been filed by 2 citizens against L.A. & San Francisco TV stations. Also last week, Commission ruled that Armed Forces recruiting spots don't raise controversial issue and denied time to 2 groups to respond. Comr. Johnson dissented.

Voicing surprise & anger, House Communications & Power Subcommittee Chmn. Macdonald (D-Mass.) quickly mustered enough votes last week to defeat legislative sleeper that would have removed all power & energy jurisdiction from Subcommittee. Soft-peddled by Rules Committee, bill created special 7-member committee to investigate all energy resources in U.S. Sponsored by Rep. Anderson (D-Tenn.), bill was co-signed by Commerce Committee members Tiernan (D-R.I.), also—on Macdonald's Subcommittee—Murphy (D-N.Y.) & Stuckey (D-Ga.). Tiernan & Murphy voted against it, Stuckey didn't vote. "Does he (Anderson) believe there should be another select committee to oversee what we are doing?" Macdonald asked. "If we are doing something wrong, what are we doing wrong?... Nobody from any committee which could be adversely affected was invited to testify before the Rules Committee." Bill was defeated 218-128.

Prime-time rule "has proven... to be a lead balloon, upended & suspended, waived & shaved," Triangle Bcstg.'s George Koehler told Philadelphia TV-Radio Ad Club last week. "The opening of prime half-hours in the major markets would have produced a flood of programs and ideas by now, if the premise were sound. Instead, the trickle of production is largely imitative & unpalatable and the loser is the public."

Chief Justice Warren Burger will be interviewed on TV for first time by ABC's William Lawrence July 5. He's forbidden any TV coverage of his speeches, denied other interview requests.

OTP's 'RESPONSIBLE LEADERSHIP': Over strong Justice Dept. (JD) objections, particularly Antitrust Div., Administration is proposing that all branches of govt. clear communications matters with OTP before sending papers to Congress or FCC. Recommendation has solid support of OMB, which is now govt. clearing house, and OTP Dir. Clay Whitehead. It certainly confirms his recent statement to us: "We don't intend to become just another player on the crowded field of communications. We hope to exert responsible leadership" (Vol. 11:5 p1).

However, others consider it a power grab that would muzzle any variety of opinion, would be far different from pro-forma dealings now with OMB. OTP spokesman denied charges. "No one is trying to muzzle anybody. It's all a matter of interpretation," he said. He added that JD & OTP lawyers were still discussing subject, thinks antitrust matters wouldn't require OTP approval.

TvB criticism of NSI reports "is misleading & unfair," Nielsen Exec. Vp Henry Rahmel wrote TvB Pres. Norman Cash last week. "Sending identical letters to ARB & Nielsen [Vol. 11:20 p5] tends to imply that both services fall equally short of the mark in reporting audience levels." Rahmel reminded TvB that NAB studies "clearly show" that diary-based NSI has reported higher viewing levels than ARB, that NSI long-term trends "clearly parallel" meter trends, "indicating that NSI reflects real changes, not variations due to changes in measurement techniques."

N. Y. C. has 19 TV stations—temporarily. Eight of area's 11 outlets are now simulcasting on uhf translators, aimed at area north of Empire State Bldg. where interference is expected from 110-story World Trade Center. Use of translators is interim measure to be discontinued on completion of scheduled move of transmitters to WTC. However, interference to TV reception is minor and WTC owner N. Y. Port Authority is expected to seek to nullify contract (unless interference worsens) under which it agreed to finance move.

Amarillo TV stations engaged in "hypoing" during Nov. 1970 rating period, FCC ruled last week: KVII-TV through questionnaire on news; KFDA-TV in 8-page newspaper supplement; KGNC-TV by doubling number of billboards. Stations were ordered to tell Commission within 20 days procedures to be used in future.

Workload of conglomerates under FCC scrutiny was lightened somewhat last week when Commission announced that internal communications must be filed for 1968 only. Originally, FCC had sought such information for 1967 & '69 as well. Comrs. H. R. Lee & Johnson dissented.

News distortion and network cancellations were most complained about to FCC in April—though total complaints were only 2,765, a decrease of 245 from April 1970. Other comments & queries totaled 3,162, a drop of 1,925 from last year.

NAB has appealed FCC fee schedule to 5th Circuit Court of Appeals (New Orleans), charging fees are "illegal & discriminatory."

Affiliates will pay networks for right to carry programs in 1980s—rather than other way around—NBC-TV Pres. Donald Durgin predicted at ANA workshop in N. Y. last week. He also foresees end to practice of paying agency & talent commissions, and return of advertisers to full program sponsorship. "These are not positions I, or certainly NBC, are necessarily advocating," he said. "I offer these observations merely as my best guess." At same workshop, Taft Bcstg. Exec. Vp John McClay said his company would limit commercials in 90-sec. station breaks to advertising of 3 products, effective Oct. 1. He said concept has been tested and that some advertisers are willing "to pay a small premium." McClay also said Taft would limit commercials in prime time returned to stations under 3-hour rule to same number now carried by networks.

CBS & Viacom were left at altar again last week, as FCC failed to reach decision on network's proposed spin-off of CATV & program arms. Commission discussion of subject ended in confusion following unexplained electrical explosion in basement which forced evacuation of FCC building—though commissioners continued meeting on 8th floor until most of lights went off. It's understood Commission majority would force all CBS officers & directors to dispose of all Viacom stock as condition for approval—though some expect that 1% stock ownership will be permitted before final resolution. Item was circulated late last week, and it's understood lineup (though final vote wasn't taken) stood 3-2 for approval, with Burch & Wells not participating.

