

WEEKLY

# Television Digest®

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### Broadcast

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**GOP WINS HIGHER SPENDING LIMITS**: Senate Rules Committee reverses Commerce Committee, votes over-all 10¢ per voter ceiling, eliminates Sec. 315 for all federal candidates, strikes \$5,000 limit. House hearings focus on advertising, copyright protection for records. (P. 3)

**CATV ISSUE FOR NAB, NCTA**: Broadcasters in-censed by cable's 'plant a flower in the vast wasteland' PR campaign. NCTA Board to study 'litigation, legislation & regulation' and finalize plans for July convention. (P. 4)

**NADER RAIDS NETWORKS**: Report on antitrust enforcement criticizes FCC, FTC & Justice Dept., alleges networks have news, views & program monopoly. Pay TV & CATV are alternative to 'network hegemony'. (P. 5)

**CABLE IN 5.3 MILLION TV HOMES, 8.7% OF U.S. TOTAL**: U.S. CATV homes numbered 5.3 million Jan. 1, served by 2,570 systems. Those are key figures derived from analysis of material going into new Television Factbook, due off presses later this month. Subscriber total is about 18% increase from the 4.5 million of year ago. Though 120 new systems started in 1970, net gain during year was only 80 (from 2,490 to 2,570)—because quite a few operators consolidated adjoining systems and a few ceased operations. Herewith are some other significant statistics derived from Factbook—industry's basic cable reference work since 1952:

- (1) CATV served 8.7% of country's 60.9 million TV homes Jan. 1 vs. 7.5% last year.
- (2) System size breakdown (with last year's figures in parentheses): 12 (8) over 20,000; 60 (50) with 10,000-19,999; 173 (144) with 5,000-9,999; 121 (123) with 3,500-4,999; 338 (279) with 2,000-3,499; 464 (423) with 1,000-1,999; 474 (427) with 500-999; 734 (730) 50-499. Balance are under 50 or didn't report.
- (3) Average system has 2,060 subscribers vs. 1,810 year ago.
- (4) Of last year's 120 new systems, 4 have 5,000-9,999 subscribers, one has 3,500-4,999;

13 have 2,000-3,499; 22 have 1,000-1,999; 24 have 500-999, 36 have 50-499—balance smaller or unreported.

(5) Nation's top 15 systems: San Diego 47,102, Northampton, Pa. 40,000, N.Y. (Tele-PrompTer) 39,500, Allentown, Pa. 38,275, N.Y. (Sterling) 28,212, L.A. 27,500, Harrisburg 26,000, Altoona 24,500, Santa Barbara 23,500, Elmira 20,000, Utica 20,000, Williamsport 20,000, Mahanoy City, Pa. 19,300, Cumberland, Md. 19,144, Johnstown, Pa. 19,103.

(6) Local live, tape or film origination is reported by 524 systems vs. 399 last year. Automatic originations are reported by 1,477 (vs. 1,019). Local advertising is reported by 57 (vs. 4).

(7) Channel capacity (last year's totals in parentheses): 157 (86) with more than 12; 1,882 (1,720) with 6-12; 371 (459) with 5; 50 (61) under 5—balance unreported. Of last year's 120 starters, 116 reported capacity over 12.

Here's growth of cable industry as we've compiled it year by year:

Year	Systems	Subs.	Year	Systems	Subs.	Year	Systems	Subs.
1952..	70 ..	14,000	1959..	560 ..	550,000	1966..	1,570 ..	1,575,000
1953..	150 ..	30,000	1960..	640 ..	650,000	1967..	1,770 ..	2,100,000
1954..	300 ..	65,000	1961..	700 ..	725,000	1968..	2,000 ..	2,800,000
1955..	400 ..	150,000	1962..	800 ..	850,000	1969..	2,260 ..	3,600,000
1956..	450 ..	300,000	1963..	1,000 ..	950,000	1970..	*2,490 ..	4,500,000
1957..	500 ..	350,000	1964..	1,200 ..	1,085,000	1971..	2,570 ..	5,300,000
1958..	525 ..	450,000	1965..	1,325 ..	1,275,000			*Revised

**A NEW-LOOK FCC BY YEAR END:** Close observers of FCC expect at least 2—maybe 3—new faces on Commission by Jan. However, present 7-man contingent could remain intact until late fall. Here's situation:

(1) Comr. Houser's 6-month appointment ends June 30. He's actively seeking full 7-year term, even lobbying White House—but it's open secret that seat has been promised to Rep. Charlotte Reid (R-Ill.). Congresswoman doesn't want to move to FCC until late in year, so Houser is expected to continue indefinitely without any word from White House. Look for Mrs. Reid's appointment to go to Senate in fall, confirmation without difficulty. Houser isn't expected to get somebody else's spot, since he's from Ill. as are R.E. Lee & Mrs. Reid. "Three of 7 are just too many," speculated one commissioner.

(2) Close associates of Chmn. Burch say he's getting restless, wants to make more than \$40,000 govt. pays him. It's hard to find anyone who expects Burch to still be on Commission come Jan. 1. It's known he's had feelers from private industry (20th Century Fox was one), has indicated interest. Speculation that Sen. Goldwater (R-Ariz.) would resign and Burch would take his seat has lost its credibility. Under Ariz. law, governor doesn't have power to fill Senate vacancy by appointment, and Burch (or anyone else) would have to go through special election if either Ariz. Senate seat became vacant.

(3) Comr. Wells says "I don't intend to be a commissioner the rest of my life"—though his ardor to run for governor of Kan. has cooled considerably in nearly 2 years he's been on FCC. If Burch leaves and Wells is named chairman, latter is expected to settle down for a while. "If Burch leaves and Bob isn't named chairman, he'll be gone in 2 weeks," a close associate told us.

(4) If 2 or more vacancies occur this year, you can expect a black to fill one of them. "After Nixon takes care of the women with Charlotte, and with a Presidential election in 1972, you can bet there'll be a black appointment before the campaign." That's thinking expressed by well-informed Washington source, who added: "If there's no black appointed this year, one is a cinch for Bartley's seat in June 1972."

(5) Most likely prospect for commissioner on FCC staff is Gen. Counsel Richard Wiley—except for one crippling fact: He happens to be from Ill., too. However, top-level ex-White House aide tells us that Wiley is ticketed for bigger things under Nixon, expects him to be tapped for another agency.

There are many top FCC staff jobs available, and competition is fierce. Some Commission personnel just below top grades have left recently because they weren't in line for open spots. Biggest plum is vacancy on Review Board (Grade 17)—spot for which private engineers are lobbying for one of their ilk since retired Horace Sloane was only engineer on 5-man Board. Other holes to be filled include chief of renewals & transfers, several lawyers in general counsel's office and chief of network study staff (unless that post is abolished, considered likely).

**SENATE PANEL BACKS GOP ON CAMPAIGN SPENDING:** Second round of strictly partisan campaign spending bill was big victory for GOP last week, as Senate Rules Committee reversed earlier Democratic gains in Commerce Committee by doubling money available for TV & radio, repealing equal-time requirements for all federal candidates and eliminating \$5,000 limit on private contributions. While action brought bill closely in line with White House views, it left Democrats bitter, assured fight to restore lower ceilings when bill reaches floor later this month.

"A naked attempt by the White House to buy the 1972 Presidential election for Richard Nixon," was Democratic National Chmn. O'Brien's reaction. House Communications Subcommittee Chmn. Macdonald (D-Mass.): "A blatant—that's too mild a word—attempt to kill the legislation. It isn't even a sophisticated political move...It's just ridiculous." In 1968 campaign, Republicans spent about \$12.7 million on TV-radio, Democrats \$6.1 million. Latest Senate action would allow Presidential candidates to spend \$13.9 million on broadcasting by establishing over-all limit of 10¢ per eligible voter on all media. Commerce Committee had voted to restrict candidates to 5¢ per voter on TV & radio, 5¢ on print, prohibited candidates from transferring unspent money to other media.

GOP amendments were offered by Sen. Prouty (Vt.), backed by Cooper (R-Ky.), Scott (R-Pa.), Griffin (R-Mich.). Only 3 Democrats were present to oppose moves, Chmn. Jordan (N.C.), Cannon (Nev.), Pell (R.I.). Sens. Byrd (D-W.Va.) & Allen (D-Ala.) were absent, but later indicated they would have supported GOP in raising spending limits. While exact form spending ceiling will take by time bill clears Senate is highly uncertain, decision to strike \$5,000 limit on individual contributions (Administration's most serious objection to bill) will probably win; but move to add House & Senate candidates to Sec. 315 repeal for Presidential & Vice Presidential candidates probably won't. While Republicans and White House favored Federal Elections Commission to oversee bill, Rules Committee gave this power to General Accounting Office instead of House clerk or Senate secy. as now.

While Senate bill advances (its tax provisions probably will be stricken by Finance Committee), Macdonald opens hearing June 8, will consider 2 spending bills he recently introduced (Vol. 11:21 p5). Reps. Anderson (R-Ill.) & Udall (D-Ariz.) will testify first day, NAB Pres. Wasilewski & spokesman for Committee For Effective Congress June 9; CBS Pres Stanton & NBC Pres. Goodman June 10. Other witnesses had not confirmed dates by press time.

\* \* \* \*

Macdonald considers children TV "the No. 1 priority item" for his Subcommittee, though political broadcasting & closed-circuit sports are being taken up first. Noting FCC Chmn. Burch's efforts, Macdonald said: "I'm certainly going to force his hand. The FCC has been studying the subject much too long. I won't wait until Sept. or for the Surgeon General's report before scheduling hearings...The networks know the problem, too. All of them don't eat their young. But I won't wait for a summit meeting for the networks to decide what they can or can't do. If positive steps aren't taken soon, Congress will have to act, although reluctantly." (Note: Burch already has titled Sept. IRTS speech "Children's Programming—One Year Later." He has written networks & NAB asking what progress has been made since his Sept. 1970 warning to industry to "forget profits" in children TV [Vol. 10:38 p1].)

Same day Stanton testifies before Macdonald's Subcommittee, he has been directed by Investigations Subcommittee subpoena to testify, produce outtakes from "Selling of the Pentagon" (Vol. 11:22 p3). Network refused to comply with earlier subpoena, says it will decline again. Subcommittee staff, meanwhile, is preparing brief asserting CBS has "no valid legal reason" for not complying. When Stanton goes before Subcommittee he'll have backing from every major journalistic organization—print & broadcast. Latest, ANPA, announced last week that it was backing network to hilt.

Elsewhere in Congress this week, Rep. Dingell's (D-Mich.) Small Business Subcommittee opens hearing on advertising codes (Vol. 11:9 p6). Witnesses: June 7—Wasilewski, AAF Chmn. Victor Elting, Better Business Bureaus Pres. Bruce Palmer. June 11—Robert Choate, Robert Choate Assoc.; Erma Angevine, Consumer Federation of America; Warren Baren, NCCB; Christopher White, Public Interest Research Group; Stephen Bluestone, Public Interest Communication. June 14—FDA Comr. Charles Edwards; Dr. William Garvin, Small Business Administration; Rev. Robert McEwen, Assn. of Mass. Consumers; ACT Pres. Evelyn Sarson. June 18—FTC Chmn. Kirkpatrick, FCC Chmn. Burch. June 25—Virginia Knauer, special asst. to President for consumer affairs.

Legislation affording copyright protection to records is subject of June 9 hearing before House Patents & Copyrights Subcommittee. Bill has passed Senate, House is expected to concur. Witnesses: Judiciary Committee Chmn. Celler (D-N.Y.); Register of Copyrights Abraham Kaminstein; Deputy Asst. Defense Secy. Bruce Ladd; Stanley Gordikov, Record Industry Assn. of America; Leonard Feist, National Music Publishers; Jack Grossman, National Assn. of Record Merchandisers; Arthur Leeds, Tape Industry Assn. of America.

**CATV ISSUE FOR NAB, NCTA:** Incensed by NCTA campaign to "plant a flower in the vast wasteland" (Vol. 11:21 p6), NAB's Future of Bctg. Committee (FOB) meets June 8 in Washington "to decide where we stand and what to do next." Meeting same day—just 4 blocks away at Embassy Row Hotel—will be NCTA Board to decide what to do about "litigation, legislation & regulation." Coming to Washington for 4 days of meetings 2 weeks later will be NAB Board—with cable again main subject. "To say we're furious about NCTA's new PR campaign is putting it mildly," NAB dir. told us. "Why don't they use something besides our signals if TV is such a 'vast wasteland'?"

FOB Chmn. Hamilton Shea (who also is outgoing chmn. of NAB TV Board) said Committee's only subject is CATV but that it won't recommend any major policy decisions "because our policy is pretty well set." He was critical of "obviously renewed offensive" by NCTA, said any hope of renewed talks between NCTA & NAB looking for agreement on regulation "are more remote than ever." Some NCTA sources, however, saw possibility of talks resuming.

NCTA Board also is expected to approve \$1.45 million budget (about same as last year) for year beginning June 1, put final touches on July 6-9 convention in Washington. Announced last week as luncheon speakers were Sen. McClellan (D-Ark.) July 7; John Culkin, dir. of Center for Understanding Media, July 8; FCC Chmn. Burch July 9. OTP Dir. Clay T. Whitehead speaks at July 8 banquet. Major convention panels will be on CATV in cities, satellites & "ancillary services." NCTA Chmn. Ralph Demgen won't attend Board meeting because of extended illness; Vice Chmn. John Gwin will preside.

Public offering of 500,000 shares of Laser Link Corp. at \$10 was recently sold out. Developer of CATV microwave system which can carry up to 18 channels using single transmitter, Laser Link lists these applications for authorization filed with FCC: Mo. CATV Systems, Eldon Mo.; Carbon Cable TV, Mahoning Valley, Pa.; Comtec, Hilo & Kailua, Hawaii; Cablecom-General, Corpus Christi; Vumore, Colo. Springs; TM Communications, Tampa.

Viacom spin-off from CBS was approved by FCC June 3, CBS mailed stock certificates June 4, 9th Circuit (San Francisco) Appeals Court Judge stayed Commission action June 4—leaving everyone speculating as to what could or would happen. Commission said it approved spin-off of network's CATV & program syndication operations to CBS stockholders on receipt of agreement to divest Viacom stock within 2 years from CBS directors, officers, Broadcast Group Div. presidents and holders of 1% or more of CBS common stock. Attorney Harold Farrow, opposing spin-off on behalf of minority stockholders in CBS's San Francisco cable system, quickly filed complaint with SEC stating that CBS had changed Viacom setup without amending registration. He's also expected to argue that CBS mailed Viacom certificates despite awareness of his petition for stay in 9th Circuit; that network has abused court & FCC processes, etc.

FCC Chmn. Burch "is simply dead wrong on the law" in suggesting that Comr. Johnson shouldn't have participated in Commission decision not to pursue distortion charges against CBS in "Selling of the Pentagon," Johnson said last week. Burch complained of Johnson's participation because latter had written newspaper article defending CBS show and attacking alleged Administration attempts to muzzle press (Vol. 11:18 p4). Said Johnson: "Although I can understand why Chmn. Burch and the White House would not like the article, I believe it to be factually accurate and... it in no sense deals with the merits of the complaints before us." Johnson said charge also could be made that Burch shouldn't have voted because: (1) Televised statement by Burch attacking House subpoena of CBS; (2) chmn. is lieutenant colonel in reserve; (3) "political" atmosphere at FCC and Burch's prior service as Republican National Committee chmn.

**Video phone is so expensive** that 1% penetration of market would require investment equal to that of entire present phone system—and 2-5% penetration by year 2000 would be "enormous achievement"—according to ITT chief scientist Henri Busignies. Speaking before Industrial Research Institute, he also stated that technology for direct satellite-to-home TV would be available within 6-12 years.

**NADER RAIDS NETWORKS:** "FCC has handed the 3 TV networks a monopoly over the news, views & programs to which all of us are exposed, and it is currently frustrating new communications technology such as cable & pay TV." So states Ralph Nader in 1, 148-page report on antitrust enforcement "The Closed Enterprise System," highly critical of Justice Dept., FCC & FTC.

"Using their hefty profits to finance acquisitions, such media moguls as RCA & CBS are intent upon consolidating & dominating a 'knowledge industry,'" report continues. It scoffs at idea that TV newsmen are free from management influence, recommends networks adopt "liberal, moderate & conservative editorial stances, thereby maximizing viewer preferences... Instead, all 3 try to appeal to the same 62.7%... a lowest common denominator audience." Report was compiled by study group headed by Mark J. Green, Beverly Moore & Bruce Wasserstein.

Other comments: Advertising—"Networks raised another barrier to 4th network entry through flagrantly illegal advertising rate discrimination," which, despite 1966 congressional inquiry, persist in "more subtle forms" today. Programming—"Oligopolistic imitation only begins with parallel network selection of the lowest common denominator mass audience... Innovation is rare... networks have benefited from discriminatory AT&T tariffs for interconnections with affiliates... Despite what the networks insist are 'grave financial risks,' independent TV program producers would come forth with an ample supply of quality material if network control were eliminated."

Exclusivity—Urged FCC rule requiring all program owners, including networks, to sell programs to all stations & CATV systems willing to pay same price per thousand charged highest bidder for first showing. Maximum exclusivity for first showing per market would be 3 weeks, preferably 3 days. Mergers—"That a conglomerate's non-media interests might improperly influence its broadcast stations' news content should be of ascendant FCC concern... Not so, as was borne out in 1966-67 by events surrounding the proposed ABC-ITT merger." Report attacked ITT for "overt attempts to manipulate the press" during merger hearings.

Pay TV, CATV & wired-city—"With network hegemony over the minds & eyes of TV viewers unlikely to be toppled by sudden Antitrust Div., or FCC action, the only alternative is a new communications technology which will outflank over-the-air broadcasting." Commission is urged to deny renewals of network-owned stations.

Much of report criticized FTC, and while withholding judgment on Chmn. Kirkpatrick, it called ABA Commission report "misfounded" for finding no fault with Commission's merger enforcement program. Nader report accused Commission of "lack of strategy, the inconsistent doctrine, the lack of experimentation, the weak orders and the lost potential of applying [law] to new enforcement areas."

**Selling radio stations**, NBC has retained broker Howard Stark as consultant. Some sales are expected soon.

Communications bills pending before House Commerce Committee to date: "Orderly procedures" bills giving FCC guidelines for renewals—12 bills; prohibit FCC from considering political content of programming as grounds for revocation—1; 5-year licenses—7; abolish FCC, establish new commission—1; give frequency allocation power to Commerce Dept.—1; require Commerce Dept. to conduct frequency allocation study—2; FCC power to regulate networks—3; encourage "more responsible" news & public affairs programs by labeling edited material, prohibit distortion—4; statutory policy on fairness & equal time—2; resolution objecting to govt. buying ads which stations normally air free, such as Army spots (Vol. 11:17 p5)—1; campaign spending—8 (4 others cleared Senate Commerce Committee); prohibit liquor ads—4; prohibit & regulate pay TV—2; regulate TV or closed-circuit TV coverage of sports—10 (1 in Senate); FCC study TV violence—6; prohibit hiring discrimination—1; allow FCC to pay expenses of state officials serving in joint hearing with Commission—1 (1 in Senate); permit aliens to obtain ham radio licenses—1 (cleared Senate); CPB financing—1; remove utility members from Comsat board—1 (1 in Senate); regulate CATV (Senate only).

"Wave of paranoia" within news media "in attempts to portray the government as anxious to suppress or control" news was attacked last week by Vice President Agnew. Speaking to Mutual Affiliates' Board in Nassau, he said attacks on Administration "can only backfire" and compound TV news' "credibility problem." Of TIO surveys claiming most Americans rely on & believe TV news, Agnew said: "I have seen no more blatant attempt to influence" a poll through wording of questions and the way they were asked [see below]. Of CBS's "Selling of the Pentagon": "Instead of responding to constructive criticism about specific distortions or inaccuracies in the news media, the tendency is to yell 'intimidation'... When a TV network is criticized for pasting together film to present a distorted impression, and this charge is publicly documented, the reaction in the profession is not to condemn but to defend the practice as normal and even desirable..."

CBS will realize \$19-\$20 million by selling 80% of interest in Canadian CATV systems to comply with govt. limitations on foreign ownership. Systems in Montreal & Quebec City are being sold to National Cablevision Ltd., comprising Quebec Deposit & Investment Fund and several insurance companies. CBS and group headed by Sydney W. Welsh are forming public company to acquire systems in Toronto, Vancouver, Victoria, Coquitlam & Haney. Systems have 330,000 subscribers but are counted as 250,000 because of numerous hotel units. They're valued at \$200 per subscriber, bringing price to \$50 million. CBS owned 70% of systems, had debt of \$15 million, keeps 20%. Net: \$19.2 million.

Govt. control of TV news is rejected by 80% of Americans, according to Roper; similar poll in 1968 found opposition by 78%. Study was commissioned by TIO which includes results in ads being placed in newspapers. Ad also reports Roper surveys showing TV increasing lead over other media as most believable, as principal source of news and as medium public prefers if it could have only one.

## Personals

ABC Pres. **Leonard Goldenson** suffered mild heart attack May 29 while undergoing regular check-up at Harkness Pavilion, Columbia Presbyterian Medical Center, N. Y. His condition is described as "very good."

**Theodore H. Walworth Jr.**, vp-gen. mgr. of WNBC-TV N. Y., July 1 becomes pres. of NBC-TV Stations Div., succeeding **Raymond W. Welpott**, retiring after more than 30 years in broadcasting; Walworth also elected to NBC board... **Conrad L. Ennis**, ex-WBBM-TV Chicago sales mgr., named midwest sales dir., CBS TV Stations National Sales; **Stuart Stringfellow**, ex-N. Y. office, named Chicago office sales mgr.

Reps. **Robert Tiernan** (D-R. I.) & **Clarence Brown** (R-O.) will represent House at June 7 opening of World Administrative Radio Conference, Geneva. OTP Dir. **Clay T. Whitehead** speaks on "Telecommunications by Satellite" June 9 to Paris engineering group, goes to Geneva June 10-16.

CBS Pres. **Frank Stanton** gives "state of industry" message to HRTS luncheon, June 15, Beverly Wilshire Hotel, Hollywood... **Everett Martin**, ex-gen. sales mgr., WCIV Charleston, S. C. appointed gen. mgr., WLVA-TV-AM Lynchburg, Va... **David King** elevated to sales mgr., WGAT-TV Portland, Me.

**Thomas Hartman** promoted to gen. sales mgr., WJRT Flint; **Mark Youngblood** elevated to local sales mgr., succeeding Hartman... **Don Dashcund**, promoted to operations mgr., WBEM-TV Chicago... **William Ford**, ex-WTEN Albany, named business mgr., WKBW-TV-AM Buffalo... **Len Zeigel**, ex-Tele-Rep, appointed eastern sales mgr., Evans Bctg. new N. Y. sales office, 300 park Ave.

**William Fagan**, ex-WPIX N. Y. TV sales supervisor, joins Blair TV as account executive in N. Y.; also joining Blair TV as account execs. are **Dan Mulholland**, ex-John Blair, & **William Donahue**, ex-Leo Burnett, Chicago... **Rich Goldman** promoted to Chicago sales mgr., Tele-Rep, succeeding **Rich Frank**, now N. Y. sales mgr... **Lew Freifeld** moves from Metro TV sales L. A. to Chicago.

**Kathleen Day**, ex-Straus Editor's Report, previously with Metromedia News, joins NAB as asst. to exec. vp for PR... **John Ferguson** promoted to FTC asst. gen. counsel, succeeding **Wilmer Tinley**, retired.

**Peter Van Schenck**, named Southern Cal. sales engineer, Jerrold... **Charles Caldwell** promoted to production vp, Trans-World Productions... **Donald Garvey** elevated to national sales mgr., A. C. Nielsen Clearing House Div... **Clifford Alexander Jr.**, Arnold & Porter law firm, Washington, and **Frankie Freeman**, Elliot, Marks & Freeman law firm, St. Louis, elected to NAEB exec. board... **H. A. Aberseller**, ex-GSA, named CPB general services dir.

**K'SON Corp.**, Placentia, Cal., plans to demonstrate "converter-jammer/transponder" designed "with pay-CATV in mind" at July 6-9 NCTA convention, Washington.

**With backing of State Dept.**, FCC appears to have won dispute with OTP Dir. **Clay T. Whitehead** over Commission's authority to negotiate domestic satellite agreements with Canada. Over protest of Whitehead, FCC has written Canada that—subject to decisions reached at WARC conference June 7-July 16 in Geneva—U. S. has no objection to Canadian plans to utilize 104 & 114 degrees west longitude. Canada had originally proposed to use 88 & 109 degrees, and several U. S. applicants applied for 104 & 114 degrees on basis of Canadian plans. However, U. S. believes that Canadians are flexible enough to adjust to WARC decision. OTP argued that State Dept. should take over Canadian negotiations, that Commission involvement could lead to strained relations with Canada because of agency's alleged lack of awareness of diplomatic & political issues involved. OTP also wanted U. S. to inform International Telecommunications Union that it was reserving position on Canadian plans, but State & FCC decided it wasn't necessary. In Atlanta speech last week, Whitehead criticized FCC for taking no action on domestic satellites since first proposed 6 years ago. He added there's "no hope for such service for several more years."

FCC climbed all over AT&T last week, charging it with delaying low-cost TV interconnection to CPB, ordered immediate start of construction to provide 71-point full-time service by next March, 110-point by Jan. 1973. Commission also said price to CPB will be \$2 million first year, \$3 million 2nd, \$4 million 3rd, \$4.9 million thereafter for 110-point service. AT&T had told FCC full service would cost \$5.2 million. CPB Pres. John Macy said: "We're disappointed that the FCC ruled in favor of a reduced rate rather than free service and that these negotiations have caused delays..." Commission ordered AT&T to submit monthly construction progress report.

**CBS Pres. Frank Stanton** awarded honorary Doctor of Fine Arts degree from Trinity College, Hartford, for "making possible the Kennedy-Nixon debates on TV [and] most recently you have eloquently defended the right of a free press to investigate the operations of government." Stanton also received special citation award from N. Y. Board of Rabbis "for enhancing the quality of life in America by producing religious TV programs which reflect spiritual, moral & ethical values in a meaningful & inspiring manner."

**Vatican guidelines** on mass media, 6 years in preparation, urge: "Strictly limited" use of secrecy in Church activities; condemnation of state control or censorship; protection of family & individual private lives; care in reporting violence; non-exploitation of sexuality; insurance of reporters' safety; truth in advertising; opposition to monopoly in media; public not to spend excessive time with media. Guidelines were adapted for U. S. by committee headed by Bishop John L. May, Mobile.

Annual license fee for a station sold must be paid by current licensee, FCC has ruled, but it said that buyer & seller can "by private agreement" split fee incurred during year of sale. Opinion came in response to inquiry by Screen Gems, which bought WNJU-TV Newark.

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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended May 21 (20th week of 1971):

	May 15-21	1970 week	% change	May 8-14	1971 to date	1970 to date	% change
Total TV.....	131,627	108,658	21.1	157,413	3,608,706	3,093,102	16.7
color .....	71,586	49,801	43.7	81,799	1,915,352	1,538,385	24.5
monochrome .....	60,041	58,857	2.0	75,614	1,693,354	1,554,717	8.9
Total radio .....	420,964	305,013	38.0	332,395	7,295,503	6,023,320	21.1
home, portable ..	172,519	99,909	72.7	124,687	3,011,604	2,487,916	21.0
AM-only .....	111,095	65,962	68.4	73,966	1,804,362	1,620,025	11.4
FM & FM-AM .....	61,424	33,947	80.9	50,721	1,207,242	867,891	39.1
auto.....	248,445	205,104	21.1	207,708	4,283,899	3,535,404	21.2
Total phono.....	40,035	36,288	10.3	40,449	1,342,553	1,049,996	27.9
portable-table .....	30,107	27,330	10.2	28,938	1,035,924	684,081	51.4
console.....	9,928	8,958	10.8	11,511	306,629	365,915	-16.2

Color TV 5-week moving average: 1971—82,372; 1970—54,992 (up 49.8%)

**'DNL'—PHILIPS' ANSWER TO DOLBY:** Mighty Dutch Philips, landlord of cassette patents, is about to announce new noise-reduction system claimed to have same capabilities as Dolby system but not requiring special processing of tape during recording process.

"Dynamic Noise Limiter" (DNL) is special filtering system claimed to eliminate tape hiss when applied only to playback circuit of cassette recorder; unlike Dolby system, DNL is not used in recording process and any conventional unprocessed cassette is said to benefit. Philips has applied for patent, will offer it to all manufacturers on same free-license basis as cassette system. System will be demonstrated by North American Philips at Consumer Electronics Show June 27-30 in Chicago.

Always zealous to maintain complete compatibility of all cassettes & recorders, Philips has frowned on use of Dolby circuits with cassette recorders. Dolby system requires processing of tape input signal when recording, decoding during playback. Dolbyized tapes aren't strictly compatible with non-Dolby playback systems in that high-frequency response is altered.

It's understood Philips will propose cassette recorders with built-in DNL, and perhaps add-on DNL for existing recorders. Details on circuitry and price ranges aren't yet available. One recent visitor to Eindhoven said Philips indicated it has no intention of banning use of Dolby system in cassette recorders, but plans to supply lower-priced alternative.

Dolby Labs of London, meanwhile, is involved in 2 important moves which could substantially reduce prices of Dolbyized recorders and make them available to mass market: (1) Dolby & Corning subsidiary Signetics are collaborating in development of monolithic IC version of system for use both in recorders & FM receivers. IC version is expected to be available to Dolby licensees early next year. After short exclusive period, Signetics will make design available to other IC manufacturers. (2) Dolby plans sharp reduction in equipment royalty payments, to as low as 10¢ per channel. Dolby now has 30 equipment-manufacturing licensees for its 'B' (consumer) system and more than 20 cassette duplicators have purchased equipment to make Dolbyized cassettes.

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**NEW PRESIDENTS AT RCA, SYLVANIA, SONY:** Just 2 weeks after Zenith's election of John J. Nevin (Vol. 11:21 p9), 3 other major consumer electronics firms announced new presidents—RCA tapping Anthony L. Conrad, Sylvania Merle W. Kremer, Sony Akio Morita.

Appointment of "Andy" Conrad, 50, as pres. & chief operating officer, effective Aug. 1, came as surprise to outsiders and to some RCA insiders. Election signaled fairly large-scale reshuffling of duties & responsibilities, engineered by Chmn. Robert Sarnoff—who relinquishes title of president but continues as chief exec. officer. Most significant change is shift of Chase Morsey Jr. from operations staff exec. vp to finance & planning exec. vp.

Selection of new pres. had been widely anticipated for some time at RCA, but Conrad's name hadn't figured prominently in speculation. Once announcement was made, many RCAers were hailing him as near-ideal choice. His current post is exec. vp, services, with responsibilities for RCA's rapidly growing service businesses—Service Co., Hertz, Random House, Globcom, educational activities.

Conrad is link between "old" & "new" RCAs—a 25-year man, but one who was given top posts under Robert Sarnoff's regime. He's often compared in personality to Elmer Engstrom, whom Gen. Sarnoff selected as pres. in similarly difficult time. Considered an excellent administrator, he's extremely popular, has wry sense of humor, is soft-spoken, has never been known to raise his voice. Former RCA Service Co. pres., he has taken great interest in consumer electronics, is well known by RCA distributors.

Conrad joined RCA in 1946 following World War II stint in Signal Corps, after writing to all major electronics manufacturers seeking place in what he was certain would be fast-growing TV service industry. He was picked by RCA to be mgr. of Service Co.'s Albany branch.

RCA Consumer Electronics Div. seems certain to achieve greater autonomy as result of re-alignment. Morsey, ex-Ford, who joined RCA in Jan. 1968 as marketing expert and who has closely overseen Consumer Electronics efforts from N. Y., severs all connections with marketing under new setup. He keeps corporate planning functions, picks up financial duties from Finance Exec. Vp Howard L. Letts, who will be on special assignment until retirement at year end. Once considered to be favorite for RCA presidency, Morsey will be proposed for board election next month.

Corporate Mktg. Vp James J. Johnson, who joined RCA from IBM last year and formerly reported to Morsey, now reports directly to Chmn. Sarnoff and picks up responsibility for Distributor & Commercial relations. Sarnoff also will have top-level responsibility for NBC, public & consumer affairs, industrial relations, research & engineering, operating staff. Reporting to Pres. Conrad will be international, manufacturing & servicing, materials, all operating units except NBC. Exec. Vp-Gen. Counsel Robert L. Werner adds responsibility for patents & licensing and corporate secy. office.

GTE Sylvania top-level change, effective July 1, appears to herald no shakeup. Kremer, 55, presently Lighting Products senior vp, takes over from Garlan Morse, who has chosen early retirement after 35 years with company. Kremer joined Sylvania in 1955, is well known in electronics, having served as vp-gen. mgr. of Parts & Tube Divs. and senior vp for Components Group. He's first Sylvania pres. since Ward Zimmer in 1950s to come from electronics wing of firm. Morse's retirement was at his own proposal, and parting is understood to be completely harmonious.

In Japan, Sony's globe-trotting Exec. Vp Morita becomes pres. June 29, succeeding fellow co-founder Masaru Ibuka, who takes chairmanship. Affable Morita is familiar figure in U.S. (recent cover of Time), having served also as pres. of Sony of America until recent selection of Kazuo Iwama to fill post.

**ZENITH PRICES UP 'SELECTIVELY':** Showing new lines to distributors in Las Vegas last week, Zenith said its prices were up on "selected models, reflecting the addition of new features" in color line, with list prices on all b&w sets increased up to \$10. Emerson, at Chicago meeting, said it had boosted color prices to distributors average of 6.5% for color, 5.1% for monochrome. MGA's color line showed increases; Toshiba's didn't.

Zenith's major new color attraction was 16V" Chromacolor tube in 2 step-up models, while everybody continued to introduce own versions of preset or automatic color controls. Zenith's system—"customized color tuning" on all 23V" & 25V" Chromacolor sets—has controls for tint, chroma, brightness & vertical hold preset at factory so that user can reset each control to optimum position by turning knob until red line is in 12 o'clock position. Emerson's "Perma-color" (called "DuMatic" in DuMont line) is 5-function control, restores color, tint, brightness & contrast to preset levels & activates AFC at button touch. MGA's "Color Lock" controls tint & color, is in all sizes except 18V" & 25V". Toshiba's "Automatic Balanced Color" (ABC) uses switch to activate automatic tint, preset color & tint and "Unicolor" circuit which maintains color balance when contrast is changed; levels are preset by consumer.

Zenith formally introduced "Titan 110" solid-state color chassis, with 5 Dura-Modules and plug-in transistors & ICs, described here in Jan. (Vol. 11:1 p10). It's in five 25V" consoles starting at \$795 and in top-end combination. Two of 25V" consoles have varactor tuning. Zenith's 23V" consoles start at \$569.95, increase of \$30 over previous leader; 25V" consoles now run \$599.95-\$895, topped by 2 open-list models. Zenith also reported increases in suggested retail prices of all b&w sets, but general pricing points appeared about same as predecessor line.

Emerson's price increases translated to \$20-\$30 boosts in color retail, \$10-\$20 on big-screen b&w. MGA's retail boosts ran \$10-\$20 in color, b&w holding steady. Some of MGA color increases were hidden—for example, 19V" leader at \$369.95 replacing 18V" at \$349.95, now being phased out.

Zenith made major additions to modular stereo line, adding squared-off omnidirectional speakers and its first conventional front-firing modular systems. Zenith's console line, still large at 17 models, is down from 23 in preceding line.

Cartrivision demonstration was high point of Emerson distributor meeting, and potential of home color videoplayer was main corridor topic—far overshadowing fully revamped Emerson-DuMont-Pilot lines and new sales programs outlined by reorganized marketing. CV performance got solid ovation from distributors, who were told not to expect availability before mid-1972. Emerson expects to aim initially at Cadillac market, offering CV in 25V" color console, to be priced well above the \$1,000 commonly quoted for CV-18V" combination.

Distributors were enthusiastic over CV's capabilities, raving over picture quality, which they felt was as good as off-air. However, those we talked with had only vaguest grasp of software side of business, had given no thought to program cost or content. There was some disappointment over lack of color camera, and several said they'd prefer to sell CV deck as accessory, rather than in complete receiver.

Styling of Emerson-DuMont TV is significantly different from that of Admiral this year, Exec. Vp C. Vernon Phillips told us. Last year, sets were little more than Admiral models with Emerson & DuMont logos. Emerson has dropped out of TV combo business, and DuMont is phasing out with only pair of 23V" carryovers. Pilot line is now strictly components & compacts—all consoles have been dropped—and will be sold through franchised hi-fi outlets, with full 1-year carrying guarantee.

Familiar Emerson G clef trademark is joining RCA meatball in halls of nostalgia—it's missing on all new Emerson products & promotional material.

MGA (Mitsubishi) put new solid-state easy-service chassis in high end 19V" color table model at \$429.95. Vertical chassis swings down & rolls out, has plug-in transistors. Most components are mounted on 3 removable circuit boards or housed in can containing IF circuits. Featured for fall introduction is unique 2-piece TV-radio. Remote 12V" b&w set has only 2 controls—brightness & contrast. Rest, including tuners, on-off and indoor antennas are in box (connected by cable) which also houses FM-AM digital clock radio & speaker. (For highlights of new lines, see p. 11.)

**2ND THOUGHTS ON LONG LABOR WARRANTIES:** Last year was year of the labor warranty, with all manufacturers jumping on bandwagon to add at least 90 days of all-inclusive service on color sets. With virtually all major 1972 lines now introduced, it's clear there's no rush to join Motorola & RCA with full-year labor policies on some color sets.

RCA says it's satisfied with results of full-year "PS" program on solid-state sets, which comprise 65% of its 1972 color line, and has also extended program to solid-state b&w. Motorola says it has no plans to change one-year in-home labor warranty, covering 18 console & table models in 23-set color line. But that's as far as it goes. Other manufacturers, having done their homework—and some market-testing—have decided to stick at 90 days. Near-certainty that warranty legislation will pass Congress, and possible resulting need for revision of policies, could be one reason—but it's probably minor one.

Main reason for 2nd thoughts on long warranties is economic. On top of newly increased prices, some manufacturers fear that adding 9 more months to warranty could contribute to pricing color sets out of market. "It's simply not in the best interest of the consumer or the dealer," says Magnavox Consumer Electronics Pres. George Fezell. In recent letter to Magnavox dealers, he cited survey which showed cost of extending labor warranty 9 more months is about \$50. Same survey indicated average color set requires 3 service calls in first year—2 during first 90 days, one in last 9 months. If dealer pays \$50 for extended warranty, then passes \$50 charge on to consumer, retail margin declines, Fezell says, since there's no room for markup on \$50 charge.

Magnavox says its principal concern is that, in effect, consumer is being charged \$50 for average of one service call—the other 2 being covered by 90-day warranty. One set maker told us he believes industry's main service challenge is to provide good set-up & servicing during 90-day period, to cut down on later repairs. Consumer, he said, should be offered choice—regular 90-day policy included in list price or extension to full year for extra \$50.

RCA spokesmen flatly deny that company's one-year warranty cuts into dealer margins. Since warranty costs are inboarded in price of set, dealer makes normal markup on entire selling price, including any amount representing warranty.