Rep. Sebelius (R-Kan.) has polled colleagues on news, found that 60% think newspapers are "most objective," 15% broadcasting, 15% "other." News coverage of Vietnam was deemed fair by 62%. In other polls: (1) Rep. Winsahl (R-O.) asked constituents if "fair, unbiased news coverage" is presented by media. Radio ranked highest, 35.9%; TV 30.4%; newspapers 26.3%; news magazines 31.7%. Unfair vote was lodged by 64.3% against newspapers; 59.7% TV; 49.2% radio; 48% magazines. (2) Gallup survey for Newsweek found that 51% are satisfied with TV programming, 44% aren't. Newsweek said just over half of 1,500 respondents think there's too many commercials on TV.

Since divestiture may require more time, FCC has rescinded 6-month limit for Frontier Bcstg. to sell KFBC-TV Cheyenne, KSTF Scottsbluff, Neb., KTVS Sterling, Colo, and CP for KVRW Rawlins, Wyo. Following April 22 conference with Frontier, Commission agreed to receive confidential progress reports within 4 months and each 60 days thereafter.

Merger of Corinthian Bcstg. and Dun & Bradstreet was consummated last week, despite court appeals lodged by WLFV-TV Lafayette, Ind. & Anthony Martin-Trigona (Vol. 11:21 p6). Corinthian holders received .675 D&B shares for each Corinthian share.

Fairchild Industries has purchased KLIF(AM) Dallas from Gordon McClendon for \$10.5 million in "the first step of a program to expand into commercial broadcasting." Blackburn was broker.

FCC fined WKEF Dayton \$1,000 for unauthorized power increase during extensive test period.

Personals

Thomas Swafford, CBS vp-international services, promoted to vp-asst. to Bcst. Group Pres. **Richard Jencks**; **Conrad Ennis**, ex-sales mgr., WBBM-TV Chicago, appointed midwest sales dir., CBS-TV National Sales; **Stuart Stringfellow** promoted to Chicago sales mgr.; **Robert Goldfarb** elevated to program analysis mgr., CBS-TV N.Y.

John Reynolds, interim head of KTLA L.A. since Jan. and one-time CBS-TV pres., appointed vp-gen. mgr. of station. Owner Golden West Bcstrs. also announced station wouldn't be sold to educational KCET L.A. (Vol. 11:18 p5)... **Asa Stallworth**, vp & gen. mgr., WJBF-TV Augusta, Ga., named pres., parent Fuqua Communications... **Gardner Cowles**, Cowles Communications chmn., elected a N.Y. Times dir.

Elected vps, WGN Continental Bcstg.: **Bradley Eldmann**, exec. vp, gen. mgr. & dir., WGN Continental Productions; **Donald Getz**, gen. sales mgr., WGN(AM) Chicago & vp, WGN Continental Sales; **Robert Henley**, WGN program mgr. & dir., WGN World Travel Services; **Robert Irving**, personnel & industrial relations mgr., WGN Continental; **Jack Jacobson**, WGN-TV program mgr. Elected dirs.: **Marvin Astrin**, gen. mgr., WGN; **Ralph Batt**, vp & engineering mgr., WGN Continental. **W.F. Caplice**, WGN Continental secy., elected treas.

Stuart Felstein, ex-FCC gen. counsel's office, named asst. gen. counsel, NCTA; **William Jensen**, ex-FCC asst. gen. counsel for enforcement & defense, appointed FPC hearing examiner... **Wilmer Tinley**, FTC asst. gen. counsel, retires... **Phillip Hochberg**, ex-Smith, Pepper, Shack & L'Heureux, joins Washington law firm Daly & Joyce.

Paul Hamel advanced to general sales mgr., WSMW-TV Worcester, Mass... **Donald Hess** elevated to program/promotion dir., WTOL-TV Toledo, succeeding **Mickey Hooten**, now asst. gen. mgr., WIS-TV Columbia, S.C... **Bill Addison**, ex-KMOX-TV St. Louis, named news dir., KPLR-TV St. Louis.

Donald Kearney resigns June 15 as Corinthian TV sales dir. to pursue studies in Europe... **Harold Wohlwend**, ex-WTOL-TV Toledo, appointed controller, Cosmos Bcstg... **Fred Petrosino**, ex-Metro-media TV Sales, appointed local sales mgr., WTOP-TV Washington... **Phillip Beigel**, pres., Broadcast Educators (instructional material), N.Y., appointed TV program consultant, Downe Bcstg.

John Jones, ex-KTTV L.A., named sales mgr., Metro TV Sales, L.A., succeeding **Lew Freifeld**, now Metro TV Sales, Chicago... **William Coldwell**, ex-Edward Petry, named national sales mgr., Tel-Com Assoc... **Sydney Willson**, ex-BFA Educational Media, appointed midwest sales rep, NBC Educational Enterprises.

Anthony Reynolds, ex-Spitz Laboratories, named mfg. dir., C-COR Electronics... **Don Whiteley**, promotion & ad dir., Mullins Bcstg., elected a BPA dir... **Robert Schenckan**, pres.-gen. mgr., KLRN-TV Austin, & **Charles Vaughan**, pres.-gen. mgr., WCET Cincinnati, elected PBS dirs... **Richard Meyer** advances at WNET N.Y. to Educational Bcstg. Corp. education div. pres.

Don Silverman, Creative TV pres. joins Screen Gems International as production dir., for Australia & Far East... **George Stein**, ex-P&G, named mktg. dir., Nation Wide Cablevision.

John Hoffman elevated to business & financial activities mgr., TeleMation international operations, which moves hq from N.Y. to Salt Lake City... **Fred Furnish** promoted to mgr., GE's Decatur, Ill. CATV system, construction beginning in July... **David Hanson** advances to North Bay mgr., Tele-Vue Systems, Fairfax, Cal.

Broadcast industry "can do without more legislation—like cigaret advertising and like the political broadcasting bill which President Nixon vetoed—which discriminates against broadcasting in favor of newspapers and other print media," according to FCC Gen. Counsel Richard Wiley. Speaking to Iowa Assn. of Bcstrs., he said he "strongly agrees" with Commission refusal to apply fairness doctrine to Chevron commercials (Vol. 11:20 p7). "I have little doubt that the adoption of a scheme of tracking advertisements with so-called 'truth spots'... would result in undermining our commercially-supported broadcasting system," he said. "We cannot so structure our fairness, access & public interest standards to demand more of [broadcasting] than it can effectively & reliably perform within the confines of a limited spectrum. Nor, I think, can we properly remove from the broadcaster the right in the first instance to exercise his professional programming judgment."

Mullins Bcstg. stations—KBTB-TV (AM) Denver & KARK-TV-AM-FM Little Rock—and outdoor advertising subsidiary have been sold to Combined Communications for over \$27 million. Mullins had 1970 sales of \$14.4 million, Combined \$26.1 million. Combined Pres. Karl Eller said present management of Mullins' stations would be retained. Approved by FCC last week were sales of WUSN-TV Charleston, S.C. (\$2 million), KCBT-TV Lubbock, Tex. & satellite KSWB-TV Roswell, N.M. (\$6 million) to Columbia (S.C.) State-Record. Comr. Johnson dissented; Comr. Bartley dissented to WUSN-TV sale.

"Free flow of information" could be inhibited through group interviews with community leaders to ascertain local needs, FCC said last week in letter to KATU Portland, Ore. Station had asked whether Portland stations could jointly interview community leaders. Responded FCC: "There may be a tendency on the part of those leaders interviewed to be more influenced in the presentation of their ideas by the presence of other leaders than might be the case in person-to-person contacts." Comr. R. E. Lee dissented.

WHDH-TV Boston should be forced off Ch. 5 Sept. 26 and facility turned over to Boston Bcstrs. Inc. (BBI), BBI has told Commission in continuing by-play between bitter antagonists (Vol. 11:20 p5). BBI said date "coincides substantially" with network fall season and will permit "more orderly planning" by BBI & CBS. Also, BBI charged, WHDH-TV's continued "harassment & intimidation" of BBI "principals, their associates & innocent persons" should be censured by FCC.

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended May 14 (19th week of 1971):

	May 8-14	1970 week	% change	May 1-7	1971 to date	1970 to date	% change
Total TV.	157,413	127,777	23.2	148,471	3,477,079	2,984,444	16.5
color	81,799	59,436	37.6	79,425	1,843,766	1,488,584	23.9
monochrome	75,614	68,341	10.6	69,046	1,633,313	1,495,860	9.2
Total radio	332,395	294,651	12.8	312,880	6,874,539	5,718,307	20.2
home, portable	124,687	105,433	18.3	112,319	2,839,085	2,388,007	18.9
AM-only	73,966	61,319	20.6	66,302	1,693,267	1,554,063	9.0
FM & FM-AM	50,721	44,114	15.0	46,017	1,145,818	833,944	37.4
auto	207,708	189,218	9.8	200,561	4,035,454	3,330,300	21.2
Total phono	40,449	46,167	-12.4	38,973	1,302,518	1,013,708	28.5
portable-table	28,938	31,580	- 8.4	27,572	1,005,817	656,751	53.2
console	11,511	14,587	-21.1	11,401	296,701	356,957	-16.9

Color TV 5-week moving average: 1971-83,572; 1970-57,812 (up 44.6%)

CBS TO UNVEIL 4-CHANNEL DISC SYSTEM: After months of fence-setting, CBS has decided to enter matrix 4-channel stereo ring, plans public demonstration next week at International Music Industry Conference in Montreux, Switzerland. Other major "4-2-4" systems vying for acceptance as industry standard are from Electro-Voice & Japan Victor.

Like those of competitors, CBS system has encoder to combine 4 channels of information into 2, which are then transferred to disc or tape. Decoder in consumer equipment restores material to 4 channels. Supporters of all 3 systems claim matrixed material will provide satisfactory 2-channel sound when played on conventional unadapted stereo equipment. CBS & E-V systems, it's said, are also compatible with regular stereo FM broadcasting. Japan Victor's system differs from matrix systems in that it uses FM multiplex signal superimposed on standard 2-channel signal. It has been endorsed by Record Industry Assn. of Japan & EIA-J.

CBS officials declined to go beyond statement issued last year that matrix system was under development (Vol. 10:35 p10), did admit presentation of unspecified nature was to be made at conference. Informed sources say CBS has adopted 2-pronged approach to decoder quality. One decoder is said to be comparable in size, price & performance to low-cost plug-in circuit module being offered to hi-fi OEMs by E-V. Other CBS decoder, more complex & more expensive, is said to provide 4-channel separation comparable to that obtainable by discrete tape systems which utilize one track for each channel. E-V may also be expected to offer more deluxe system, having joined forces with Peter Scheiber, developer of high-performance Scheiber matrix technique (Vol. 11:14 p16).