Apparently recognizing validity of dealers' complaints that even 90-day labor warranty can eat into margins, Sylvania has instituted "warranty service credit" policy of flat monthly payments to reimburse dealers for warranty costs (Vol. 11:22 p8). Sylvania Senior Vp Thomas Cashin expressed view of those manufacturers sticking with 90-day labor by comparing situation with that in auto industry several years ago, when extended warranties became real headache for manufacturers, who then pulled back to less-inclusive policies.

**New color tube size**—17V" ultra-rectangular, or squared-off version of 16V"—will be in production late this year by both RCA & Sylvania. Latter will show black-matrix version of tube at this week's IEEE Chicago Spring Conference on Broadcast & TV Receivers. Sylvania also will demonstrate engineering samples of 19V" & 25V" 110-degree short tubes, has no specific production plans. RCA says it has been sampling 19V" 110-degree to OEMs since last Sept. and has sampled European-design 25V" 110-degree narrow-neck tube extensively in Europe. Sylvania is now producing 19V" & 25V" black-matrix tubes (90-degree), will extend matrix to 21V", along with 17V", in fall.

**MCA video disc system** (Vol. 10:43 p9) is being evaluated, and results will be known before year end, Pres. Lew Wasserman told annual meeting last week. If results are positive, "we'll arrange some kind of manufacturing agreement to produce it," he said. He revealed that last year's losses by majority-owned subsidiary MCA Technology were essentially equal to amount it spent on video disc R&D.

**Bureau of Radiological Health**, promulgator of X-radiation regulation and other product safety functions, has been shifted from HEW's Public Health Service to its Food & Drug Administration. FDA is strong believer in industry self-regulation, which it tends to oversee strictly.

**Labeling bill for TV & appliances**, passed by Conn. House, was sent back to committee by Senate, where it probably will die June 9 with adjournment of legislature. Measure would have required labeling with year of manufacture, suggested retail price, length & width of screen (Vol. 11:21 p12). Campaign by Conn. TV-appliance distributors is credited with blocking measure. Also expected to die with session is bill to repeal Conn. fair-trade law.

**Booklet for Cal. dealers & servicers**, outlining methods of complying with new state warranty act, has been prepared by Motorola. State law makes manufacturers responsible for warranty service, requires servicing to be carried out in 30 days, forbids use of express warranties to disclaim implied warranties, makes manufacturers liable to treble damages for failure to carry out warranties (Vol. 10:36 p10).

**Sony's sales** for 6 months ended April 31 totaled \$204.8 million, up 25.2% from same 1970 period. Net income was \$9.3 million, up 24.5%. Export sales gained 24.4% to \$110 million, while domestic sales at \$94.7 million were up 26.3%.

**CBS Labs Pres.** Peter Goldmark, reported considering leaving post before year's end, will be 65 in Dec. and has made "no final plans," according to company spokesman.

**ZENITH, EMERSON, OTHERS:** Zenith's color line, at a stated 39 models, appears shorter than predecessor, in which we count 47 (see p. 9). Lowest-priced set is still 14V" at \$299.95, ranging to \$1,500 for top combination—combos have been halved to 2. The 23V" line has been cut to 5 models from 17, the 25V" line expanded to 17 from 8. Detailed pricing information is unavailable. Monochrome line, at same basic price points as predecessor, includes 2 new 21V" portables.

Modular stereo systems include "cubed Circle of Sound" models with treble horn firing upwards, woofer firing downward. Modulars are \$119.95-\$299.95, including conventional front-firing speaker version at \$269.95. Cassette & 8-track decks are optional accessories. Consoles, at \$259.95-\$599.95, include 2 with built-in cassette decks, one with 8-track deck. Zenith premiered 15 new radios, including its first digital clock (\$44.95). Built-in loop antenna is featured in FM-AM pocket set at \$19.95.

**Emerson color portable** line starts with 12V" sets at \$269.95 (up \$30) & \$279.95; leader 16V" is open-listed to sell at about \$325, step-up \$349.95; open-listed 18V" will retail at about \$345 (up \$15); 19V" are \$399.95, \$419.95 & open, latter having 3-function remote selling at about \$460; 20V" table model is \$429, up \$30, with step-up at \$459.95; 23V" series starts up \$20 with table models at \$449.95, \$529.95 & \$549.95; 25V" is in 8 models, from \$519.95, first full-to-floor 25V" console is \$579.95, with Permacolor & 6-detent uhf tuning in 2 high-enders, \$699.95 & \$719.95. DuMont 16V" color is \$329.95 & \$349.95; 18V" at \$369.95 & \$389.95; 19V" at \$419.95 & \$439.95; 23V" consoles (4) \$549.95-\$569.95; 25V" consoles (5) start at \$579.95, with pair at \$775 featuring DuMatic (same as Permacolor) & detent uhf. All 19V", 21V" & 25V", plus most DuMont 23V" sets, have matrix tubes.

Emerson b&w 7V" battery portable is \$99.95; AC 9V" are \$69.95 & open; all 12V" & pair of 16V" portables are open-listed, with high-end 16V" at \$129.95; 19V", in 3 models, are \$129.95-\$149.95; 20V" portables \$159.95 & \$169.95; 22V" table \$169.95, three consoles are open to \$229.95; all 22V" sets have counterparts with detent tuners, with price about \$10 higher. Prices on larger b&w sets are up \$10-\$20.

Emerson has 6 phono consoles, \$219.95-\$349.95. All consoles have been dropped from Pilot line, which now concentrates on compact & component hi-fi, starting with packaged stereo FM-AM receiver with top-mounted changer at \$249.95; at top is stereo FM receiver with 4-channel amplifier at \$349.95; accessory 4-channel, 8-track tape player is \$119.95. Emerson portable stereo phonos are \$34.95-\$99.95, down \$10-\$20, some clock radios are down \$5 to \$10, with prices of most other small consumer electronics at 1970 levels.

Emerson "Blue Chip Sale" Sept. promotion will feature 12V" color at \$248, 16V" at \$288, 18V" at \$328, 23V" at \$398, 25V" at \$498—\$20-\$30 below current leader prices.

**MGA (Mitsubishi)** has four 25V" color consoles, up from 3 last year, with \$529.95 leader, others at

\$569.95, all purchased from Wells-Gardner. Japan-made portion of color line starts with 12V" portable at \$269.95 (up \$10), 14V" at \$289.95 (up \$10); 16V" at \$319.95 & \$359.95, latter with solid-state chassis; hold-over 18V" sets are unchanged at \$349.95 & \$369.95; 19V" portables are \$369.95 & \$389.95, solid-state 19V" table model is \$429.95. All sets except 18V" & leader 19V" have Color Lock. Battery portable 9V" sets are \$99.95 & \$109.95; 12V" at \$89.95; 13V" sets \$109.95 & \$119.95, 15V" is \$109.95.

**Toshiba America** TV line shows reductions in some carryover models—18V" color with cart down \$40 from last year to \$369.95, remote-control version down \$25 to \$434.95, while 12V" b&w is cut \$20 to \$89.95, and 19V" down \$30 to \$129.95. Color line starts with 11V" at \$279.95 and 15V" AFC at \$299.95, unchanged. New 18V" AFC portable is \$349.95, detented uhf version \$379.95. First 19V" has preset color feature (ABC) at \$379.95, remote \$449.95. Toshiba also showed 4 compact stereos at \$139.95-\$199.95, long line of cassette recorders & tape players from \$39.95.

**Electrohome**, commenting on our recent reports that its starting price ranges were generally higher than last year (Vol. 11:20 p12), points out that most specific models are down \$20-\$30, citing 19V" color reduced to \$469 from \$499, 18V" to \$429 from \$449 and 25V" at \$599 compared with \$629 for last year's comparable model.

**NEW AUDIO LINES:** Fisher Radio became first big-name hi-fi manufacturer to commit to 4-channel cartridge tape, unveiling 3 quadraphonic items at recent N. Y. showing. Also moving into new area was Japan's TEAC, which showed Dolby noise-reduction adaptors & Dolby-equipped stereo cassette deck.

Fisher introduced 4-channel tape deck at \$169.95; deck combined with stereo amplifier to permit conversion of existing stereo equipment to 4-channel, \$299.95; stereo-FM-AM receiver with 4-channel amplifier, \$599.95. Receiver, priced about \$100 under similar unit currently in Fisher line, also will be equipped with matrix 4-channel stereo decoder circuit when marketed later this year. Fisher hasn't yet decided which matrix system to adopt.

TEAC moved into Dolbyization in big way, with pair of semi-professional adaptors at \$129.50 & \$289.50, plus one at new low of \$49.50 for non-audiophiles. Dolby recorder is priced at \$279.50. TEAC also introduced trio of professional stereo open-reel decks, \$699.50 to \$899.50, auto-reverse deck at \$599.50 and a low-noise series of decks, \$499.50 to \$529.50. All higher priced decks have lifetime warranty on recently developed high-density ferrite heads.

Toshiba entered hi-fi components with 9-product line, initial marketing effort limited to major cities. It's offering 3 stereo-FM-AM receivers, \$199.95-\$349.50; 3 speaker systems, \$199.50-\$350 a pair; turntables, \$199.50 & \$449.50—lower priced unit equipped with IC cartridge, other with photo-electric cartridge—and 4-channel adaptor at under \$200. Adaptor, which contains stereo amplifier for powering rear channels, has matrix 4-channel decoder, will derive 4-channel effect from 2-channel stereo.

## Trade Personals

**Donald R. Jones**, ex-Communications Div. finance dir., elected Motorola treas., succeeding **Roger C. Smith**, now Phelps Dodge finance vp; **William Meehan**, Motorola asst. treas., adds new post of vp-gen. mgr., Motorola International Development Corp., which finances company's non-U.S. operations; **Michael J. Russell** promoted to asst. to treas... **Jordan Listick** promoted to Admiral secy.-treas., succeeding **Walter Bjorseth**, resigned for health reasons.

**Joseph Sullivan**, ex-MGA, Clairtone & Sony, joins Emerson as TV sales dir.; **Harold Bernstein** promoted from asst. dir. to dir. of national service, replacing **Nicholas DeFalco**, who is being reassigned; **Samuel Rothenberg**, asst. to engineering vp, advanced to new post of consumer affairs vp; **George Cohen**, product planning dir., named vp; **Wayne Petersen**, ex-United Card, appointed midwest premium sales mgr.

**K. Blair Benson**, ex-CBS-TV advanced technology staff consultant, appointed CBS EVR Div. technical development vp... **Jerry Ligon** named mfg. mgr. for all Electro-Voice plants... **Edward M. Warzyniak**, ex-mfg. dir., promoted to mfg. vp, Standard Components Div. of Standard Kollsman, hq Acuna, Mex.

**John Quinlivan** advanced at Zenith Radio from production mgr. to plant mgr., Springfield, Mo... **R. C. Vale** named national sales mgr. for distributor products; **D. B. Ogg** national sales mgr. for dealer products (TV, stereo, etc.), Philips Electronics Industries (Canada)... **Robert McDonald** named Channel Master special markets sales mgr.

**Dorman Israel**, consultant and onetime Emerson exec. vp, has returned from 5 months' assignment for International Executive Service Corps in Iran, where he served as consultant on TV-radio production & servicing to Lord Electronics.

**David Heneberry**, RCA Record Club mgr., named Div. vp; **Myron Roth**, ex-NBC, named head of RCA Records Law Dept.; **William Dyezko** promoted to senior counsel for international operations... **Walter Rootness** joins Rheem Califone as asst. national sales mgr.

**E. A. Blanchette**, ex-Fairchild Camera vp-group operations dir., joins Teledyne Semiconductor as group exec., succeeding **Delbert Van Winkle**, retired... **Max Fox** promoted at General Instrument Microelectronics Div. from eastern sales mgr. to national field sales mgr.; **Charles Hill**, ex-ITT Semiconductor, appointed consumer mktg. services mgr.; **Joseph Melseimer** distributor mktg. mgr.

**Tape topics:** **Akai** has terminated contract to provide Roberts-brand audio tape recorders to **Rheem**. Japanese firm, which began marketing own-brand VTRs & hi-fi here earlier this year (Vol. 11:9 p11), will add recorders to line in July... **RCA** has begun marketing blank 8-track cartridges using thin (75-mil) tape developed for 8-track 4-channel concept (Vol. 10:39 p11). Cartridges, which provide up to 96-min. of conventional stereo, or enough for up to 5 LP discs, will retail at \$3.70.

## 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
Collins Radio 1971-9 mo. to April 30	211,663,000	(5,689,000)	—
1970-9 mo. to April 30	255,960,000	310,000	.10
1971-qtr. to April 30	64,935,000	(2,686,000)	—
1970-qtr. to April 30	80,607,000	168,000	.05
Cypress Communications 1971-9 mo. to March 31	6,510,456	19,833	.01
1970-9 mo. to March 31	4,085,370	48,395	.03 <sup>a</sup>
1971-qtr. to March 31	2,235,436	20,233	.01
1970-qtr. to March 31	1,387,098	86,450	.05 <sup>a</sup>
Entron 1971-qtr. to March 31	1,344,280	(137,557)	—
1970-qtr. to March 31	1,185,083	(221,748)	—
Grey Advertising 1971-qtr. to March 31	43,419,000 <sup>b</sup>	44,000	.04
1970-qtr. to March 31	42,229,000 <sup>b</sup>	41,000	.03
Republic 1971-6 mo. to April 30 <sup>c</sup>	94,460,000	(21,386,000) <sup>c</sup>	—
1970-6 mo. to April 30 <sup>c</sup>	87,295,000	3,034,000 <sup>c</sup>	.34
1971-qtr. to April 30 <sup>c</sup>	44,687,000	972,000 <sup>c</sup>	.10
1970-qtr. to April 30 <sup>c</sup>	40,821,000	1,260,000 <sup>c</sup>	.14
Terminal-Hudson 1971-qtr. to March 31	3,269,659	41,921	.03
1970-qtr. to March 31	4,598,828	109,500	.08
Wells, Rich, Greene 1971-6 mo. to April 30 <sup>b</sup>	53,045,750 <sup>b</sup>	1,361,620	.85
1970-6 mo. to April 30 <sup>b</sup>	44,051,295 <sup>b</sup>	900,761	.57
1971-qtr. to April 30 <sup>b</sup>	26,308,750 <sup>b</sup>	729,751	.45
1970-qtr. to April 30 <sup>b</sup>	23,986,295 <sup>b</sup>	700,443	.44

Notes: <sup>a</sup>Before provision for preferred dividends. <sup>b</sup>Billings.

<sup>c</sup>After special items. <sup>d</sup>Restated.

**ZENITH BUYING WATCH FIRM:** Zenith has agreed to acquire majority interest in Swiss company controlling Swiss & French manufacturers of Movado, Modina & Zenith (no relation) watches. Terms weren't announced. Zenith said its electronics & materials technology could "make significant contributions" to watches.

French electronics combine Thomson Houston Hotchkiss Brandt has acquired control of Ergon S. P. A., Italy's only color tube producer, subject to French govt. approval. RCA announced in April that it was purchasing 49% of Thomson group's color tube production subsidiary (Vol. 11:17 p9). It could not be determined at press time whether RCA would be involved in purchase of Italian firm. In other merger developments:

**Erie Technological Products** would be acquired by Harris-Intertype Corp. for about \$9.4 million in stock, under agreement being negotiated... **North American Rockwell** will gain control of Collins Radio's board if Collins shareholders approve terms of financing agreement, which call for NAR to provide \$65 million in exchange for shares & warrants.

**Pye** of England has purchased GRT's 50% interest in Precision tape for undisclosed sum. Precision was formed by Pye & GRT last year to market recorded tape cartridges in U.K... **Electronic Associates** has acquired U.S. Electronics, Lyndhurst, N.J.

WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**COURT EXPLODES FCC RENEWAL** policy as Judge Wright uses harsh language in telling agency it violated law. Decision 'restores competition' by abolishing policy 'unreasonably weighted' in favor of licensee. FCC told to start rulemaking to define 'superior' service. (P. 1)

**TAVERNER VOTED OUT AS NCTA PRES.**, Dec. 31, as opponents force 11-9 Board vote rejecting Exec. Committee recommendation. Leaders labor to avoid industry split. Gwin says 'flak' fading. Factions lobby for Lovett, Schildhause & Button, among candidates. (P. 2)

**FULLSCALE 'FAIRNESS' PROBE** started by FCC, as promised--concerned with public issues, politics, anti-commercials, etc. Johnson fears plot to avoid decisions. (P. 4)

**NETWORKS PUSH 315 REPEAL:** House subcommittee starts new campaign-spending hearing while Senate bill heads for floor. Stanton offers vain plea for equal-time repeal. Macdonald calls move 'dangerous.' Muskie suggests ban on TV ads. (P. 5)

**FTC DEMANDS AD PROOF:** With auto ads first on list, FTC will order all major industries to prove claims. Rep. Dingell opens code hearing. NAB Code assailed. (P. 5)

**COURT EXPLODES FCC RENEWAL POLICY:** Harsh language was used by unanimous D. C. Court of Appeals June 11 in totally rejecting FCC's 1970 renewal policy (Vol. 10:3 p1) as illegal. Judges Wright, MacKinnon & Wilkey found nothing at all commendable about Commission's policy to renew license in face of competing application if station could show its programming "substantially served the public interest." Said Appeals Court, in decision written by Judge J. Skelly Wright:

"Our decision today restores healthy competition by repudiating a Commission policy which is unreasonably weighted in favor of the licensees it is meant to regulate, to the great detriment of the listening & viewing public. Wherefore it is ordered: (1) That the Policy Statement, being contrary to law, shall not be applied by the Commission in any pending or future comparative renewal hearings; (2) that the Commission's order [denying reconsideration] and refusing to institute rulemaking proceedings is reversed, and (3) that these proceedings are remanded to the Commission with directions to redesignate all comparative renewal hearings to which the Policy Statement was deemed applicable to reflect this Court's judgment."

Decision came too late Fri. to get much reaction, though Albert Kramer's Citizens Communications Center (one of appellants) was overjoyed. "The blindfold has been taken off justice,"

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said Center attorney William Wright. He was particularly encouraged by Court's statement: "As new interest groups and hitherto silent minorities emerge in our society, they should be given some stake in and chance to broadcast on our radio & TV frequencies. According to uncontested testimony...no more than a dozen of 7,500 broadcast licensees are owned by racial minorities. The effect of the 1970 Policy Statement, ruled illegal today, would certainly have been to perpetuate this dismaying situation."

William Wright said he doesn't expect Supreme Court review, predicted FCC & broadcasters will again push for Pastore bill. "But we're prepared for that," he added. FCC Gen. Counsel Richard Wiley was out of town, and nobody else at Commission wanted to comment. NAB Pres. Wasilewski saw high hope for appeal to Supreme Court—if not by govt. then by 2 stations (WTAR-TV Norfolk & WNAC-TV Boston) which are parties to case and are involved in renewal hearings. One private attorney thought decision "is not a complete loss" since, he felt, Court was upset primarily by 2-step procedure which requires competing applicant to show licensee hadn't provided "substantial" service before he could get comparative hearing on merits. "It's a great victory for lawyers," said a lawyer, "but don't quote me."

Court said it wasn't necessary to rule on charge Policy Statement violated Administrative Procedures Act, but made clear it would have so ruled: "The Commission's suggestion that under the APA it can do without notice & hearing in a policy statement what the Congress failed to do when the Pastore bill died in the last Congress is, to say the least, remarkable...In issuing the 1970 Policy Statement, without first holding a public hearing, a serious question does arise as to the propriety of the Commission's action."