CBS presumably has dropped system's working title, StereoQUAD, (Vol. 10:41 p10), in deference to campaign by English speaker producer Quad, which is trying to keep brand from becoming generic term for 4-channel stereo. RCA Records is latest to back off, changing designation of 4-channel, 8-track tape cartridges from Quad-8 to Q8.

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MORE PRICE HIKES, MORE 'AUTOMATICS': Admiral, Teledyne Packard Bell & Sylvania joined color price-increase parade last week—Admiral in closed convention saying its prices were up 2-5.5%, Packard Bell boosting by 5% and forecasting another 5% hike before year's end, Sylvania pushing distributor costs up 6% across the board.

All 3 manufacturers joined trend to pushbutton color pictures in their own way. At Kauai, Hawaii, convention, TPB got round of applause when it unveiled "6-function" Tele-Magic control which resembles Motorola's Instamatic even to the illuminated green button. Admiral combined AFC & automatic tint on single button (which it calls AFC/CM), and Sylvania joined automatic tint parade with flesh corrector called Perma-Tint.

On service-warranty front, there were first developments of new-line season. Sylvania distributors & dealers at Miami Beach cheered announcement of "GO" (for guaranteed operational) program—"if it doesn't play, we pay." Covering all color sets, console stereo & b&w, it reimburses dealers at going rate to repair any set not working on arrival. Sylvania also initiated "warranty service credit" program of monthly cash payments to dealers to cover 90-day labor warranty, and extended one-year labor, 2-year parts warranty to all non-console stereo products—components, decks, portables. Admiral now has 90-day service on all color, b&w and audio products. No longer producing color tubes, Admiral discontinued its 3-year picture tube warranty, dropping to industry standard of 2 years.

Price highlight of Admiral's Chicago showing was 18V" color table model at \$299.95, lowest for any U.S.-made set of that size. Admiral didn't reveal any other prices—will announce them later—but said that despite increases it had maintained regular pricing points and offered new merchandise at price points not previously in line. Matrix tubes are featured in 18V", 19V", 21V" & 25V" color sets.

Cartrivision, demonstrated at Admiral's meeting year ago, wasn't shown or mentioned this year. Company spokesman told us Admiral was still committed, but now plans to introduce it a year from now. However, Cartrivision did show up at Packard Bell convention, as expected, where it was demonstrated by Cartridge TV Mktg. Vp Donald F. Johnston. He answered all questions with: "We can't say anything. We're in SEC registration." TPB Mktg. Vp William Horn was non-committal: "We're studying it very thoroughly. We have no timetable. We're not committed to Cartrivision. We're looking at all of them. We don't intend to pioneer it." Cartrivision is scheduled to be shown in working sessions at this week's Emerson convention.

Sylvania's color line, with both 100% solid-state (14 sets) and largely solid-state chassis, is same length as year ago, features 11-button varactor tuners (any vhf-uhf combination) in sets \$795 & up. Two-function remote controls add \$60 on 19V" portables & 25V" table model; full-function memory remote is \$100 step-up on leader \$569.95 25V" console, \$120 feature on others—up from \$100 last year (same increase as on Magnavox & RCA remotes). Sylvania showed 2 unique 25V" middle-of-line sets for fall delivery—in shiny white lacquer cabinets with pedestal bases, resembling RCA's showcase 2000 set—open-face set to sell at around \$695, one with ash burl doors at about \$750. Line has 7 combinations, 5 extremely compact, only slightly wider than conventional consoles.

Monochrome line features AC-battery portables in 9V" & 12V" sizes, both at \$99.95. Most of Sylvania's 9V" & 12V" sets are made by Hitachi in Taiwan; Sylvania Hong Kong sets are no longer in line.

Biggest changes in Sylvania line are in audio products. Traditionally long console line has been chopped from 28 to 16 models, covering 5 price points from \$229.95 to \$529.95. Portable stereos are down to 4 models—giving way to company's longest line of compact & component models, featuring 10 stereo compacts; plus component receivers, turntables, decks & speakers. New is \$149.95 speaker, Sylvania's challenge to major manufacturers of high-priced equipment. Mktg. Vp William E. Boss estimated that industry-wide sales of audio products this year will equal those of TV at \$2 billion.

Sylvania announced biggest ad program in its history, and offered dealers professionally made "tailored" commercials for local use at about \$200 each.

TPB showed huge line, including 21 new color consoles, preserving former pricing points. Tele-Magic color button covers color, hue, flesh corrector (Tele-Matic), brightness, contrast, AFC. Horn forecast that such single-button controls "will be the way of life—the most exciting thing since color itself. It probably will be in all lines in a couple of years." Color line contains no 19V", 20V" or 21V" sets, continues TPB's "remote-ready" feature which lets user add remote control later.

While others were reducing stereo console lines, TPB added 30 models, including top-end unit (\$1,295) with 4-channel tape deck and 2 additional speaker enclosures housed in ends of cabinets, to be removed for 4-channel listening. Rest of high-end line is 4-channel convertible. Admitting TPB is bucking trend, Horn said the 20 million households dominated by those in 35-64 age bracket constitute "sizeable & growing market."

TPB said it wrote more business at this year's Hawaii convention than at any previous meeting. It reported expansion into national distribution has reached 90% of country, will hit 100% this year. New Pres. C. Gus Grant stressed weight given company by parent Teledyne since merger in 1968, supporting national coverage which has grown from 18 West Coast distributors to 40-plus, including Hawaii, Alaska & Guam. TPB also: (1) Disclosed dealer financing arrangement with GAC. (2) Said ad fund for distributors ("Operation Headstart") will be available in fall for local media—no plans yet for network TV. (3) Estimated industry sales this year will run 6.2 million color, 6.8 million b&w. (4) Said 1972 meeting probably will be in Hawaii again. In Feb., however, there is trip to Rio for winners in dealers' competition.

Horn predicted industry "will manufacture at a very conservative rate this year—there won't be an overabundance this fall." He stressed TPB servicing, noted it's industry's 2nd largest system, calling it one of company's strongest points with dealers—together with long, high-style stereo line.

GE, meanwhile, reached compromise between components & consoles with series of "floor component" systems. Among models: Futuristic white-laquered pedestal-base stereo whose matching speakers fit snugly around pedestal, can be moved for separation; floor-standing system whose sides can be moved to become separate speakers; chest whose bottom doors open to reveal 2 removable speakers. (Details of new sets on p. 10).

FIRST-QUARTER TURNAROUND FOR INDUSTRY: Sharp rebound in profits is shown in our quarterly survey of 20 bellwether consumer electronics firms, indicating reversal of trend which saw net profits down by 64% in 1970 (Vol. 10:12 p9).

Our tally of 14 companies specializing in consumer electronics indicates an aggregate increase in net profits of 767% over first quarter 1970, based on method of deducting losses from total profits. If losses are ignored, profit increase amounts to 33.6%. The 14 companies had sales increase of 17.3% over 1970 quarter. Eleven companies increased profits, or decreased losses, in 1971, while 3 firms reported lower profits or higher losses. Nevertheless, 6 of the 14 firms operated at loss in first quarter 1971, same number as in 1970. Sales increases were reported by 10 of the 14.

Five more diversified firms, which produce consumer electronics along with many other products, registered total sales increase of 6.2%, but no aggregate improvement in earnings. (GE was excluded from tally because its large figures would distort total; if it had been included total profits would be up markedly.) Including GE, 4 of the 6 firms showed increased sales & earnings in 1971. None registered losses in first quarter vs. one (GE) in 1970.

Our tally of consumer electronics specialist firms consisted of Admiral, Andrea, Automatic Radio, Esquire, Magnavox, Curtis Mathes (quarter to Feb. 28), Soundesign, Superscope, TMA (to Feb. 28), Teletronics, Tenna, Warwick, Wells-Gardner, Zenith. In addition to GE, diversified firms were Arvin, GTE Sylvania, Motorola, NUE, RCA.

Color TV sales to dealers set record for year's 19th week, 3rd consecutive week they've hit all-time high for respective week, according to EIA domestic-label figures (see State of the Industry). Portable & table phono sales dropped below comparable 1970 week for first time this year in May's 2nd week.

Six more FM stations have adopted Electro-Voice Stereo-4 encoding system for 4-channel broadcasts (Vol. 11:2 p9)—Bonneville International's outlets in Salt Lake City (KSL-FM), L.A. (KBIG-FM), Seattle (KIRO-FM), Kansas City (KMBR), Chicago (WCLR), N. Y. (WRFM).

LAST WEEK'S NEW SETS: Sylvania color line has 72 models, same as last year (see p. 8). Two 14V" are \$299.95 & \$319.95, up \$40 & \$50 from last June's predecessors; 18V" leader is unchanged at \$349.95, with 2 step-ups to \$389.95; 19V" line has 6 models, \$399.95-\$499.95, including limited-function remotes at \$489.95 & \$499.95; three 21V" table models are \$449.95-\$469.95, leader up \$10 from last previous price, while two 21V" consoles at \$489.95 are up \$20. Single 23V" table model, \$479.95, is \$60 higher than last leader set in that category; 23V" consoles (7 models) are \$499.95-\$569.95, with \$10-\$20 increases over last June and leader up \$40 from last leader 23V". There are four 25V" tables, \$529.95-\$609.95, top-end unit being limited remote at \$60 premium. There are 40 consoles with 25V" screens at \$569.95-\$1,115, including remote-control models at \$100-\$120 step-up. Seven combos are \$895-\$1,295, some up \$100 from predecessors.

Monochrome sets include AC at \$84.95 (up \$5) & 99.95, AC-battery \$99.95; 12V" are \$89.95-\$109.95, including new AC-battery model at \$99.95; four 19V" are \$124.95-\$149.95, with stands included at \$139.95 & up; 22V" tables with stand are \$179.95 & \$189.95 (leader up \$10), while 22V" consoles are up \$10-\$30 at \$199.95-\$229.95.

Sylvania's stereo component line has been expanded to include 10 compact systems at \$79.95-\$479.95, three receivers at \$129.95-\$199.95, five speaker systems, 2 cassette stereo ensembles. There are 5 portable cassette recorders. Radio line is largely unchanged, except for addition of some FM-AM table & clock units.

Teledyne Packard Bell offers 12V" color hold-over at \$229.95 (down \$10), 15V" at \$279.95 & \$329.95 (vs. former \$269.95 start), 18V" at \$379.95 & \$399.95, five 23V" consoles at \$449.95-\$529.95, line of 25V" consoles in 23 models at \$499.95-\$850, two 23V" combos at \$999.95 (down \$100 from predecessors). Monochrome line features \$5-\$10 price reductions in 12V" & 16V" categories, starts with 9V" at \$79.95-\$89.95, with 12V" at \$89.95-\$114.95, 16V" at \$114.95-\$139.95, leader 19V" down \$10 to \$129.95, other to \$169.95, TPB's 32 stereo consoles are \$199.95-\$1,295, with 8 modular stereos at \$129.95-\$429.95.