Following are some of more pertinent conclusions in Judge Wright's language: 'We hold that the [Policy] violates the Federal Communications Act of 1934, as interpreted by both the Supreme Court and this Court...Important is the deadening effect the Policy Statement has had since its institution upon renewal challenges generally. By depriving competing applicants of their right to a full comparative hearing [FCC] has made the cost of processing a competing application prohibitive when measured by the challengers' very minimal chances of success. That the Policy Statement is in this sense self-executing, and that it has in fact served to deter the filing of a single competing application for a TV renewal in over a year, is perhaps the most compelling factor in the Court's decision.'

Judge Wright said "the towering shadow of Ashbacker"—which requires FCC to give applicants in comparative proceedings full hearing—is "superimposed full length" over case. "To circumvent the Ashbacker strictures, however, [FCC] adds a twist: The Policy Statement would limit the 'comparative' hearing to a single issue—whether the incumbent licensee had rendered 'substantial' past performance without serious deficiencies...Challenging applicants would thus receive no hearing at all on their own applications, contrary to the express provision of Sec. 309(e)" of Communications Act. "The proposition that the [policy] violates Sec. 309(e), as interpreted in Ashbacker, is so obvious it need not be labored."

Court said that "superior performance should be a plus of major significance" in renewal contests, but charged FCC policy won't even allow competitor to show that he could do better. And Court saw diversification as major issue to be considered in any renewal hearing: "Since one very significant aspect...is the need for diverse & antagonistic sources of information, the Commission simply cannot make a valid public interest determination without considering the extent to which the ownership of the media will be concentrated or diversified." Judge Wright added, however, that Court recognizes public will suffer if licensees "cannot reasonably expect renewal when they have rendered superior service," suggested that FCC start rulemaking to "articulate the standards by which to judge superior performance."

Among examples of "superior" service to Court would be "elimination of excessive & loud advertising and delivery of quality programs...and to what extent the incumbent has reinvested the profit on his license to the service of the viewing & listening public...Unfortunately, instead of stability, the Policy Statement has produced rigor mortis."

**TAVERNER OUT IN SUDDEN NCTA BOARD SHOWDOWN:** "That impossible job in Washington," NCTA presidency, claimed another victim last week when Board voted 11-9 not to renew Donald Taverner's 2-year contract which expires Dec. 31. Beset by more friction than most trade

associations—and such groups suffer chronic dissidence—NCTA is still searching for man who can "solve our problems in Washington."

Campaign to dump Taverner really was underway even before he was named pres. in Nov. 1969 to succeed Fred Ford (Vol. 9:45 p1). Leaders of campaign had been pushing their own men, and they gave Taverner short honeymoon. Their candidates then, and today, are Bruce Lovett, ex-NCTA gen. counsel, now ATC Washington vp, and Sol Schildhause, FCC Cable Bureau chief. There's support, too, for NCTA Managing Dir. Wally Briscoe & Gen. Counsel Gary Christensen. Also in there is Robert Button, Comsat, who was candidate before Taverner.

After Board vote last week, Taverner addressed group, said he's prepared to serve until year's end if desired, admitted "disappointment" but "no vindictiveness," expressed hope no split would develop in industry. Taverner's supporters on Board were incensed at vote, talked of trying to get action reversed—but move doesn't appear to be generating steam. Taverner opponents, on other hand, are talking about difficulties with "lame duck" pres. for next 7 months, may push to buy up Taverner's contract (for about \$40,000), install new pres. as fast as possible. Taverner's salary was \$65,000 plus \$25,000 to cover travel & other association-related expenses, insurance, new Lincoln, etc.

After Board action, Taverner repeated to us his "disappointment, because I had cable in my bones, but I have no bitterness. I've already had several offers in the industry, and I'm interested in a developmental role—building the industry, programming, advancing the wired nation, et cetera, but not in system operations. I'm also still interested in the educational world [he headed WQED-ETV Pittsburgh before joining NCTA]—and I regret now that I turned down the presidency of a university just a short time ago, assuming I'd continue here."

Vote against Taverner surprised many, despite eruptions of opposition to him from time to time. Six-man Exec. Committee met 14 hours Sun. June 6, voted 5-1 to recommend to Board that Taverner be kept on—but that, in future, discussion of contract renewal would have 3 months' notice instead of present 6. Then, there was day of campaigning June 7. Next day, Board discussed Taverner until 1 p. m., and vote went 11-9. Chmn. Ralph Demgen was home in Willmar, Minn. recovering from heart ailment. Vice Chmn. John Gwin, of Cox Cable's Robinson, Ill. system, presided, abstained from voting. Dirs. Polly Dunn, Columbus, Miss., William Bresnan, TelePrompTer, & George Sisson, Westerly, R. I., were absent at vote time. All others, including Lovett, voted. However, even if all had voted, it would have been very close—either way—and Taverner made it clear he wouldn't want to continue if he won by bare majority. Aware of dissent, he had presented resignation even before vote. Many of minority were very disturbed. George Barco, Meadville, Pa., Taverner's original sponsor, scooped up his papers & stormed out with: "I'm going back to Pennsylvania and stay there."

Demgen is known to be most upset by action, deeply regretting he couldn't have worked toward averting the firing, has told friends Taverner was "crucified"—but is determined to attend July 6-9 convention in Washington, suture lacerations, keep cable industry wired together. Few NCTA members are happy about internal squabbles on eve of FCC action on cable, as Commission appears before Senate Commerce Subcommittee tomorrow (June 15) to outline current plans, as association prepares for convention.

Gwin said presidential selection committee will be appointed soon, after he consults with Demgen, that "there was a lot of flak right after the Board meeting but it's calming fast. I must admit the vote was a surprise. Don's attitude is very good. We have no plans for radical change in operations for the present. You'll remember that it took the last selection committee 4-6 months to find someone."

Administration is getting deeper into cable controversy. Quietly, 3 Cabinet members (Commerce, HUD, HEW) & 3 top White House aides (unidentified) have been asked to feed views on CATV to OTP Dir. C. Thomas Whitehead, who is then to wrap it up into Administration's cable policy—perhaps in 3-6 months. Thus, you have full panoply of Washington forces focusing on cable—FCC, Congress, Administration—with courts in wings waiting for challenges of whatever is promulgated by legislative & executive branches. Typical of a major controversy.

**FULLSCALE 'FAIRNESS' PROBE OFF & RUNNING:** FCC's long-promised major inquiry into fairness doctrine, pushed particularly by Chmn. Burch (Vol. 11:14 p5), was kicked off last week. Commission is asking everyone to give views on everything by Sept. 10, replies Oct. 25. Parties are asked to be specific, consider practical effects of recommendations, commenting on 4 aspects of fairness: (1) General. (2) Questions of access dealing with product commercials. (3) Access for discussion of public issues. (4) Impact on political broadcasts.

Commission noted that subject hasn't had fullscale review for 22 years, pointed to numerous FCC & court decisions—many recent—reflecting intensifying conflict, said its goals continue to be promotion of "uninhibited, robust, wide-open debate," specifically said Commission should promote growth of nation's commercial system, expressed concern about access for "anti-commercials." Special staff may be set up to handle proceeding.

Comr. Johnson concurred, but indicated he suspects majority started inquiry to delay & escape decisions on pending cases brought by groups he supports—on draft, politics, pollution, etc. Said he: "I am fearful that this 'Inquiry' may well have serious national consequences—whether intended or not—of leaving the law in its current state of uncertainty & inequity through the 1972 Presidential elections." Comr. Wells couldn't let that get by, said that there's no "tactical maneuver designed to influence pending appeals of Commission decisions"; that there's no "slightest thought" of delaying action. He wasn't particularly hot about Inquiry, said case-by-case practice has worked well. There was no indication whether Johnson would respond to Wells or whether other commissioners would add further concurring statements. It's understood members have equal access to FCC multilith machines.

Only comment available from industry at press time was from NAB Pres. Wasilewski: "The fairness doctrine needs a full & complete study, not only as to its efficacy, but whether or not it is even necessary... I think that the public would prefer to depend upon the integrity & fairness of the local broadcaster for wide-open debate rather than upon govt. agency decisions in Washington."

**CBS HAS 'DUTY' TO RESIST:** CBS Pres. Frank Stanton told Washington SDX chapter last week that he's prepared for worst in battle against House Investigations Subcommittee subpoena demanding outtakes from network documentary "Selling of the Pentagon." Stanton was to have testified June 9 (Vol. 11:22 p3), but date was postponed to June 24.

"We hope for success, but we must also contemplate what would happen if our case should go to the courts and we should lose," he said. "Then I have to say that a question of national policy of utmost gravity will have arisen. And it will be one that will go unanswered only at the peril of our democratic system..."

"We must resist all efforts, from whatever source, to curtail the information services that we in the media supply to the American public... We cannot do otherwise, for surrender would make us traitors to the people of our nation as well as the entire press... If it should ever be established that Congress can subject the journalistic decisions of the electronic media to this kind of interference, then the camel's nose would be in the tent."

"It would seem to be only a short step from surveillance to the passing of laws or the adoption of regulatory measures telling TV's news departments how to do their jobs, and from that only another short step to a situation where the government would be in full charge and the electronic media the creature of government rather than the servant of the public."

Stanton also praised last week's landmark Supreme Court ruling that private citizens have no more protection than public officials from libel by news

media. In 5-3 vote, Court affirmed decision which threw out suit against Metromedia's WIP(AM) Philadelphia by man who claimed he was libeled when station labeled him a distributor of pornography.

Meanwhile, FCC has studied CBS's handling of "Pentagon" in light of fairness doctrine, as it said it would (Vol. 11:18 p3), reportedly concluded that various programs have given reasonable exposure to contrasting views.

**Ex-parte rules** weren't violated in FCC-congressional coordination of investigations of Don Burden stations, FCC is expected to rule this week, denying Burden contention that all commissioners should be disqualified. Commission also is expected to turn down request that stations be renewed on condition that Burden sell them and get out of broadcasting. FCC is expected to order that hearing start in Sept. as scheduled on grounds that stations will have ample time to seek court review of Commission refusal to disqualify itself.

**MBS affiliates** will ask Congress to pass bill authorizing FCC to approve changes in program formats without granting hearing to protesting citizens' groups. Affiliates board said effect of court decisions prohibits such changes and is "an unwarranted restriction on the fundamental rights of broadcast licensees to determine how to meet the needs of their community."

**FCC's new-official-seal contest** (Vol. 11:5 p3) produced hundreds of entries, but Commission found none good enough to be adopted. There are no plans to pursue project.

**NETWORKS PUSH 315 REPEAL:** While networks would prefer that Congress repeal equal-time law for all federal candidates and set over-all campaign spending limits which don't discriminate against broadcasters, they settled for half-a-loaf in House last week by supporting legislation introduced by Communications Subcommittee Chmn. Macdonald (D-Mass.) designed to meet President Nixon's objections (Vol. 11:21 p5). Network testimony came during 3rd day of hearing which in most respects was repeat of earlier Senate & House hearings.

Macdonald's bill repeals equal-time requirements for Presidential & Vice Presidential candidates only, limits candidates to spending 5¢ per voter on TV-radio, 10¢ on print. CBS Pres. Stanton, NBC Pres. Goodman & ABC Group Vp Everett Erlick called spending ratio discriminatory, urged over-all limits allowing candidate to spend money in any media. Senate bill, amended by Rules Committee (Vol. 11:23 p3), sets 10¢ over-all limit, abolishes Sec. 315 for all federal candidates.

"I think it would be a dangerous thing to just repeal Sec. 315," Macdonald told Stanton. "It would give a terrific amount of power to the broadcast media...They should not have that power." Countered Stanton: "It is going to be a lot of power, but with power goes responsibility...You are hobbling the broadcaster from doing his job and serving the public interest. You are apparently willing to trust the networks. I would go beyond that. Trust the licensee..." Networks also urged elimination of Sec. 315 for Presidential primaries, but Macdonald opposes idea.

If Congress just amends Sec. 315 to exempt Presidential & Vice Presidential candidates, Stanton said CBS will offer 8 hours of free time between Labor & Election Day to major party candidates. Reiterating earlier Senate testimony, he suggested "framework" that candidate express over-all views in opening & closing hours of series either individually or in joint appearances. Remaining 6 hours may include debates or back-to-back interviews. In all cases format would be left up to candidate. In addition to news interviews, NBC is offering 4 prime-time half hours to candidates to use "as they see fit." ABC previously announced it will offer free time, hasn't specified amount.

Hearing resumes June 15 with Assoc. Deputy Atty. Gen. Wallace Johnson and William Mullen of National Newspapers Assn. Following day, NAB Pres. Wasilewski testifies.

Ban on all TV ads for Democratic Presidential nominees has been suggested by Sen. Muskie (D-Me.). In letter to National Committee Chmn. O'Brien, Muskie urged candidates spend nothing on TV until party has selected nominee. However, candidates would be free to spend on radio & print, but would have to rely heavily on personal appearances. With 22 states & Washington planning primaries next year, it's estimated candidates could spend about \$20 million, and Democratic treasury is \$9 million in red.

**WLBT Jackson, Miss.** must turn over operations to applicants for its Ch. 3 June 14, in long black-unfairness case, following June 11 U.S. Supreme Court action refusing to stay FCC decision.

**FTC DEMANDS AD PROOF:** Prescribing one of harshest purgatives it believes it has power to administer, FTC last week announced it would order all major industries to substantiate advertising claims. With auto ads No. 1 on list, FTC said it plans to issue periodic orders, probably one every 3 months, giving industries 60 days to supply data which would be made public. Action was in response to petition filed last Dec. by consumer advocate Ralph Nader, who accused advertisers of making "vague claims which give consumers no real understanding."

Commission expects new program to have "an enormous impact" on advertising, Consumer Protection Bureau Chief Robert Pitofsky said. "Companies will simply find it too dangerous & costly to make unsubstantiated claims." He said order to car makers is being drafted, will go out in about a month. "If somebody says, 'tastes great', we're not going to ask for substantiation," he said. "But if they say 'stops 3 times as fast' or 'costs half as much as all competitors in its class', we're going to ask for substantiation."

While Commission was thus seeking to substantiate its own previous crackdown claims, Congress also was moving in on advertisers. House Small Business Subcommittee chaired by Rep. Dingell (D-Mich.) opened hearing on industry & govt. advertising standards. It heard from NAB & AAF among others, was particularly critical of NAB Code for lack of enforcement or consumer representation.

"Are you saying that you are not now going to open these Board meetings to the public?" counsel T.J. Odgen asked NAB Code Authority Dir. Stockton Helffrich. "Have you ever considered creating a panel of public interest advisers representing the public at large?" Dingell said such action "certainly would comfort me." Helffrich said idea has been discussed, but: "I think there is the general feeling among broadcasters that they have representatives on our Board who can present clearly to the Code Board whatever audience attitudes they want to present... And since they all do that, there is no need to present the problem in any further focus."

**TelePrompTer** has negotiated \$42 million loan from 5 banks, Chmn.-Pres. Irving Kahn stating proceeds will be used to consolidate current bank loans and expand cable systems. He added that \$28 million construction financing agreement is being negotiated with equipment maker. Company also announced guidelines on program origination, stated 65 of its 120 systems will be originating by Sept. 1—ranging from 2 1/4 hours weekly for those under 6,000 subscribers to more than 50 hours for largest—with emphasis on news & discussion.

"**New Dimensions in TV Broadcasting**" is panel during June 27-30 Consumer Electronics Show, McCormick Place, Chicago, includes Wally Briscoe, NCTA; William Carlisle, NAB; Philip Rubin, CPB; John Taylor, NAEB; Richard Wiley, FCC; moderator is Earl Abrams, Broadcasting Magazine. Among other panels: "New Directions in TV Products," with William Anderson, RCA; Joe Casale, Admiral; Dan Dougherty, Zenith; Charles Fabso, Toshiba; Charles Kepler, Motorola; moderator is David Lachenbruch, Television Digest.

## Personals

**FCC Comr. Thomas Houser** returned home from George Washington U. Hospital June 11 following removal of benign tumor from pituitary gland; he'll be in office on limited basis beginning June 14.

**Andrew Jackson**, Capital Cities community relations dir., & WPRO-AM-FM Providence Gen. Mgr. **Warren Potash**, elected vps of parent Capital Cities ... **Duane Harm**, KHON-TV Honolulu gen. mgr., elected vp of parent Pacific & Southern Bcstg... **Gordon Y. Campbell**, ex-WKEF Dayton, named gen. sales mgr., WKAB-TV Montgomery.

**George Snowden** elevated to programming vp, WOR-TV N. Y. ... **William Hillier**, ex-WBZ-TV Boston, named program mgr., WJZ-TV Baltimore, succeeding **Paul Coss**, now WBZ-TV program mgr.; **Jeff Schiffman** promoted to exec. producer, WBZ-TV; **Jim Thistle** to news dir., succeeding Schiffman.

**William Fyffe**, ex-KTLA L. A., named news dir., WXYZ-TV Detroit... **Edward Armsby**, ex-national advertising & promotion dir., Triangle stations, becomes promotion & information dir., WCAU-TV Philadelphia... **Robert Kotlowitz**, ex-Harper's managing editor, named exec. editor, WNET N. Y.

**Edward Chapin** retires as FCC asst. chief engineer, Laboratory Div... **Jeanette Maygarden**, ex-Mobile Press Register, named promotion dir., WAVY-TV Portsmouth, Va... **Frank Bryson** promoted to sales development dir., WJCL Savannah; **Bill Bodway**, ex-WRBL-TV Columbus, Ga., named operations dir., succeeding Bryson.

**William Gossett** elected chmn., 20th Century-Fox, succeeding **Darryl Zanuck**, now chmn. emeritus... **Henry Rau**, pres. of Rau Radio Stations, elected chmn., Mutual Affiliates Advisory Council ... **John Stilli**, WFBG-TV Altoona gen. mgr., elected pres., Pa. Assn. of Bcstrs.

**Richard Forsling**, communications div. pres., elected Viacom chmn.; **James Leahy** finance & administration vp, elected a dir.

"Typical TV station" profit in 1970 dropped 3.4%, despite revenue increase of 6%, according to NAB survey to which record 350 commercial stations responded. Typical station's net revenue was \$1.62 million, compared with \$1.53 million in 1969; 1970 before-tax profit was \$284,900 (17.5% margin) vs. \$295,100 preceding year. Expenses rose 8% in 1970 to \$1.34 million.

**Lamb Enterprises'** \$54 million antitrust suit against Buckeye Cablevision (owned by Cox Bcstg. & Toledo Blade) was dismissed last week by federal court in Ohio. Lamb objected to leaseback arrangement between Buckeye & Bell for Toledo system (16,000 subscribers), filed suit in 1965. Court ruled for defendants on all counts.

**ABC adds 3 more** major markets—Taft's WKRC-TV Cincinnati & WTVN-TV Columbus, O. (start undecided) and WEWS Cleveland (Sept. 6) for Smith-Reasoner evening news,—giving network 28 new stations since Jan. 1. News now is cleared by 169 affiliates covering 94% of U. S. TV homes.

**NEW STATIONS ON AIR:** WHAE-TV (Ch. 46) Atlanta started programming June 6 using all RCA equipment, 1,170-ft. tower. M. G. Robertson is pres.; George Ivy, gen. mgr.; Frank Pickell, mktg. vp. Victor King Assoc. is rep; base hour, \$120.

There are now 887 stations on air (590 vhf, 297 uhf), 684 commercial, 203 non-commercial, 130 CPs.

**KFPW-TV** (Ch. 40) Ft. Smith, Ark., plans late June air date using Ampex transmitter, 500-ft. tower. Jack Freeze is gen. mgr.; John Whitt, sales mgr.; Jerry Davis, operations mgr.; Willard Matten, chief engineer.