GE, in addition to its "floor component" series (see p. 9), is introducing 8 conventional consoles, some completely finished on all sides and made of plastic-and-wood combinations. Models at \$399.95 & \$499.95 give purchaser choice of cassette recorder-player or 8-track player, included in price; another model at \$349.95 has built-in 8-track unit. Other models range \$199.95-\$729.95.

Crown added solid-state 12V" color set at \$299.95, solid-state 13V" b&w with 2-hour shut-off timer at \$159.95.

Ampex & BASE will both market lines of blank chromium dioxide tape cassettes this summer. While CD tape offers better frequency response than high density ferric oxide tapes currently on market, only recorders equipped with bias adjustment control can utilize capability. Ampex cassettes, in C-60 & C-90 lengths, will list at \$3.95 & \$5.25.

JOKER IN FTC POWER RULE: EIA thinks it has found major flaw in FTC's proposed amplifier power ad rule (Vols. 11:13 p12, 11:16 p10)—section which it says was "completely misunderstood" during recent hearings. In comments filed with Commission last week, EIA's Consumer Electronics Group (CEG) assailed use of word "minimum" before amplifier power ratings in FTC's rule, said informal conferences with Commission staffers indicated they meant advertised power ratings should be lowest power output in reproduced audio spectrum. CEG cited fact that measurements normally are made at 1,000 Hz reference point, that "minimum" power would normally be found at outer edges of band and accused FTC of "attempting to rewrite the engineering textbooks."

CEG also urged that proposed FTC rule: (1) Include by reference a standard of measurement for power, specifically citing new EIA standard. (2) Permit ads to use sum of power output ratings of all channels rather than specifying "watts per channel." (3) Permit advertising of power figure only without mentioning distortion, so long as total harmonic distortion doesn't exceed 5%, with disclosure of other parameters optional. (4) Become effective no earlier than June 1, 1972.

IHF also urged FTC to specify "widely recognized standard" for measurement, proposing IHF standard and offering to revise it to meet parameters of any FTC regulation. Note: New EIA standard (RS-234-C) has just been published by Engineering Dept., 2001 Eye St., N.W., Washington 20006 (\$2.80).

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.

Videoplayer isn't wanted by vast majority of TV viewers, at least not at currently proposed prices. That's finding of Newsweek-sponsored Gallup poll of 1,500, showing that 62.6% wouldn't spend \$400-\$800 for video cassette system. Nearly 63% said they wouldn't pay \$1-\$5 to watch uninterrupted movie on TV, while 36% of those who had heard of CATV said they would be unwilling to pay \$5-\$8 monthly fee. However, 11.9% who would buy player and 36.6% willing to pay for movies still leaves new field with sizeable market. Gallup noted that survey taken in 1939 found only 16% of respondents interested in buying new-fangled TV receivers.

Toshiba America appoints Edward Gottlieb & Assoc., N.Y., for PR, replacing International Public Relations... **Saxton Products** names Don Smolev Adv. & Graphics, Scarsdale, N.Y., replacing Miller Adv., N.Y.

QUARTER IMPORT TOTALS: Solid gains posted by TV imports in year's opening quarter, compared with same 1970 period (Vol. 11:20 p10), were achieved without significant price reductions and in some instances, in face of moderate increases, analysis of Commerce Dept. totals indicates.

Average price of over-17V" color imported from Japan in quarter was \$178.17, up nearly \$3 from 1970; average for 11V"-17V" color was \$142.11, off \$7, while average for 10V"-&-under dropped \$2.50 to \$143.88. Japanese averages for b&w were: Over-17V" \$59.73 (down \$4.28), 11V"-17V" \$48.65 (down \$2.15), 10V"-&-under \$48.36 (down \$2.10). Average large-screen color from Taiwan was \$175.78, color 11V"-17V" averaged \$114.82 (up \$44.40). Taiwan b&w averages were: Over-17V" \$36.84 (up \$7.84), 11V"-17V" \$43.32 (up \$3.82), 10V"-&-under \$40.65 (down \$1.82). Taiwan price hikes reflect increase in shipments of complete re-

ceivers. In prior years, bulk of over-10V" imports from Taiwan were unfinished chassis. Price of large-screen b&w TVs from Mexico rose less than \$1 to \$64.48.

Cartridge machines, mainly cassette types, captured 86% of tape recorder imports (including radio-recorders), up from 71% in 1970 quarter, with increase of nearly 30% to almost 1.4 million. Imports of reel recorders declined 50% to 221,000. Only strong gain in tape player imports was logged by combination machines, up 149%, showing increasing popularity of stereo FM-AM-tape player compact systems. At same time, imports of home & portable players rose just 3.2%, and car units declined 11.4%. Following are first quarter 1971 imports of consumer electronics, with year-earlier results for comparison. Where no country of origin is indicated, Japan is predominant supplier.

U.S. IMPORTS

	Jan.-March 1971		Jan.-March 1970			Jan.-March 1971		Jan.-March 1970	
	Units	Value (\$)	Units	Value (\$)		Units	Value (\$)	Units	Value (\$)
Color TV, over 17V" .	107,776	19,358,902	55,367	9,796,959	Tr. rad., AM, batt. . .	2,086,000	7,153,909	1,933,274	6,950,173
Japan	102,343	18,235,081	54,709	9,610,145	Japan	533,147	2,876,330	359,579	2,487,988
Taiwan	3,013	529,629	—	—	Taiwan	416,749	1,277,826	261,536	868,009
Color, 11-17V"	127,984	17,867,195	78,807	10,978,202	Hong Kong.	1,061,746	2,819,591	1,178,800	3,266,763
Japan	116,180	16,510,476	68,941	10,277,577	Tr. rad., batt., other. 2	504,740	30,220,905	3,259,904	30,314,006
Taiwan	11,793	1,354,082	9,847	693,472	Japan	998,278	18,524,310	1,078,140	20,384,522
Color, 10V" & under.	13,160	1,893,515	46,649	6,831,451	Taiwan	292,897	3,389,917	371,320	2,508,035
Japan	13,160	1,893,515	46,645	6,829,458	Hong Kong.	1,137,864	6,962,795	1,634,105	6,666,448
B&w, over 17V"	214,883	12,550,635	104,393	5,599,392	Auto radio.	445,602	6,939,484	270,862	4,251,628
Japan	99,303	5,931,444	50,918	3,259,350	Transceiver	393,583	6,051,259	338,208	3,857,944
Taiwan	33,601	1,237,980	30,979	898,426	Radio-phonos	323,545	10,705,217	280,477	7,372,146
Mexico	80,410	5,184,713	22,387	1,424,172	Phono-stereo.	64,188	1,245,491	124,561	1,989,576
B&w, 11-17V"	438,162	20,620,833	325,123	14,921,527	Phono, mono.	26,901	360,952	47,832	401,319
Japan	304,901	14,834,682	237,028	11,093,822	Record changers . . .	1,067,893	11,903,999	924,321	10,291,813
Taiwan	133,109	5,766,881	68,920	2,722,513	United Kingdom . . .	971,818	9,714,707	804,299	8,018,519
B&w, 10V" & under. .	199,709	9,334,688	237,677	11,710,280	West Germany. . . .	71,871	2,067,197	113,252	2,126,795
Japan	155,800	7,534,255	193,602	9,769,567	Rcrrdrs., AC, stereo,				
Taiwan	43,747	1,778,253	39,250	1,666,891	cart.	75,443	2,775,433	66,443	2,583,294
Clock radio.	920,023	9,407,619	451,427	5,125,871	Rcrrdrs., AC, stereo,				
Japan	405,910	4,729,730	264,238	3,465,363	reel.	96,951	5,697,856	174,191	8,816,896
Taiwan	110,486	1,750,276	61,151	626,327	Rcrrdrs., AC, mono,				
Hong Kong.	319,064	2,635,694	101,576	784,889	cart.	198,908	4,445,185	238,378	4,805,702
Tr. rad., AM, AC . .	329,797	1,934,837	409,642	1,985,934	Rcrrdrs., AC, mono,				
Japan	65,072	583,673	95,963	925,325	reel.	36,463	1,210,363	91,860	2,920,519
Hong Kong.	190,538	1,067,373	244,251	779,991	Rcrrdrs., batt., cart..	818,163	14,685,697	533,885	9,172,843
Tr. rad., AC, other. .	632,854	16,659,969	910,807	19,035,831	Rcrrdrs., batt., reel .	87,939	2,439,997	179,394	2,307,057
Japan	461,246	14,353,580	722,025	17,085,567	Radio-recorders . . .	300,977	12,356,163	233,814	9,146,221
Taiwan	99,618	1,421,881	60,819	669,296	Tp. players, auto. . .	620,389	12,125,421	700,512	15,150,587
Hong Kong.	56,416	924,917	109,564	820,286	Tp. players, other. . .	551,784	11,996,776	534,689	13,279,914
					Tp. players comb. . .	334,213	13,903,336	134,255	6,597,011
					Video recorders. . . .	6,046	2,154,275	2,954	1,243,143

Color TV sales this year should top 1970 by 15%, rise to 8-million annual level by 1975, Zenith Chmn. Joseph Wright told security analysts in Cleveland. He said 25 million color TVs will be sold over next 5 years, increasing sets-in-use total to 58 million. By end of period, 11% of homes will have 2 color sets, foreign brands will hold 15-17% market share and replacement market will account for 25% of sales, up from current 10%. He said b&w sales should hold at 6-million during period, with console stereo volume averaging million annually. By end of period, he said, radio should be 45-million-unit market, tape recorder & players 15 million. He predicted that home videoplayer wouldn't start developing as mass-market item until 1973 at earliest.

Prices have been raised average 3.8% on test instruments & power supplies by RCA Electronic Components, but new scale of graduated quantity discounts will lessen increases.

New TV brand making debut at upcoming Consumer Electronics Show in Chicago (June 27-30) is "AGS," logo of Canadian importer American General Supply. AGS was in U.S. market briefly in mid-'60's. Among other new firms due at CES: Marubeni-Iida, Japanese trading company, will show line of "Miida" compact & component stereo systems; Amertape will display own-brand blank tape cartridges; ATC will feature tape players, accessories & lighting displays.

Bill authorizing Commerce Dept. participation in international voluntary standards-setting & certification activities is set for Senate Commerce Committee hearing June 14. Legislation is needed to permit official U.S. involvement in such accords. Meeting on proposed Europe-wide standards for electronic components in London, June 23-25, will be attended by U.S. observer delegation seeking assurances this country will be able to participate fully.

Trade Personals

Peter Behrend named pres. of Craig Corp., succeeding **Robert Craig**, who continues as chmn.; Behrend also remains chmn. of Dimension Specialty Co., overseas procurement organization being acquired by Craig; **Edward Motokane** advanced at Craig from senior vp-operations to exec. vp...**N. Fukuda**, TEAC (Japan) managing dir., also becomes vp-mktg. dir. for U.S. subsidiary.