**WUNJ-TV** (Ch. 39 ETV) Wilmington, N. C. began programming June 6 as satellite of WUNC-TV Chapel Hill.

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**Record & tape pirates** have reached "epidemic proportions" and threaten recording industry with "ultimate destruction," govt. & industry spokesmen told House Copyright Subcommittee last week. All but several "legitimate pirates" supported Senate-passed bill affording greater copyright protection to industry. Writers & publishers "are being robbed of the compensation to which they are entitled primarily because the remedy provided under the Copyright Act is too feeble," said Leonard Feist, exec. vp, National Music Publishers Assn. State Dept. spokesman said about 100 million pirated records are sold annually throughout world, while U. S. industry claimed pirated recordings, mostly tapes, are supplied to retailers for \$2—half legitimate wholesale price. But attorneys for G&G Sales, Eastern Tape and Custom Recording opposed bill, which they claimed would allow industry to "dictate extortionate licensing terms and thus increase the cost of taped music to the consumer... Legitimate tape pirates stand ready, willing & able to pay a reasonable price directly to the record company for each use." They urged Subcommittee to establish fixed royalty rates, but most Subcommittee members disagreed, and bill appears headed for quick approval.

**Abuse of FCC processes by CBS** in Viacom spin-off (Vol. 11:23 p4) was charged by Mario Iacopi, et al., who called for evidentiary hearing. Petition claimed CBS got early notice of forthcoming Commission approval of spin-off; rushed Viacom certificates into mails while aware that court was weighing stay; engaged in ex parte contacts to push cause at Commission; canceled CARS microwave application —knowing it might be basis for evidentiary hearing—then reinstated it immediately after spin-off. Petition urged FCC to stimulate SEC & NYSE into suspension of Viacom trading.

**Canadian Parliament** is expected to pass bill—backed by govt.—banning cigaret advertising in all media after Jan. 1. Bill also would require health warning on packages. Meanwhile, in annual report to Congress, FTC asked for legislation requiring that tar & nicotine content be listed on all packages and in advertising, and that warning on packages be changed to read: "Cigaret smoking is dangerous to health and may cause death from cancer, coronary heart disease, chronic bronchitis, pulmonary emphysema and other diseases."

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended May 28 (21st week of 1971):

	May 22-28	1970 week	% change	May 15-21	1971 5 months	1970 5 months	% change
Total TV . . . . .	165,774	103,575	60.1	131,627	3,774,480	3,196,677	18.1
color . . . . .	92,915	49,669	87.1	71,586	2,008,267	1,588,045	26.5
monochrome . . . . .	72,859	53,906	35.2	60,041	1,766,213	1,608,623	9.8
Total radio . . . . .	392,792	285,314	37.7	420,964	7,688,295	6,308,634	21.9
home, portable . . .	172,470	89,498	92.7	172,519	3,184,074	2,577,414	23.5
AM-only . . . . .	110,279	65,432	68.5	111,095	1,914,641	1,685,457	13.6
FM & FM-AM . . . .	62,191	24,066	158.4	61,424	1,269,433	891,957	42.3
auto . . . . .	220,322	195,816	12.5	248,445	4,504,221	3,731,220	20.7
Total phono . . . . .	42,710	42,385	0.8	40,035	1,385,263	1,092,381	26.8
portable-table . . . .	30,634	27,722	10.5	30,017	1,066,558	711,803	49.8
console . . . . .	12,076	14,663	-17.6	9,928	318,705	380,578	-16.3

Color TV 5-week moving average: 1971-85,846; 1970-53,973 (up 59.1%)

**CATV'S CHALLENGE TO TV MANUFACTURERS:** A leading Canadian CATV operator last week accused set makers of "lack of understanding and serious misjudgment" in failure to design sets for optimum performance with cable-fed signals, and hinted that manufacturers which don't adapt to cable age could face "extinction."

Occasion was IEEE's Chicago Spring Conference on Bcst. & TV Receivers, and speaker was Maclean-Hunter Cable TV Chief Engineer Israel Switzer. Among other conference highlights: (1) Sprague discussed IC device which may make possible videotape players running at extremely slow speeds, and Warwick outlined its formula for successful videoplayer. (2) RCA revealed development of 25V" 110-degree color TV system whose circuit costs are comparable with those of 90-degree. (3) Continued preoccupation with search for "comparable" uhf tuning systems. (4) Renewed interest in radio through new devices which component makers hope will bring some production back home. (For details, see p. 11.)

Addressing blue-ribbon audience of TV receiver engineers, Switzer pointed out that CATV, although still in only about 9% of U.S. homes (Vol. 11:23 p1), has reached 20% penetration in Canada—50% or more in most major cities—and that 50% of new color TV sales in Canada are now to cable households.

Among his complaints about today's TV sets: (1) Many don't have adequate adjacent-channel interference rejection, a necessity when cable signals are fed to all 12 channels. (2) Some sets work better with AFC off, due largely to misadjustment by service technicians, causing adjacent-channel sound interference. AFC shows considerable drift in some sets. (3) Poor tuner shielding results in off-air pickup, requiring use of external channel converter in subscriber's home. "Cable needs every channel it can get and it costs us dearly to convert to another channel." (4) With many systems now supplying more than 12 channels, set-top converters often are used to add more vhf channels below Ch. 7 or above 13, and "the receiver gives us reception problems." As to use of uhf channels, "from our standpoint, the uhf tuner is lip-service to the FCC regulations—it is not a practical thing at all." However, he added his personal view that multi-channel cables 5 years from now would use uhf.

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NCTA has filed with FCC its recommendations on receiver standards, most of them welcomed by Commission engineers, many of them (but not all) favored by set manufacturers. Proposed rules changes include requirements that: (1) Sets have 75 ohm unbalanced impedance. (2) Receivers include heavy shielding of input circuits. (3) Channel readout be consistent with station's channel, regardless of actual frequency tuned. (4) Tuning stability be specific, e.g., no more than 50-kHz drift in 4 hours, etc. (5) Interference rejection be specified for lower adjacent sound carrier, aural carrier, etc. (6) Manufacturers provide FCC with documents showing exactly how receivers now in field can be modified to meet new rules. (7) Receiver operable only when connected to cable be permitted. (It's understood Zenith, Magnavox & Japanese importer Hamlin will demonstrate cable-only receivers at July 6-9 NCTA convention in Washington.)

**5-MONTH COLOR SALES BEAT BANNER '68:** Color TV sales to dealers crossed 2-million mark in 1971's first 5 months, running ahead of figures of same period in 1968, color's record year for domestic-label sales. (All-time record for first 5 months was set in 1969.) Color sales in May ran nearly 58% ahead of May 1970, showing continued increase from 39% advance in April, 27% in March, 19% in Feb. and 18% in Jan.

Five-week moving average of color sales was running better than 59% ahead of last year at end of May—and May's final week was good indeed, as you can see from State of the Industry above. Color's advance over same 1970 week—87.1%—set record for any week of year to date. Three out of May's 4 weeks, in fact, established new color sales records for those specific weeks of the year.

But some manufacturers are beginning to express concern that figures may be looking too good—reports from field don't indicate retail sales are that high. There's some feeling May's rise may reflect, at least in part, dealer stockpiling to beat price increases in 1972 lines. Inventories at factory & distributor levels, while rising, are still below last year's figures—and, expressed in terms of going distributor-to-dealer sales rate, are now at about 16 weeks' supply vs. 27 weeks one year ago. EIA's top-secret retail figures are understood to reflect decline—rather than increase—in dealer inventories.

Here are EIA's figures on May sales to dealers of domestic-label consumer electronics, with 1970 & 1969 comparisons:

Product	May 1971	May 1970	% change	May 1969
Total TV.....	603,285	447,431	34.8	534,970
color .....	325,725	206,223	57.9	256,284
monochrome .....	277,560	241,208	15.1	278,686
Total radio .....	1,459,031	1,147,675	27.1	1,223,847
home, portable .....	581,995	372,750	56.1	538,920
AM-only .....	361,642	243,496	48.5	334,311
FM & FM-AM .....	220,353	129,254	70.5	204,609
auto .....	877,036	774,925	13.2	684,927
Total phono.....	162,167	159,208	1.9	193,879
portable-table .....	117,251	111,880	4.8	133,147
console.....	44,916	47,328	-5.1	60,732

**CBS & SONY PARTNERS IN 4-CHANNEL SYSTEM:** Not without controversy, CBS last week officially announced & demonstrated 4-channel matrix disc system (Vol. 11:22 p7) and revealed it was joining with Sony to prepare it for worldwide marketing. At same time, Philips confirmed our report it had developed own cassette noise-limiting system (Vol. 11:23 p7), which Norelco said would add less than \$30 to cost of recorder or player.

Columbia Records "SQ" (for stereo/quadruphonic) disc system, developed by CBS Labs, is matrix technique which combines 4-channel material into 2 channels, requires decoder to reconvert to 4 channels, can be broadcast via conventional FM stereo and decoded at reception point to provide 4-channel broadcast sound. First demonstration was at International Music Industry Conference in Montreux, Switzerland. First production-model player, 6-piece Sony-

made unit, under CBS's Masterwork label, which will also accommodate 4-channel tape cartridges, will be demonstrated in Chicago at Essex Inn during CES June 27-30. CBS said it will have 50 quadraphonic records available by year's end, selling at \$1 premium over 2-channel stereo versions.

Two types of decoder will be made for SQ—simple matrix version and more sophisticated "logic" system which emphasizes amplification of predominant signal. Sony announced it would have several SQ instruments on market by fall, including low-priced decoder unit at about \$55, with logic-type unit at around \$165 next spring. Encoders for record producers & FM stereo broadcasters will be about \$2, 100.

CBS and its jointly-owned affiliate CBS-Sony Records plan to charge "nominal" royalties for use of system by hardware manufacturers, but it's unlikely any payments will be asked of record producers or broadcasters. CBS will seek to collect license fees from U.S. manufacturers, CBS-Sony from those elsewhere in world. Patent position is unclear. Peter Scheiber, who teamed up with Electro-Voice (E-V), claims basic patent for matrix technique.

Some other things remain unclear, too. CBS claims complete compatibility for its system—that is, 2-channel records may be played over 4-channel system and 4-channel discs may be played on standard stereo phono. Company also says its 4-channel discs may be played through E-V or Scheiber decoders and provide pleasing quadraphonic sound, although directionality may be changed in process.

These claims are flatly denied by E-V Pres. Larry LeKashman, whose system is currently in production and on sale. He says that most recent U.S. demonstration of CBS system—May 18 to EIA subcommittee working on encoding standards—showed system was unsatisfactory when 2-channel discs were played. He called this "the single worst possible deficiency" for 4-channel system, citing minutes of EIA subcommittee meeting which he said indicated non-compatibility and which stated "CBS-encoded discs would simply not work with existing E-V & Dynaquad decoders." Commenting on CBS's statement on availability of records, LeKashman told us 50 E-V system titles would be ready before CES.

Philips' DNL noise-suppression system, which doesn't require specially processed cassettes, will be introduced at CES and supplied to manufacturers on royalty-free basis. System completely suppresses all noise during silent periods, doesn't operate at all during loud passages, operates fully in absence of high-frequency signals, permits high-frequency signals above certain level to by-pass filter action. It's claimed to improve over-all signal-to-noise more than 3 db and by as much as 20 db during high-frequency passages (10 kHz).

**TARIFF COMMISSION'S NEW TV IMPORT PROBE:** Formal inquiry into "escape clause" request for restrictions on TV imports was launched by Tariff Commission last week. Other foreign trade developments: (1) Sylvania purchased Taiwan receiving tube plant. (2) TV dumping case went back to court. (3) Japan revealed broad trade liberalization program, reached agreement with U.S. on return of Okinawa. (4) U.S. call for revamping international trade structure to remove non-tariff barriers was accepted by Organization of Economic Cooperation & Development (OECD).

Meanwhile, April TV imports rose 6.7% from same 1970 month to 393,000, according to Commerce Dept., with color up 85.3% to 122,000, b&w off 10% to 271,000. Month's color imports from Japan leaped 82.7% to 112,000, b&w rose 14.5% to 187,494. Deficit in total b&w resulted from 36% decline (83,000) in combined imports from Taiwan & Mexico. In first 4 months, U.S. absorbed 1.5 million imported TVs, up 22.9%, with color up 50% to 371,000, b&w up 15.9% to more than 1.1 million. Pace of increase from Japan is expected to continue as importers build inventories in anticipation of dock strikes. Contract for longshoremen runs out in July on West Coast, Sept. in East.

Tariff Commission will start hearings Aug. 24 on request from IUE, IBEW & IAM that entire domestic TV industry be declared import-injured (Vol. 11:21 p10). Probe will be more comprehensive than past ones, which involved adjustment assistance to specific firms or workers. But basic ground rule will be same—Commission must find industry injury caused, in major part, by increased imports directly resulting from trade concessions granted by U.S. negotiators.

Sylvania purchased Union Electronics, Taiwan receiving tube manufacturer, from U.S. parent Tubes Inc., controlled by General Instrument, for undisclosed sum. Union went into operation in 1969, using production equipment purchased from Westinghouse's defunct tube plant, with production capacity approaching 10 million tubes yearly. Sylvania spokesman said Taiwan plant would sell in Far East & other world markets.

J. C. Penney has asked Supreme Court to review lower court's rejection of suit to force opening of Treasury Dept. records in Japan TV dumping case. Both N. Y. federal court & Appeals Court refused to rule on merits of Penney case, each stating that importers who disagreed with dumping finding could protest extra duty levies in Customs Court. In seeking Supreme Court action, Penney said Treasury has never revealed formula for dumping calculations.

Sweeping revision of restrictive trade policies announced by Japan includes elimination of tax incentives to exporters, lowering duty rates, elimination of trade barriers, reducing number of items covered by import quotas, liberalizing import & export of investment capital.

President Nixon opened door to trade with mainland China, placing host of once-forbidden goods on acceptable list, including TV-radio receivers. U.S. action is also go-ahead signal to Japan and other countries which have respected past U.S. trade embargo.

**Tape topics:** Maruwa Electronics, major Japanese supplier of recorders & players to OEMs & importers here, has filed for reorganization under Japan's bankruptcy laws. Spokesman said firm would keep Chicago branch in operation and that most customers here had agreed to accept late deliveries. Believed not immediately effected by legal action is manufacturing joint venture with Lear Jet Stereo in which Maruwa holds 51%... "Guide to Cassettes," 16-pp. booklet from TDK, tells how to select, care for and even repair cartridges—23-73 48th St., Long Island City, N. Y.... Gillette Co. names Joseph Raffaele, formerly asst. product mgr., Toiletries Div., to direct entry into blank cassette sales... Mikado Electronics offers to act as agent for dealers who want to import 8-track car tape players—minimum order 100 units, cash, no warranty... Having persuaded RCA to switch name of 4-channel 8-track cartridges from Quad-8 to Q8, Acoustical Mfg. of England, owner of Quad trade mark, has objected to Toyo Radio's "Quadio"... Lear Jet Stereo has been named, among others, as defendant in tape piracy suit filed in Oakland County, Mich. by Rare Earth Records. Suit charges Lear knew its blank cassettes were being used to make unauthorized recordings. Case is believed first in which cartridge supplier was charged along with duplicators & distributors.

**Industry-wide TV Reception Improvement Program (TRIP)** was broadened last week by Electronic Industry Council from antenna promotion to include all types of TV set improvements, including picture tube replacement. Promotional activities, coordinated by NAB's Bill Mansfield, will feature TV spots. EIC also heard proposal from service technicians' groups that TV manufacturers combine their service courses into single national training seminar under auspices of industry-wide group. In addition to NAB participants in EIC include EIA, NARDA, NEA, NATESA.

**"World's smallest" videocassette recorder** will be demonstrated at CES by Sanyo. Tape machine measures 10 x 8 x 6 in., weighs 10 lb., uses half-inch tape at 4.7 ips in 2-reel cassette.

**Videocassette dealer franchise program**—first in industry—was launched last week by Videorecord Corp. of America (VCA) in large Wall St. Journal ad seeking applications. Required is \$20,000 investment, those becoming licensed dealers getting exclusive territory and distribution rights to "over \$10 million worth of programs, with more being produced every day." No one was available at VCA last week for comment on franchise plan. Meanwhile, another symposium on videoplayer systems is scheduled for Oct. 7-8 at SMPTE convention in Montreal (Stanley F. Quinn, CBS, chmn.). Quantum Science Corp. has conference on videocassettes July 9, N. Y. (\$150).

**CES conferences**, scheduled 3 mornings during June 27-30 event, will cover retailing TV & audio. NARDA Exec. Vp Jules Steinberg is chmn. of retail session which features panels on merchandising, legislation & servicing. TV conference, chaired by Sylvania Vp William Boss, has panels on broadcasting, receivers & videoplayers. Don Harper, Fisher Radio exec. vp, chairs audio conference. Panels cover youth market, FTC proposal for hi-fi power advertising, quadraphonics and tape recorders & players. Sessions will run 9-11 a. m. in McCormick Place, Chicago.

**Additional powers for FTC to seek preliminary injunctions, assess penalties up to \$10,000 per violation, order refunds, etc.** have been approved by Senate Consumer Subcommittee. However, parent Commerce Committee will vote this week on move to separate Commission section from less controversial warranty provisions of bill, send former to Judiciary Committee. EIA & other industry groups favor this tactic.

**Motorola & Fairchild** won Japanese govt. approval of plans to establish 50-50 IC producing joint-ventures with Japanese firms, joining Texas Instruments-Sony venture, which, in 1968, was first to get go-ahead. Japanese partners for new operations haven't been named yet, will probably come from ranks of present IC manufacturers.

**WARWICK'S VIDEOPLAYER GOALS:** Standardization isn't vital to success of home videoplayer. Rather than picking "standard" system, "it would be more intelligent to develop industry performance standards for all types of players and let the consumer choose." This is view of Robert H. Walker, dir. of videoplayer systems mktg. for Warwick Electronics, majority-owned subsidiary of Whirlpool which supplies Sears' consumer electronics.

Speaking at IEEE Chicago Spring Conference, Walker forecast cartridge TV "eclipsing CATV & CCTV" after gestating about 5 years, at price comparable to that of good audio tape recorder. Based on experience in audio, he summed up these qualifications: (1) It must be reel-to-reel, both reels housed within cartridge—"the ideal would be similar to an audio cassette." (2) It should be sealed, relatively foolproof, with as few switches & knobs on player as possible, and with automatic shutoff when playing is concluded. (3) It should have as long a playing time as possible. Since ability to record should add relatively little to cost—and judging from experience in audio and uncertainties about program pricing—recording feature is desirable.

Walker forecast that VTR attachment for color set probably would be more acceptable to public than VTR-color TV combination, since "color TV combinations never have been widely accepted." He suggested receiver designers consider characteristics of videoplayer signal, add shielded antenna leads and 2-way antenna switch to minimize off-air pickup. Since magnetic sound has excellent quality and most videoplayer systems will have 2 sound tracks, he urged upgrading of TV sound systems and perhaps addition of stereo sound—or, at very least, audio jacks on set for use with external hi fi.

Possibility of videotape player running as slow as 1-7/8 ips was raised in technical paper by Sprague Linear IC Mktg. Mgr. Michael H. Oppenheimer through potential application of new IC technology to design of playback head. Principle is that of Hall effect, known since 1879—magnetic field applied to current-carrying conductor creates voltage directly proportional to magnetic field. Hall-effect ICs have been used for some time in switching circuits, but tape application would involve new IC with linear response. Oppenheimer forecast excellent frequency response, high reliability, said Sprague is aiming to supply tape-head type of Hall-effect ICs by year's end.

RCA announced "major new system" of 25V" 110-degree color tube & associated components in IEEE paper by Picture Tube Engineering Mgr. Charles W. Thierfelder. Narrow-neck tube, to be sold in quantities on European market later this year and in U.S. thereafter, is accompanied by new yoke design, and other developments which are claimed to make possible 110-degree circuitry at same cost as present 90-degree. New tube was said to provide higher resolution picture due to miniaturized gun. It makes possible cabinet nearly 4.5 in. shorter than with current 25V" sets.

Sylvania displayed sample 19V" & 25V" tubes with 110-degree deflection, latter also being of narrow-neck type (as opposed to current European wide-neck version). Sylvania spokesman said narrow-

neck tube can save \$7-\$10 in component costs. No pricing was announced for either RCA or Sylvania short tubes, but there was indication that initial premium over 90-degree versions could run as much as \$10. The 19V" version is expected to show up in some sets late this year. Sylvania also showed new black matrix color tubes, claimed up to 100% brighter than before.

Tuner manufacturers were out in force at IEEE conference, and most attention went to Sarkes Tarzian's little 70-channel detent uhf tuner, currently under study by FCC, which is expected to make exception to tuner-parity rules to authorize TV makers to use it and others like it (Vol. 11:12 p8). Tuner has detent, shows each uhf number in window, using counter system geared to shaft rotation. Sales Mgr. Kevin Joyce said it's priced \$3-\$4 less than alternatives, has advantage of indicating every channel, will fit in same space as continuous tuner in most sets from 12V" up.

Varactor tuners were abundant, although receiving less attention from engineers than at last year's event. Sylvania displayed German Hopt tuners & tuning switches; Hopt is now owned by GTE. Oak showed varactor uhf tuner, now in production. Standard Kollsman demonstrated remote version of uhf varactor tuner to be introduced in Dec. by Heath. Heathkit unit opens tambour doors automatically when set is turned on by remote control. Set has conventional 12-channel vhf tuner, 12-channel varactor uhf tuner, controlled by separate buttons on remote unit, which can switch immediately from v to u channels—no necessity to tune to "uhf" position on dial. SK is offering varactor tuner in 6-, 8-, 10- & 12-position versions, even demonstrated one in 14V" portable.

Surprising total of 6 of 22 papers were on radio. Several involved new "phase-locked loop" (PLL) which some component makers claim will make FM set as inexpensive as AM and provide FM stereo at only slightly more than mono. Major attraction of PLL is that it virtually eliminates use of coils, making it possible to integrate nearly all of receiver. Large number of other circuits—including ICs for virtually every TV stage and designs such as GE cassette player with only 2 active elements—are clearly calculated to keep production in U.S., or to bring it back. GE's IC Products Circuits & Systems Engineering Mgr. F. W. Gutzwiller told luncheon that new automatic IC lead attachment, processing & insertion "promises to revive U.S. assembly operations and put them on a competitive basis with any throughout the world." In other luncheon address, RCA Solid State Div. Vp-Gen. Mgr. William C. Hittinger said age of consumerism challenges components engineers to find way to "justify a cost differential among products that are similar in initial performance but differ in subtle factors affecting life & reliability."

Panasonic displayed 2 unique new components, neither yet being offered to U.S. manufacturers: (1) Completely sealed solid-state color TV flyback transformer, said to have been tested in 100,000 Japanese sets with no field failures. (2) "Piezonator," developmental ceramic substitute for color TV IF transformer & coils, requiring no adjustments.

**ADMIRAL & GE LINES:** Admiral color line (Vol. 11:22 p8) has 37 new models, highlighted by 18V" black-matrix set at \$299.95, features 3-function remote control on 6 models in 19V", 21V" & 25V" sizes, 6-position uhf detent tuners in all but three 25V" sets. Redesigned line starts with 12V" at \$259.95 (up \$20 from last year's starter) with \$269.95 step-up; 16V" are open & \$319.95; the 18V" leader is followed by \$349.95 model with cart & automatic tint; 19V" sets include 3 at \$179.95, two at \$399.95, two open-list remotes; 21V" with stand is \$429.95, remote version open. All four 23V" sets and fourteen 25V" consoles are open-listed as is one combo; 3 vertical combos are \$1,150.

New monochrome receivers include 7V" with built-in nicad battery & recharger at \$159.95; three 12V" starting at \$89.95; two 19V" at \$149.95 & open; three 22V" open-list sets. In Admiral's stereo line are 2 component systems with stereo FM-AM & 8-track cartridge players at \$139.95 & \$159.95. Furniture-look portable stereo phono at \$79.95 has component appearance. Company's first 4-channel tape cartridge player has 4 Tunnel Reflex speakers at \$219.95. Cassette changer deck (up to 12 cassettes), record & playback, is \$169.95. AC-DC stereo cartridge player with FM-AM is \$99.95. Stereo console line has 12 models from \$179.95, topped by unit with built-in cartridge deck at \$469.95. New portable radios include AM pocket at \$5.95, clock at \$19.95. FM-AM desk radio with paper drawer & pen is \$26.95, FM-AM digital clock \$59.95, conventional AM clock radio \$19.95.

**Toshiba America's** apparent TV price reductions (Vol. 11:23 p11) are more illusion than reality. Pricing points on most color & monochrome models are about same as they were after 2-3% boosts last Dec. Only true change was on carry-over 18V" color portable leader, which, at \$369.95, is priced at pre-increase level. Confusion results from Toshiba's unannounced decision to publicize recommended "minimum retail price" rather than higher "suggested retail prices" as it did in past.

**GE** joined 4-channel proponents at audio line unveiling in N. Y. last week, showing 8-track tape player at \$199.95. Unit also contains phase-shift circuit to derive 4-channel sound from regular stereo. Stereo FM-AM receiver combinations include one with 12-cassette changer (from Nippon Columbia) at \$449.95, 8-track recorder at \$239.95, 8-track player at \$99.95 and 3 with record changers, \$179.95 to \$329.95. New radios include pair of FM-AM calendar models with visible electronics showing through plastic case at \$34.95, travel clock at \$24.95; 7-band & 12-band AC-battery portables at \$109.95 & \$169.95; FM-AM-vhf AC-battery at \$44.95; FM-AM-cassette table at \$99.95.

**Ampex** is also into 4-channel with stereo FM-AM-8-track player combination at \$230. Other hi-fi products introduced last week included stereo FM-AM receiver 8-track recorder \$350, 8-track recorder deck under \$180; 12-cassette changer deck under \$350 and auto-reverse stereo cassette deck under \$300. Also new are auto 8-track player \$90, mini-cassette recorder under \$100, AC-battery cassette recorder under \$60.

**Sherwood** added \$579 stereo-FM tuner with crystal-controlled digital station frequency readout, and stereo-FM-AM receiver which accepts inputs from 2 phonos, 4 recorders, at \$319.95... **Concord** introduced stereo cassette deck with Dolby equalizer circuit, \$249.95; regular stereo cassette deck \$149.79; stereo cassette recorders with speakers at \$99.79 & \$159.79, latter with stereo FM-AM radio... **3M Wollensak** added Dolbyized stereo cassette recorder deck at under \$300, 8-track cartridge stereo recorder deck at \$149.95, pocket portable cassette recorder \$99.95, AC-battery cassette recorder \$59.95.

TV gun-mount production in Linden, N. J. will be ended by Griffiths Electronics and moved to expanded plants in Nogales, Mex. & Tucson, Ariz. Some 250 employes will be affected.

### Trade Personals

**Roger Probert**, Toshiba America mktg. communications dir., promoted to operations & mdsg. vp... **Bernard Buchwald**, ex-Elgin Industries, named Milovac International exec. vp... **Alfred Burke**, former Portable Products Div. mktg. mgr., shifts at Westinghouse to same post with Room Air Conditioning Div., no successor named.

**Perry Winokur**, ex-Ampex & Mercury, appointed Muntz Stereo exec. vp, succeeding **Don Slack**, now in background music dept... **John Kane**, Bell & Howell Consumer Products Group pres., named corporate vp... **Floyd Hines**, former OEM sales mgr., promoted at Telex consumer products organization to mktg. dir., succeeding **Russ Molloy**, now product development dir., new post.

**Richard Ewald**, ex-Hamilton Beach, joins Hitachi as Midwest region mgr., with hq in new 90,000-sq. ft. facility to be opened in Elk Grove Village, Ill. next month; **Warren Noxera** named Midwest service mgr... **George Camp**, ex-Burroughs, appointed gen. mgr. of Panasonic Consumer Parts Div. in N. Y... **E. Henry Ovadia**, former 3M Wollensak technical service mgr., advanced to product planning mgr. for recorders.

**J. L. Dangremont**, ex-CATV special products mktg. mgr., named to new post of international administration mgr., Sylvania Electronic Components; **Aldon Asherman** advanced at Sylvania to Precision Materials Group business development mgr... **William Scholton** named Oak mfg. vp.

**Richard Santilli** advanced at RCA Solid State Div. to mgr. of linear IC products; **Julius Lempner**, former market development administrator, succeeds Santilli as linear IC mktg. mgr... **Robert Skinner** advanced at Fairchild Semiconductor to distribution dir., succeeding **Thomas Knight**, who has left company; **Reed Neddermeyer**, customer service dir., adds over-all responsibility for distribution sales.

### Obituary

**Edward J. Kelly**, 70, who retired in 1970 as gen. mgr. of Westinghouse Radio & TV Div., died June 10 in Spring Lake, N. J. He had held executive posts with Emerson, North American Philips & RCA. Wife & son survive.

WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**CABLE ARENA SHIFTING TO CONGRESS:** Pastore insists FCC check with him before finalizing rules, as commissioners worry about congressional delays. NCTA—producers' copyright agreement would open below-50 markets. (P. 1)

**COURT 'MISCOMPREHENDS' FCC POLICY** on contested renewals, govt. & private lawyers contend. Cox contends policy isn't same as Pastore bill. Impact on future renewals debated. FCC may seek 9-judge reconsideration. (P. 4)

**RENEWALS TO 'DOMINATE' AT NAB** Board meetings in Washington this week. Wasilewski sees court decision as 'most important' issue in years. Chapin set for chairman. (P. 4)

**CAMPAIN SPENDING SURVEY** by FCC shows \$50.3 million spent by federal, state & local candidates on TV-radio. Macdonald's hearing ends, House Administration Subcommittee plan new hearing. (P. 5)

**DINGELL RAPS FCC**, urges Commission use experts from other agencies to ban phoney ads. Burch defers to FTC. Johnson calls NAB Code 'total charade.' (P. 5)

**CBS SUBPOENA DEFENDED** in 80-page House Subcommittee report. Stanton testifies June 24. (P. 6)

**CABLE ARENA SHIFTING TO CONGRESS:** Biggest question about CATV, after FCC presented outline of its plans to Senate Communications Subcommittee last week, is what Chmn. Pastore (D-R.I.) will do to block or water down Commission's proposals. It was clear that Pastore still doesn't care much for cable, but there's just no telling yet what he can or will do to tighten strings on CATV that FCC intends to loosen to give cable a chance to grow in top 100 markets.

What disturbs broadcasters who are unhappy with FCC's cable proposal is that they need Pastore's help on even more immediate & fearsome threat—wide-open license renewal challenges to be unleashed by Appeals Court decision preceding week—and it looks as if it's going to be very difficult to persuade Pastore to go to bat again in that uncomfortable area (see p. 4). Thus, broadcasters are worried about going to the Pastore "well" too often.

The R.I. senator obviously was stung during CATV hearing last week by statements from Comrs. Johnson & Bartley to effect that they're concerned lest Subcommittee bottle up FCC cable unfreezing plan. He assured them his Subcommittee is prepared to discuss cable "within 24 hours" after FCC says it has final decision ready. But he made it clear he doesn't want Commission to issue final rules before discussing them with him.

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Pastore asked Burch when rules will be ready, and latter said "before Congress recesses Aug. 6." Commission doesn't intend to dawdle. It has scheduled some 8-9 sessions on cable between June 28 & July 22.

FCC's all-day testimony came only one day after NCTA & program producers announced copyright agreement which also would free cable growth somewhat (see p. 3). Commission told Pastore it hadn't had time to study copyright deal, that it would—but that it believes copyright regulation is Congress's job, not FCC's. Commission's proposed cable regulations were outlined roughly in these pages, but here they are, as presented to Pastore hearing:

(1) In top 50 markets, CATVs would be able to carry 3 network stations & 3 independents—and would be allowed to import 2 distant signals, regardless of how many local independents there are in market. Thus, N. Y. area has 3 affiliates & 5 independents; cable in N. Y. could import 2 distant signals. St. Louis has 3 affiliates & 2 independents; it could import 2. Cincinnati has 3 affiliates & 1 independent; it could import 2. Buffalo has 3 affiliates, no independents; it could import 3.

(2) In 2nd 50 markets, formula is 3-2. For example Okla. City has 3 affiliates, no independent; it could import 2 signals. Manchester, N. H. has one affiliate, no independent; it could import 4 (enough to give it 3 affiliates, plus 2 others).

(3) In markets smaller than 100th, CATVs would be allowed to carry 3 affiliates & one independent—allowed to import only those signals needed to provide that 3-1 formula.

(4) All local stations (predicted Grade B or stronger) must be carried. As for ETV, if local educators don't object, systems could import "a number" of them.

(5) Overlap restrictions ("footnote 69") would be relaxed. If Grade Bs overlap, signals can be carried if they're "viewed significantly off-the-air" in market—as measured, possibly, by audience share or net weekly circulation (details not certain yet).

FCC presented table of top 100 markets, showing how formula would work. We have reprinted it full in our CATV Addenda. (Also reprinted in Addenda is full text of NCTA-producers copyright agreement.)

(6) In some of 2nd 50 markets, FCC said formula would produce "anomalies". Phoenix & Fresno have 2 independents, would end up with 4. Seven markets have one independent, would end up with 3. These are Raleigh-Durham, Norfolk-Newport News, San Antonio, San Jose, Springfield, Ill., Springfield, Mass., Augusta, Ga. For all these, FCC "is considering separate treatment—perhaps permitting only one imported signal, or even none."

(7) "TV market" is defined as area within 35 miles of station. Apparently, CATV beyond 35 miles could import signals without restriction.

(8) Existing CATVs would be grandfathered—could continue present signals, regardless of new rules.

(9) FCC is considering requiring that half of imported signals be uhf; that at least one imported signal be in-state (if available).

(10) Uhf CPs aren't counted as stations if grant is more than 1-1/2 years old, isn't operating.

Among other aspects of plan: If a station begins to hurt, "remedial" action would be taken—such as stopping a system's expansion; sports blackouts are respected; in capacity, system must provide a non-broadcast channel for each station signal carried; systems must have ability to handle "2-way non-voice communication"; adequate technical standards.

In Federal-state relationships, FCC would lay down some guidelines for state & local authorities—such as character & financial qualifications of applicants—but wouldn't try to run whole show. (Some senators thought FCC should handle whole shebang, but Burch said Commission would have to "double," didn't relish that.) FCC would enforce rules on fairness, political broadcasts, commercials, "pay-cable," access.

With exception of R. E. Lee, commissioners are fairly agreed on basic outline, though all

reserve right to split off when full details are drawn up. Burch said they regard plan as "reasonable compromise. We would not permit any area to be flooded with distant signals. There would be a minimum of needed service and, at the same time, the minimum needed to permit cable's development. Broadcasting would not be undermined. Yet we would have taken a significant step to encourage cable."

Pastore's questions, time & again, stressed that he doesn't want stations forced off air, depriving the poor of free signals; that FCC should consider common carrier status for cable. Chmn. Magnuson (D-Wash.) of parent Commerce Committee displayed eagerness to put brakes on FCC through Committee review. Some, like Hart (D-Mich.), urged that FCC be permitted to continue, saying congressmen aren't "experts". Others, like Cook (R-Ky.), made it clear they're dubious about cable. We couldn't see overwhelming leaning one way or other, taking Subcommittee as a whole.

Pastore is also shook up about that Cabinet-level CATV committee we disclosed last week (Vol. 11:24 p3). He complained that he doesn't want Administration to have 2 CATV positions, asked Burch what he knows about White House plans. Burch said he knew nothing except what he read in trade press—and Pastore asked him to find out. (We've learned, incidentally, that the 3 White House representatives on committee, in addition to Secys. of Commerce, HUD & HEW, are Herbert Klein, Leonard Garment & Robert Finch.)

Reaction of industry to FCC plan and Pastore hearing was about as expected. NCTA Chmn. Ralph Demgen (now resuming duties after recovering from heart ailment) said: "It opens the top 100. If you do that, congressmen will clamor to open the others for their people. It's good for manufacturers. One has said he would build anywhere if he had 3-3-1. They'll go for more research & development. Forty channels could become a reality. I think the Senate Subcommittee is a little more in balance now, a little more knowledgeable."

Said NAB Pres. Vincent Wasilewski: "Unacceptable. We hope some modifications are reached—especially reimported signals in the top 100 markets. We hope there's consideration to leapfrogging. But we need to discuss this further with the Exec. Committee and the Board."

NCTA Pres. Donald Taverner: "I'm more encouraged, after the hearing. The plan is not as generous as we'd like, but it's an opening for the industry. I'm concerned about delay—by the Pastore Subcommittee or the Administration. My fears are not very deep at the moment. They don't need any new hearings." Irving Kahn, back in saddle as chmn. of TelePrompTer (he never was really unhorsed): "It isn't what we would like, given a choice, but it's a realistically good effort at compromise. We can accept it & live with it."

\* \* \* \*

Cable people were generally happy, their opponents very disturbed, by NCTA-producers copyright agreement. In works for 3-1/2 years, agreement was announced by Alfred Stern for NCTA, David Horowitz for film producers. Basically, it provides: (1) In all TV markets (35-mile radius), CATVs would get compulsory copyright license to carry 3 affiliates, 3 independents, one ETV. (2) In top 50, CATVs would recognize exclusivity of stations for length of their contracts for programs. Also, in top 50, systems can't carry distant signals for 2 years after programs first become available for non-network sale. (3) In markets below top 50, exclusivity applies only to extent of same-day nonduplication. (4) Parties will try to agree on copyright fees within next 60 days, and recommend legislation to Congress. (5) Parties can call off deal if govt. changes rules so that "the substance of these points is altered."

Stern & Horowitz said agreement is true compromise, neither party particularly happy or unhappy. Wasilewski called agreement "potentially devastating blow" to smaller stations. MST Exec. Vp Lester Lindow said it "would disastrously affect" services of broadcasters.

Stern said that "time was running out for cable" and agreement was a move of "thoughtful desperation." Horowitz noted that bulk of producers' income is from top 50 markets—"we don't want to interrupt the syndication market, and it gives time for uhf to make it in the top 50." Stern said that "it's a sort of a giveaway by cable in the top 50 markets, but there's a lot of building to do in below-50 markets."

**COURT 'MISCOMPREHENDS' FCC POLICY:** Private practitioners & FCC lawyers—whether they favor strong regulation or less control—generally agreed last week that 3-judge panel U.S. Court of Appeals "miscomprehended" FCC renewal policy in ruling 1970 statement illegal (Vol. 11:24 p1). They contended Commission hadn't adopted provisions—as Court ruled—of renewal bill sponsored in 1969 by Sen. Pastore (D-R.I.). "The policy statement—which would require a station to show that it had provided a 'substantial service' before renewal—is quite different from what Pastore was trying to do," said ex-Comr. Kenneth Cox, who played major role in Commission's adoption of statement (Vol. 10:3 p1).

Unanimous decision—termed "most important issue before us in years" by NAB Pres. Vincent Wasilewski (see below)—was written by Judge Skelley Wright. "He's the Nick Johnson of the Appeals Court," commented liberal-oriented lawyer who agrees with Johnson's philosophy more often than not.

What course FCC will take is still unclear. Immediate reaction there was one of "great outrage," we're told, except in Johnson's corridor (he was lone dissenter to policy statement) "where they were dancing in the halls with glee." Initial shock from being chastised so scathingly by Court has worn off at Commission, according to most reports. However, Chmn. Burch commented: "If this stands, it's the end of multiple ownership in this country." Said Comr. Wells: "Things may be worse off in the long run if the case goes to the Supreme Court."