Donald Russell promoted from corporate planning mgr. to Sylvania Parts Div. new product planning & mkt. research mgr., replacing **Richard Corcoran**, now Electronic Tube Div. product line mgr...**William Rush**, ex-Westinghouse Consumer Products mktg. dir., advanced to pres. of Westinghouse Security Systems, succeeding **William Casey**, resigned...**Joseph Boeckman** promoted to mfg. mgr., GE Tube Products Dept., replacing **A.R. Boerner**, now with Lamp Div.

Howard Steller, who headed old Microelectronics Div., named vp-gen. mgr. of Philco-Ford's new Industrial Learning & Electronics Operation...**Tony Gable** appointed Cal. Auto Radio vp-mktg. dir.; **Ron Gallego** advanced to OEM Dept. mgr.; **Ray Ames** named dealer mktg. mgr.; **Leonard West**, ex-Automatic Radio, appointed Custom Products Div. mktg. dir.; **Mal Maccabee** named to head new Auto Sound Equipment Dept. (accessory manufacturing).

Robert Sarnoff, RCA chmn., received honorary Dr. of Public Service degree from Temple U...**Elisha Gray**, Whirlpool chmn., named to board of Schlumberger...**Birny Mason**, retired Union Carbide chmn., named to North American Philips board...**R. Warren Howe**, Belden mktg. dir., & **David Brook**, controller, elected vps.

E.B. Weathers, ex-GE national mgr. of distribution for major appliances & consumer electronics, returns to previous post as southeast mgr. for GE Dealer Sales Operation...**John Hill** & **James Stevens** appointed Motorola Consumer Products regional sales mgrs...**Don Mizaar** advanced at Motorola Systems to distributor planning mgr.

John Gray, ex-Ampex, joins GBC CCTV Corp. as mgr. of Boston office, firm's first branch operation...**Colin Kidd**, London electronics consultant, named European mktg. dir. for Intersil, which expects to form Swiss mfg. subsidiary...**Raymond Hamjian**, ex-Corning Glass, appointed Aerovox mica & paper/film capacitor mktg. mgr...**Sasch Rubinstein**, dir. of Bell & Howell Magnetic Tape Co. Stereotape Div., appointed mktg. vp.

John Nevin, newly elected Zenith pres., is firm's chief operating officer, not chief exec. officer (Vol. 11:21 p9); latter title is retained by Chmn. **Joseph Wright**.

Panels on selling VTRs & security products are features of NEW Show & Conference, June 3-5, Bal Harbour, Fla. Some 154 exhibitors will show at parts distributors' event.

First TV sets—12V b&w—rolled off Zenith Taiwan production lines in May. Output of 16V" monochrome sets is scheduled to begin in Aug.

WARWICK WORKERS ASK AID: Import-impact adjustment assistance petition, seeking help for workers at Warwick's Zion, Ill. factory, has been filed with Tariff Commission by IUE. Currently used for stereo production, Zion facility made TVs from 1953-1969, is scheduled for shutdown late this year.

New chairman of Commission, if Senate approves, will be former Congresswoman Catherine May Bedell (R-Wash.). Post has been vacant since resignation of Chester Mize last Feb. (Vol. 11:10 p9). Still to come is replacement for Comr. Bruce Clubb, who won't be reappointed when term expires at end of June.

In other foreign-trade developments, Zenith Chmn. Joseph Wright declined invitation to discuss IUE's proposed consumer buying boycott with District 3 Pres. William Bywater, who also heads union's Fair International Trade & Employment (FITE) campaign. Responding to Bywater's letter (Vol. 11:19 p7), Wright said that while he agreed with concept of trying to preserve import-threatened jobs of U.S. workers, he felt such a meeting might be in violation of antitrust laws. Japanese officials said they wouldn't bow to U.S. pressure for upward valuation of yen and would maintain present exchange rate of 360 to dollar.

Japan's April TV exports to U.S. jumped 46% from same 1970 month to 325,000, according to Finance Ministry, which reported shipment of 107,000 color sets (up 150%) & 218,000 b&w (up 21.6%). Four-month color exports to U.S. are up 67% to almost 363,000, with b&w up 37% to nearly 809,000.

Probe of Superscope's trade practices is being conducted by Justice Dept. Antitrust Div., according to preliminary prospectus for proposed 500,000-share stock offering. Company officials were unavailable for comment. Tushinsky family is selling 300,000 of shares offered, reducing holdings from 46.3% to 31.6%, rest coming from treasury. Other information in prospectus: Contract with Japanese supplier (Standard Radio) for Marantz-brand equipment expires July 31, 1973, renewable by Superscope for 3 more 4-year terms; Sony tape line is sold through about 6,000 retail outlets, Marantz line through 1,000; in first quarter Sony line contributed 83% of Superscope's consumer electronics sales (down from 88% in same 1970 period), virtually all of profits. Reynolds & Co. is underwriter.

Chrysler has decided to take plunge into auto radio production. Last year, when naming Motorola as exclusive outside supplier for car radio & tape equipment, firm indicated it might develop in-house back-up capability, manufacturing up to 25% of annual car radio needs. Chrysler, which uses about million radios yearly, said more than 100,000 AM-only ceramic IC radios would be turned out this year in Huntsville, Ala. facility...**Philco-Ford** has started production of stereo-FM-AM car radios for parent Ford. Previous shipments were AM-only.

Mergers & acquisitions: Muter & Potter-Englewood boards approved definitive merger agreement calling for issuance of Potter shares valued at \$3.4 million to Muter holders. Pending shareholder & Justice Dept. approval, merger will go through June 30, surviving firm to be called Pencor.