Gen. Counsel's office has meeting June 21 to decide what to recommend to Commission. Most prominent possibilities: (1) Asking 9-man Appeals Court to sit en banc to hear reconsideration; (2) putting as narrow interpretation as possible on decision and living with it.

Broadcasters undoubtedly will launch drive again for legislation to provide some stability in license renewals—but they probably won't find willing ally in Pastore this go-round. Senator, chmn. of Communications Subcommittee, told Providence Evening Bulletin that he has "no plans" to reintroduce his legislation. However, he promised to introduce such a bill "by request" if FCC thinks legislation is necessary. Pastore bill was criticized as "racist" during late 1969 hearings, and Jan. 11 Wright decision found same elements in bill.

There was wide disagreement over impact that decision—if allowed to stand—will have on future renewal challenges. Attorney Robert Stein of Citizens Communications Center, which appealed FCC policy, predicted: "I don't see a substantial increase of renewal challenges, particularly by citizen's groups. It's just too expensive. At this point, we're just waiting to see what will happen."

Most private attorneys, however, see a "wild influx of renewal challenges," as one put it, expect citizens' groups to find it fairly easy to obtain outside financing in return for a piece of the action. "This will be the practice for license challenges of stations that appear to be particularly vulnerable," one lawyer said.

Many were puzzled by Wright's language, particularly when he said: "The Court recognizes that the public itself will suffer if incumbent licensees cannot reasonably expect renewal when they have rendered superior service." Then, he attacked "excessive & loud commercials," and stressed importance he thinks should be attached to diversification in granting renewals. A Commission attorney asked: "What must the Commission do if the licensee is a horrendous multiple owner, yet has provided a superior service?"

**RENEWALS TO 'DOMINATE' AT NAB:** "That will be the most important issue we have faced in years," NAB Pres. Vincent Wasilewski said of Appeals Court decision reversing FCC's renewal policy (see above) on eve of NAB's regular summer Board meeting. "It will be the dominant matter for concern & discussion," he said.

Chmn. Bill Walbridge agreed, calling dual issues of license stability & freedom of press "overwhelming." "We're in a life & death struggle," he added. "If the court decision stands on renewals, the final recourse is to Congress." Board is expected to establish ad hoc committee, with authority to raise outside funds, to press fight against Appeals Court Judge Skelly Wright's decision. On CBS-Staggers subpoena issue, Board probably will adopt strong resolution condemning congressional action.

For first time in many years, Board members will do some formal liaison work with Congress while in town. More than 30 from Hill have accepted invitations—along with Comrs. H. Rex Lee & Wells and key FCC staffers—to June 22 reception, which replaces regular Board dinner. Walbridge has written Board members urging them to schedule visits with their congressional delegations.

Richard Chapin, pres. of Stuart Enterprises, is unopposed in bid to succeed Walbridge. Also unopposed are A. Louis Read, WDSU-TV New Orleans, for TV chmn. and Donald Campbell, WMAR-TV Baltimore, for TV vice chmn. Situation isn't so clear cut on Radio Board where Vice Chmn. Andrew Ockershausen, WMAL Washington, may be opposed for chmn. by Ben Laird, WDUZ Green Bay. "It's up in the air, I just don't know," Laird told us last week when asked if he's still in the race. Vice chmn. candidates include John Hurlbut, WVMC Mt. Carmel, Ill.; Wendell Mayes, KNOW Austin, Tex., & Allan Page, KGWA Enid, Okla.

CATV will play major role during June 22-25 meetings. NAB is incensed at NCTA agreement with copyright owners (p. 3), also isn't very happy over way CATV discussions are going at Commission. Another major issue will be proposed changes in TV Code: (1) Accept hemorrhoidal remedy advertising; (2) hefty increase in Code dues; (3) relax time standards for independent stations. First 2 are expected to pass; time-standards proposal is said to be in trouble.

Radio Board will consider proposal by Phil Spencer, WCSS Amsterdam, N. Y., to establish Radio Information Bureau. However, there doesn't appear to be much support for plan, which is opposed by NAB staff. Several Radio Board members plan informal "bull-shooting" session evening before meetings begin "to discuss what can be done to improve radio's image." Radio men are particularly irked by polls that place radio 3rd behind TV & newspapers.

**FCC REPORTS ON CAMPAIGN ADS:** Candidates for federal, state & local offices spent \$50,292,164 on non-network TV-radio advertising in 1970, according to FCC survey released last week. Report shows Democrats outspent Republicans by \$4.3 million in primary & general elections combined, but GOP spent more in general elections, \$16.5 million vs. \$14.2 million. Candidates also received 21,462 hours of free time.

Tabulation was based on questionnaires sent to all stations, most detailed Commission has attempted, shows \$31.6 million charged by TV stations, \$18.7 million by radio. Democrats spent about \$25.9 million, GOP about \$21.6 million, other candidates \$2.6 million. Senate candidates spent \$13.6 million, House \$5.2 million, gov. & lt. gov. \$15.9 million, lower state & local offices \$15.6 million.

Figures are also broken down by individual candidates. N. Y. Gov. Rockefeller was highest TV-radio spender with \$1.2 million, compared to Democrat Arthur Goldberg \$364,500. Highest Senate spender was former Rep. Ottinger (D-N. Y.) \$1.3 million in primary & general election combined, ex-Sen. Goodell (R-N. Y.) \$570,000, Conservative winner Fuckley \$516,512.

Commission report was released by Chmn. Burch as he testified before House Communications Subcommittee on last day of campaign spending hearing. Subcommittee starts executive session June 22, same day Chmn. Macdonald (D-Mass.) testifies before House Administration's Elections Subcommittee. Latter Subcommittee plans June 22-24 hearing on bill sponsored by its Chmn. Hays (D-O.) dealing mostly with disclosure & Corrupt Practices Act. Macdonald wants Hays to defer any TV-radio provisions to him.

**DINGELL RAPS FCC ON ADS:** Charging that FCC has avoided responsibilities in deceptive advertising, Rep. Dingell (D-Mich.) last week virtually ordered Chmn. Burch to stop depending on FTC, use experts from other agencies to gather data, get false ads off air. "You have not fully utilized these other agencies," Dingell said. Burch seemed stunned, said Commission lacked expertise or authority to rule ads "deceptive," and such was responsibility of FTC.

Burch, Comr. Johnson & FTC Chmn. Kirkpatrick were main witnesses during 2nd week of Dingell's Small Business Subcommittee hearing into industry & govt. advertising regulations & enforcement. "We believe the FTC is necessarily the lead agency with respect to advertising content," Burch said, supporting pending legislation giving FTC broader injunctive power to block phoney ads. "Then the FCC can act," Burch said, by revoking license.

Burch said FCC wants to "work within the system to improve the system," especially regarding NAB Code which he termed "terribly helpful... They can get into areas the FCC can't, such as questions of taste... It does a reasonably good job in a difficult area." But Johnson disagreed, called Code "a total charade, a fraud. They have no intention of imposing effective regulations on themselves." He picked at Burch's statement, visibly angering chmn.

Subject of NAB participation on advertising industry's 50-member National Advertising Review Board (NARB) also came up, and Kirkpatrick said he "didn't see what was intended" by excluding NAB. "These antitrust problems," he continued, "have been used as a rationalization, rather than a rationale, for lack of action."

**REPORT CALLS SUBPOENA VALID:** Reaching from Supreme Court's Red Lion decision back to English common law, House Investigations Subcommittee, in 80-page staff memorandum, defends right of Congress to investigate & legislate "restraints upon the freedom of the press when the exercise of that freedom comes into conflict with other essential elements of the public interest..." Thus, staff calls subpoena ordering CBS to hand over outtakes from documentary "Selling of the Pentagon" valid, and terms network's refusal unjustified.

Report went to all Commerce Committee members last week in response to earlier CBS statement that compliance would have "chilling effect" on free journalism (Vol. 11:18 p3). Second subpoena, narrower in scope, orders CBS Pres. Stanton to testify June 24, hand over outtakes. Stanton plans to testify, but not surrender outtakes. He told Hollywood RTS last week: "What it comes down to is that the federal government through this Subcommittee is attempting flagrantly to engage the government in the process of news surveillance."

While Chmn. Staggers (D-W. Va.) is prepared to take case to court, there are growing doubts his Commerce Committee would vote contempt-of-Congress. "There's been a lot of lobbying," one source told us, "and this is just freezing the members against [CBS]." Commented another: "How the Committee would vote is a matter of some doubt... I've never seen lobbying like this."

Here are excerpts from Subcommittee memorandum: "Abuses in editing...go far beyond the sanctity of communication protected by the First Amendment. For what is being done in such instances is not slanting, or selective quotation; it is nothing less than a deceptive manipulation of the public's sense of sight & hearing. Visual & aural reality are left on the cutting-room floor...The First Amendment

**CATV originations survey** by NCTA found 422 of 1,206 respondents reporting ability to originate live, film or tape (vs. 329 last year), and 780 with automatic originations. Commercials are accepted by 428—with 375 of these on automated channels. Display cards on weather channels average \$22 weekly & \$52 monthly. Of those with program originations, average rate is \$15 per min. or \$88 per hour. TV cameras are used by 433 systems (75 have color), tape recorders by 399 (160 color), 16mm film chains by 200, slide projectors by 229. Some 95% of systems with 3,500 or more subscribers responded to questionnaires. (For Television Digest & Factbook tabulation of originations, see Vol. 11:23 p2).

**Supreme Court declined** 8-0 last week to upset FCC's 1969 decision denying WHDH-TV Boston renewal. Decision apparently means end of line for Boston Herald-Traveler, opens way for Boston Bcstrs. to start operating, possibly by mid-Sept. WHDH-TV Pres. Harold Clancy hinted he may ask Court to reconsider.

**Pacific & Southern Bcstg.** has filed with SEC an offer of 330,000 shares—110,000 by private holders, remainder by company to retire debt. Value is about \$5.5 million; underwriters, Allen & Co.

rights of individual members of the public take precedence over those of the broadcasters..."

"Those speakers [in documentary] whose comments & observations are materially altered by technological device have been denied their right of free speech. Ironically, a governmental refusal to challenge such a denial of free speech in a regulated medium becomes...governmental denial of the right of free speech...The images & sounds appearing on outtake materials are those pertaining to actual events recorded for possible representation to the public. As such, they cannot be equated to the private thoughts & impressions of a reporter committed to a notebook... Subcommittee's inquiry does not relate to the 'information-gathering techniques' of broadcast media. Moreover, even if it did, such a purpose would not be improper from a legislative standpoint."

Memo says FCC policy "would be utterly defeated by the acceptance of the position taken by CBS... The result would be that the FCC could not make inquiries necessary to uphold the public interest even in those instances which met its prerequisite conditions."

\* \* \* \*

Defense Secy. Laird refused to tape an interview with CBS last week for POW documentary, said he'd only appear live because of "sensitive nature" of issue. Asst. Defense Secy. Daniel Henkin said, "I don't know" whether Laird's position had anything to do with "Pentagon" documentary. CBS Washington news chief William Small said: "When newspapers & magazines concede to similar requests by granting Mr. Laird a certain number of column inches to fill as he sees fit, then CBS News will consider granting a certain amount of time for him to appear live within an otherwise filmed documentary. After such consideration our answer will still be no."

**Anti-war groups' appeal** for free time to respond to Army recruitment ads has been rejected by D. C. Appeals Court. Upholding FCC decision and refusing to strike down Commission's fairness standards, Court observed: "To say that these [networks] have not given adequate & complete coverage to the undesirable features of military life in our age, to ignore the past 6 years' TV coverage of American military effort in Southeast Asia...and therefore to maintain that under the fairness doctrine the spot announcements...[are] necessary to counteract the otherwise prevailing propaganda...that military service is exclusively desirable & good for you, is beyond our acceptance."

Local children's programming workshops were urged by ABC Pres. James Duffy as follow-ups to network's Children's Programming Seminar in N. Y. June 23-24. Seminar includes: Sen. Edward Kennedy; Dr. Uri Bronfenbrenner, Cornell psychologist; Chuck Jones, ABC; Charles Johnson, Census Bureau; James Day, EBC pres.

**Plan to test substitution** of TV commercials for local CATV ads in Harrisburg, Pa., is "intended purely for direct private gain," NAB charged last week in asking FCC to reject proposal of AdTel.

## Personals

**Daniel Henkin**, Asst. Secy. of Defense for public affairs, and prominent figure in CBS documentary "Selling of the Pentagon," addresses Ga. Assn. of Bcstrs. during June 19-22 annual convention, Jekyll Island... New members elected to CBS-TV affiliates Board: **Arch Madsen**, KSL-TV Salt Lake City; **A.G. Hiebert**, KTVA Anchorage; **Mark Smith**, KTLA L.A.; **Melvin Caldwell**, KUHI-TV Joplin, Mo.; **M. Dale Larsen**, KTVH Hutchinson-Wichita.

**George Gallup** elevated to sports sales vp, NBC-TV; **Arthur Burke**, to eastern sales development dir... **Philip Mandelker**, ex-CBS-TV, named ABC-TV West Coast program development dir... **Farlan Myers**, vp & mgr., J. Walter Thompson Co., elected Hollywood RTS pres., succeeding **Eddie Smardan**; **Herbert Schlosser**, NBC-TV, elected vp.

**Jim Weathers**, ex-United Artists TV, appointed western mgr., Metromedia Producers; **Noah Jacobs**, ex-Lin/Medallion, named eastern mgr... **Lionel Stevens** named personnel & administration dir., Children's TV Workshop... **Edwin Cooperstein** promoted to exec. vp & gen. mgr., Canyon Films; **Robert Allen**, to production & creative services vp... **William Fagan**, ex-MPATI, named ETV sales mgr., Learning Corp. of America... **Frank Pfaff**, ex-CBS Spot Sales, joins Metro TV Sales, N.Y.

**Martin Bergman** promoted to vp & sales mgr., KTTV L.A... **Chuck Velona** elevated to local sales mgr., KTLA L.A... **Steve Thomas**, ex-WMAL-TV Washington, named program mgr., WLVA-TV Lynchburg, Va... **Thomas Watson** elevated to audience development associate dir., Katz TV.

**Dr. Zelma George**, who served on 1960 White House Conference on Children & Youth and as U.S. delegate to U.N. General Assembly same year, nominated by President Nixon to CPB board, filling 1-year unexpired term of **Carl Sanders**, resigned... **Sol Taishoff** advances to chmn. & editor, **Lawrence Taishoff** to pres. & publisher, Broadcasting Magazine... **John Couric**, ex-NAB PR vp, appointed chief of legislation and head of Washington Office, National Assn. of Retarded Children (hq Arlington, Tex.).

**C. Thomas Catalano**, **John Gwin** & **Frank Weidman** promoted to vps, TeleSystem; **G.L. Davenport** & **William Vogel** elevated to vps, Cox Cablevision... **James Emerson**, ex-Technical Appliance, named communications mgr., Craftsman.

**Marc Nathanson** promoted to corporate development dir., Cypress Communications, **Robert Bird** to chief staff engineer, **Edward Sterling** to special projects dir... **Gilbert Ormson** promoted to business development mgr., GE Cablevision.

**Vernon Gill**, resigns as TM Communications pres. to form undisclosed private venture; **Robert Breckner**, TM national operations head, succeeds Gill. **Marvin Dilbeck** moves to Fla. from Cal. as vp-gen. mgr... **George V. Stein**, ex-P&G, appointed marketing dir., Nationwide Cablevision, L.A... **Gerald Mattison** named Vikoa marketing/sales vp.

**Ben Forte**, ex-Kaiser CATV, named western sales mgr., Theta-Com.

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Right of N.Y. Times to publish secret Pentagon report tracing U.S. involvement in Vietnam has been defended by many broadcasters. While N.Y. federal court hadn't ruled on govt. request for permanent injunction at press time, U.S. District Court in Washington refused to block Washington Post from publishing its report. NBC Pres. Goodman sent telegram to Times: "The right of Americans to know the facts affecting their lives & future is the central issue... We commend your action and we unreservedly support your decision to defend by all legal means the duty of the press to keep the country informed." ABC's Howard K. Smith: "It may make other nations more hesitant about talking with us... but that is the drawback of freedom and an aggressive press." WCBS-TV N.Y. editorial: "One can, of course, properly question the Time's judgment in publishing materials classified as secret, but no one, we think, can question the value of the knowledge they bring the public..." Upholding Post's right to publish, District Judge Gerhard Gesell said newspaper "stands in serious jeopardy of criminal prosecution. This is the only remedy our Constitution or the Congress has provided."

TelePrompTer board unanimously confirmed **Irving Kahn** as chmn. & chief exec. officer last week, abandoning earlier plan under which he'd step down to consultant. Board concluded that Kahn's leadership outweighs impact of indictment against him in franchise-irregularity cases (Vol. 11:5 p2, et seq.). Board also elected **Hubert Schlaflly** pres., position formerly held by Kahn—and board member **Jack Kent Cooke** resigned. Cooke had fought to unseat Kahn, presumably believes he's in better position to fight if not on board. Kahn votes Cooke's 500,000 shares (16%) under terms of merger with latter's H&B American. Schlaflly was elected pres. to handle duties awkward or impossible for Kahn to perform while charges against him are pending.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sale to dealers (domestic-label), from EIA, for week ended June 4 (22nd week of 1971):

	May 29- June 4	1970 week	% change	May 22-28	1971 to date	1970 to date	% change
Total TV.....	118,712	82,276	44.3	165,774	3,893,192	3,278,953	18.7
color .....	69,935	39,409	77.5	92,915	2,078,202	1,627,463	27.7
monochrome .....	48,777	42,867	13.8	72,859	1,814,990	1,651,490	9.9
Total radio.....	239,845	273,967	-12.5	392,792	7,928,140	6,582,601	20.4
home, portable .....	74,936	90,445	-17.2	172,470	3,259,010	2,667,859	22.2
AM-only .....	48,045	58,423	-17.8	110,279	1,962,686	1,743,880	12.5
FM & FM-AM .....	26,891	32,022	-16.0	62,191	1,296,324	923,979	40.3
auto .....	164,909	183,522	-10.1	220,322	4,669,130	3,914,742	19.3
Total phono.....	39,696	36,839	7.8	42,710	1,424,959	1,129,220	26.2
portable-table .....	30,098	26,470	13.7	30,634	1,096,656	738,273	48.5
console.....	9,598	10,369	-7.4	12,076	328,303	390,947	-16.0

Color TV 5-week moving average: 1971—69,935; 1970—49,126 (up 61.1%)

**ANOTHER TV PRICE HIKE POSSIBLE:** Having just introduced new TV lines at higher prices (see below), manufacturers & importers are now nervously wondering whether those increases were high enough to absorb extra costs they'll be facing later this year.

All industry members will be hit by 2-9% intercity truck freight increases July 1, when driver hourly wages & allowances go up 33¢. Major shipping lines on U.S.-Far East routes have announced rate increase plan, and handling charges in U.S. ports are certain to go up this year after longshoremen agree to new contracts.

Threat of imminent strike on West Coast docks, where contract runs out next month, is already costing importers. Shipments are now being rerouted through Canada as well as U.S. Gulf, Atlantic Coast & Great Lakes ports. Extra charges for in-transit destination changes & longer overland routes are coming right out of importer pockets. There are growing indications that longshoremen in West will hold back until Sept., when East & Gulf contracts expire, then back wage demands with threat of nationwide walk-out.

Facing biggest clout are importers of Japanese TV. In addition to all other factors, Japanese must cope with: (1) Demand from Ministry of International Trade & Industry for 2-3% increase in minimum color TV export pricing. (2) High legal costs involved in fighting anti-trust actions brought by NUE (Emerson) & IUE.

**COMPARING PRICES IN NEW COLOR LINES:** Color TV prices unquestionably are up, but widespread addition of new features—and adherence by many manufacturers to traditional starting-price points—takes most of the curse off.

Largest price boosts are concealed so cleverly that they sometimes look like reductions. These are in sets with new ultra-rectangular picture tubes—19V", 21V" & 25V". In none of these sizes is starting price up markedly from last winter's point—in fact, industry medians are down \$20 in both 21V" & 25V" categories. But bearing in mind that these sizes are replacements for old 18V", 20V" & 23V" (20V" already has disappeared from majority of lines), median starting

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points show increases of \$60, \$50 & \$100, respectively, from comparable old sizes. Undoubtedly, some lower-priced versions will be introduced later as previous sizes are phased out.

Here is comparison table of lowest suggested list prices in major color product categories as announced by full-line TV set manufacturers (in some cases, Television Digest estimates are used):

### STARTING PRICES AT-A-GLANCE—1972 COLOR SETS

Brand	10V"- 12V"	14V"- 15V"	16V"	18V"	19V"	21V"	23V" cons.	25V" cons.	25V" combo
Admiral . . . . .	\$260	none	\$300*	\$300	\$380	\$430	open	open	\$1,150
Electrohome . . . . .	none	none	none	400	470	530	\$550	\$580	none
Emerson . . . . .	270	none	325*	345*	400	430	530	520	none
GE . . . . .	200	none	300	330	390	none	450	530	none
MGA . . . . .	270	\$290	320	350	370	none	none	520	none
Magnavox . . . . .	270	280	360	360	450	500	500	570	1,095
Motorola . . . . .	none	none	300	340	450	500	500*	600	none
Panasonic . . . . .	270	none	325	360	380	460	none	none	none
Philco-Ford . . . . .	none	290	340	380	430	none	450*	580	1,125
RCA . . . . .	none	290	320	380	420	530	500	600	1,700
Sylvania . . . . .	none	300	none	350	400	450	500	570	895
Teledyne Pack. Bell .	230	280	none	380	none	none	500	500	1,000
Zenith . . . . .	none	300	330	360	440	none	570	600	1,095
<b>Median '72 models</b>	<b>\$270</b>	<b>\$290</b>	<b>\$323</b>	<b>\$360</b>	<b>\$410</b>	<b>\$480</b>	<b>\$500</b>	<b>\$570</b>	<b>\$1,100</b>
Median '71 models	240	270	325	350	400+	500+	470	590+	1,150

\*Open list; figure is Television Digest estimate.

+Jan. 1971 median; others are June 1970.

**VIDEORECORD'S 'EXCLUSIVE DEALER' PLAN:** First distribution network for videoplayer hardware & software—educational, institutional and eventually consumer—will be established by Videorecord Corp. of America (VCA) before year's end, according to company officials. It does not envision use of traditional consumer electronics or audio-visual outlets.

Company's big Wall St. Journal ad (Vol. 11:24 p10) is being followed with similar messages in Sunday N. Y. Times, Ad Age, Time, Business Week & Broadcasting—seeking candidates for "licensed dealerships" which will cost \$20,000 each. As explained to us by VCA Communications Dir. Samuel C. Gale, company plans nationwide network of area distributors and exclusive-territory dealers, with goal of 7 distributors & 30 dealers by end of 1971, growing to 22 distributors & 180 dealers by 1972, full nationwide quota of 22 distributors & 300 dealers in 1973.

VCA plans to handle all videoplayer formats which it considers acceptable—it's currently featuring EVR, only one available. From start, dealers will offer both hardware & software on rent, lease or sale basis—rental by day, month or week, leasing for up to 2-3 years—calling on key industrial, institutional & educational accounts which can use VCA packages. VCA emphasizes "systems" approach—hardware plus software. As sample territory, Gale cited Boston area, which will have one distributor, 11 licensed dealers, each with own territory. Dealers will do selling & leasing, distributors warehousing, delivery, pickup, etc.

With evolution of consumer market, dealers will be entitled to establish own stores, etc. Says Gale: "The existing distribution pattern just isn't capable of delivering our product." Thus, VCA hopes to control videocassette commerce from production of software to sale of software & hardware to ultimate consumer. By end of year, VCA says it will have produced 100 of its own programs, acquired 400 other existing programs. Initial response to ads for dealers, says Gale, has been "absolutely unbelievable."

Response to Cartridge TV Inc. public stock issue (Vol. 11:11 p13) is also expected to be good. With official offering scheduled for this week, it's learned that more than enough orders have been received for sellout. Offering spurred unusual critique of CTV's prospectus by Wall St. Journal's Dan Dorfman, who quoted unnamed "analysts" as viewing proposed offering price

of \$20 a share as "way out of line"—some think, he said, that "\$10 a share still would be excessive." He cast doubt on company's qualifications to enter videoplayer field. CTV spokesman declined to rebut charges in detail, but said June 17 Wall St. Journal column contained many factual errors.

Latest in series of magazine size-ups of videoplayer prospects which started with Life's "good revolution" article—came in June Fortune, carefully hedged but generally bullish. Unlike Life's enthusiastic article, Fortune's piece went out of its way to note that parent Time Inc. "is among those involved in programming."

**EIA CONVENTION:** Study to determine whether comprehensive industry-wide foreign-trade policy can be developed was approved by EIA Board of Governors at Chicago convention last week. Board also agreed to continue study of possible merger with NEMA, create industry recruitment program and set date for seminar on industry's future.

Ad hoc committee on foreign trade is to learn whether intra-association differences on issue—which once split EIA into warring factions—have been resolved to point where single "white paper" covering industry position would be practical. Another new committee will develop recruitment program to attract college students into electronics. Seminar, "Electronics 1985," will be held in Dallas next Feb. 15-16.

In elections, Tube Div. named David Frankel (Raytheon) chmn.; Distributor Products named Lowell Erickson (Littelfuse) chmn. & R. Hartley Bond (Cornell-Dubilier) vp; Communications & Industrial Electronics Div. chmn. is Richard Horner (E.R. Johnson Co.); Parts Div. named John Bentia (Alliance) vp; Solid State Div. elected H. G. Riggs (Delco) vp. Motorola Chmn. Robert Galvin was named honorary governor & G. Barron Mallory, retired Mallory chmn., was elected honorary EIA member.

Consumer Electronics Group didn't meet, will convene during CES in Chicago next week.

**Tape topics:** Akai's contract to supply private-brand audio recorders to Rheem's Califone-Roberts Div. wasn't terminated, but renegotiated to permit Akai to sell own-brand recorders in U.S. Div. Pres. C. E. Philips said Akai wants to continue supplying Roberts "and we have every intention of using them whenever it suits our marketing strategy." Akai was Japan's most export-oriented manufacturer during 6-month period ending March 31, according to Japan Economic Journal study showing that 86.9% of firm's sales were to foreign market. Ranking 2nd was Crown Radio, with 86.5% export-to-sales ratio... British-made home 8-track tape player deck will be marketed this year by BSR. Unit is expected to have suggested list of about \$100... Telephone Dynamics is offering cassette head-cleaning cartridge on which retailers can record 20-sec. ad message.

Import adjustment aid for Bel-Tronics and former employees of Advance Ross plant in Washington, Iowa, was approved by President Nixon. Tariff Commission had deadlocked on whether applicants were eligible for assistance.

**Sarkes Tarzian's 70-channel uhf tuner** (Vol. 11:16 p10) was demonstrated to FCC commissioners & staff last week, and Commission may decide what to do with it this week. If FCC likes it, proposed rulemaking will be issued; if not, Tarzian will be advised that device isn't good enough. Odds are that FCC will go for unit. Just about everyone outside Commission favored unit in comments filed. This includes uhf telecasting group ACTS as well as set makers. FCC Chief Engineer Raymond Spence said: "It's a good device. We almost have to accept it." It's understood Broadcast Bureau favors it but that Gen. Counsel's Office can't make up mind, wants to buck it to commissioners. If rules are proposed, they're expected to include requirement that maximum frequency deviation be plus-or-minus 3 MHz; that there be numerical readout for each uhf channel (or at least every other channel); that color sets with the tuner have AFC.

**Canadian laws** give consumer electronics imports edge over domestic-made products, charges Electrhome Vp John Pollock, chmn. of Consumer Products Div., EIA-Canada, who calls for reduction in 15% excise tax and improved foreign-trade regulations. In state-of-industry speech, EIA-Canada Chmn. W. C. Tate (Garrett Mfg.) said nation's leaders must recognize that Canada now sells manufactured goods as well as natural resources and should renegotiate foreign trade pacts.

**Electronics imports** continued growing last year, but at slower rate, according to Commerce Dept. Total imports of electronic equipment & related products in 1970 were \$1.8 billion, up 14.8% from 1969. Growth in 1969 was 34.5%. Consumer electronics imports last year were worth \$1.28 billion, up 18.7% from 1969, when increase was 38.4%. Component import value was up 23% to \$275 million; commercial-industrial-military electronics declined 23.4% to \$163 million.

**Warranty bill** was approved unanimously last week by Senate Commerce Committee, is expected to be debated by Senate next month. Measure (S-986) emerged unchanged, including controversial Title II, increasing powers of FTC and permitting it to institute class-action suits. Warranty provisions stipulate that "full warranty" must offer free repair, replacement or refund, and all other warranties must be labeled "partial warranty."

**Teaching aids** offered by RCA Electronic Components include variety of IC product kits, plus kits with SCRs, photocells & thermistors. Free Dynamic Demonstrator AM radio kit is available to instructors buying any 5 solid-state power supplies.

**PHILIPS' CASSETTE VIGIL:** Even as Norelco announced first cassette deck to include N. V. Philips' Dynamic Noise Limiter (Vol. 11:23 p7, 11:24 p8), Panasonic last week unveiled own "Automatic Noise Reduction System" (ANRS) which works in same general manner as Dolby. That is, it boosts portion of audio signals during recording, compresses them during playback. ANRS was demonstrated at press showing of Panasonic's "products of the future," with indication it was not very far in future.

Whether Panasonic's noise-reducer, or another one said to be under development by Japan Victor, ever reach market is problematical. It's understood Philips team inspected both approaches, and it's believed that Dutch firm which is licensor of cassettes has ruled that such approaches are non-compatible with cassette system. Such ruling isn't unprecedented—Philips once barred Japanese firm from marketing 2-speed cassette player. Philips has not been happy with Dolby system—its official position paper on noise reducers says: "There has been a tendency [to] improve noise figures or frequency response at the expense of compatibility... These solutions are not acceptable to Philips, the originators of the Compact Cassette system."

It's understood, however, that Philips plans no moves against Dolby—time for such action is past, since too much Dolbyized equipment is on market. But Philips can be expected to be more vigilant in blocking new approaches which it considers incompatible, before they get to market. Philips may take action against proposed incompatible 4-channel cassette systems which use all 4 of cassette tapes' tracks simultaneously, recording & playing back in one direction only. Philips has already demonstrated developmental 2-way 8-track quadraphonic cassettes which are completely compatible with mono & stereo players.

Philips' own DNL system is compatible—noise-reduction system is applied to playback only—and adds about \$30 to cost of cassette equipment. First Norelco unit, to be demonstrated next week at CES, is deluxe stereo deck at \$219.95. DNL may be switched in or out of playback circuit. Deck also contains 3-position equalization selector for regular, high-performance or chromium dioxide tapes.

"First full-scale on-the-air" use of Dolby system in FM broadcasting will be presented by Chicago's WFMT during CES. Receivers equipped with Dolby B-type decoders will be available this year from Fisher & Harman-Kardon.

\* \* \* \*

Products of Future—distant & not-so-distant—were unveiled by Panasonic in N. Y. last week. Among prototypes shown which may become part of line within year: 12V" swivel-base color TV housed in white cube, with stereo FM-AM digital clock radio & 8-track player mounted on side; low-power (15-watt) 4.5V" AC-battery color portable TV; battery powered FM-AM radio with tuning-fork-timed digital clock; 4-channel stereo cassette deck; new stereo cassette head combining erase, record & playback functions in single casing; cassette noise reduction system (see above). Further away from market were:

Rotary 12-cassette stereo changer deck with wired & wireless remote controls; folding 3V" b&w TV in case resembling hi-intensity lamp, with screen in swivel top; stereo FM-AM receiver from which 5V" b&w TV screen rises at button touch. Most impressive was world time clock radio, with pair of liquid-crystal display panels, one for time, other showing frequency of built-in electronically tuned stereo FM radio. Mounted on unit is world map on which metal buttons indicate 95 key cities. Touch of button lights up map time zone in which city is located, while clock shows time for that city, indicating a.m. or p.m.

**JAPAN'S APRIL EXPORTS:** Though sharp increases in TV exports to U.S. provided keynote for April (Vol. 11:22 p12), Japanese also made strong gains in radio-recorder & player combinations, cassette recorders and auto radios, according to Finance Ministry.

While total recorder-only exports for month, 934,137 units, were up just 2.5% from April 1970, cassette type showed 21.6% jump, as shipments of reel machines dwindled. Exports of radio-recorders climbed 40.4%, while auto radios registered 43.2% gain. In phonos, exports were up 9.6%. Logging 5.6% decline were shipments of home radios, totaling 934,137 in month. Following is breakdown:

#### JAPANESE EXPORTS TO U.S.

April 1971			April 1970	
	Units	Value (\$)	Units	Value (\$)
Total TV.....	328,585	28,519,003	225,393	15,839,957
color.....	107,208	17,628,817	42,914	6,726,544
b&w.....	218,037	10,773,808	179,379	9,002,525
b&w chassis, kits..	3,340	116,378	3,100	110,500
Rad.-phono, stereo..	53,770	3,519,319	117,547	2,902,944
Rad.-phono, mono*..	75,024	869,344	—	—
Rad.-rcrdrs. &				
other comb.....	293,443	11,119,222	208,975	8,896,381
Clock-rads.*.....	226,564	3,452,072	—	—
Tr. rads. w/FM.....	419,252	10,765,372	674,969	14,958,203
Tr. rads., other.....	288,321	1,562,075	313,859	2,202,217
Auto radios.....	119,072	1,699,286	83,126	1,344,606
Trcvrs., under				
100 mw.....	195,054	542,364	84,744	403,208
Trcvrs., other.....	28,114	1,337,161	64,637	1,032,061
Phonos.....	27,210	350,175	54,389	726,564
Tape players, auto.....	195,153	3,749,475	193,290	4,400,031
Tape rcrdrs., reel.....	11,816	597,531	79,332	1,910,419
Tape rcrdrs., cass.....	441,613	7,680,136	363,022	6,960,039
Other cart., rcrdrs.				
& players*.....	102,714	2,373,775	—	—
Tape decks*.....	159,849	4,631,600	—	—

\*Not reported separately in 1970

**Distribution notes:** Jack Reis named vp-gen. mgr., Emerson Mid-Central Div., Indianapolis; he's former gen. mgr. of R&H Distributors (Motorola), Indianapolis... Teledyne Packard Bell appoints United Distributing, Shreveport, replacing M-P Distributors, and Southern Appliances, Charlotte (ex-Admiral), replacing Thermo Industries... Motorola appoints Peninsular Distributing (Detroit), Ecco Electric (Portland, Ore.) and establishes factory branch in San Francisco, headed by F.D. Neer.

RCA sales training program on solid-state color TV is expected to reach 10,000 distributor & dealer salesmen this summer. Touring teams of RCA specialists with special presentations will visit 89 cities by end of Aug.

**ZENITH'S PRICES:** Despite announced increases in "selected" models (Vol. 11:23 p8), most Zenith pricing points appear same as in predecessor line, at least on basis of suggested lists supplied by N. Y. factory branch distributor. New color line is just 2 sets shorter than previous one, having only 2 combinations vs. 4 last year. Some holdover models appear to be down in price—notably 18V" table models, apparently down \$20.

Color sets: 14V" continue at \$289.95 & \$319.95, 16V" starts at \$329.95 (down \$10), Chromacolor model \$379.95 (2-function remote adding \$20). Two 18V" \$359.95 & \$389.95; 19V" \$439.95 & \$479.95, 3-button remote adding \$80; single 20V" \$489.95, with 23V" table model down \$20 to \$549.95 (full remote \$100 extra); 25V" table \$569.95 (remote \$100). The 23V" consoles are \$569.95-\$629.95 (formerly \$529.95-\$669.95), no remotes. Except for promotional holdover still available at \$499.95 suggested list, 25V" consoles are \$599.95-\$795 for manual models (remote adds \$100). Manual combo is \$1,095; remote with doors \$1,700.

Westinghouse split its line into 2 segments—29-model promotional group priced for volume sale, and "VIP" group of 26 fair-traded models with longer margins. Highlights: FM-AM digital clock radios with backlit numeral band at \$40 & \$50; 15 stereo systems at \$80-\$270, including FM-AM with 8-track player at \$150; two AC-battery FM-AM radios under \$25; six AC-battery multi-band radios at \$33-\$150.

Fisher Radio will emphasize 4-channel sound at CES, with virtually all 2-channel products "adaptable" to quadraphonics. Four consoles with 4-channel sound & 4 speaker systems, all including 8-track cartridge players, are \$795-\$3,500, top unit also containing 4-channel open-reel tape deck. "Audio center" component has 8-track tape deck, FM-AM, 100-watt amplifier, phase-shift 4-channel synthesizer, at \$499.95. Two FM-AM stereo receivers, one with wireless remote tuning, have plug-in multiplex decoder system for simple conversion to any type of 4-channel sound.

BSR McDonald enters "transcription turntable" field with deluxe unit at \$149.50 for Oct. delivery.

## Trade Personals

Stanley Stefanski promoted to picture tube mgr., in realignment of RCA TV Picture Tube Operations; he's succeeded as Scranton plant mgr. by John Fanale; others with new posts are: Donald Bronson, Marion, Ind. plant mgr.; Sylvester Hartman, Circleville, O. plant mgr.; Leonard Hopen, new project development mgr.; C. Phillips Pfleeger, glass development programs mgr... P. Kim Packard promoted at Sylvania from circuit module product mktg. mgr. to mgr. of Seneca Falls color tube plant, succeeding John Palmer, retiring.

Robert Krakoff, ex-Singer & TWA, joins RCA as strategic planning staff vp... John O'Leary advanced to Canadian Admiral general credit mgr., replacing Lloyd Westman, retired... Robert Tanner, Bell-Northern Research, Ottawa, nominated for IEEE 1972

## 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
AT&T 1971-year to May 31 1970-year to May 31 1971-qtr. to May 31 1970-qtr. to May 31	17,526,044,000 16,251,255,000 4,581,351,000 4,243,178,000	2,218,543,000 2,185,511,000 590,711,000 566,725,000	4.04 3.98 1.08 1.03
Doyle Dane Bernbach 1971-6 mo. to April 30 1970-6 mo. to April 30	131,735,000 <sup>a</sup> 136,042,000 <sup>a</sup>	1,508,000 <sup>b</sup> 1,765,000 <sup>b</sup>	.78 .92
Harvey Group 1971-qtr. to April 30 1970-qtr. to April 30	7,886,000 8,229,000	90,000 <sup>c</sup> 166,000	.06 .11
MPO Videotronics 1971-6 mo. to April 30 1970-6 mo. to April 30	7,413,100 8,512,680	(111,298) 118,979	-- .21
Outlet Co. 1971-qtr. to May 1 1970-qtr. to May 2	15,143,037 14,840,682	175,200 272,681	.11 .18
Rollins 1971-year to April 30 1970-year to April 30	127,025,940 119,047,630	10,161,460 9,582,059	1.25 1.18
TVC 1971-9 mo. to April 30 <sup>e</sup> 1970-9 mo. to April 30 <sup>e</sup>	6,472,750 5,701,098	449,519 <sup>d</sup> 399,594 <sup>d</sup>	.12 .11

Notes: <sup>a</sup>Billings. <sup>b</sup>After special charge. <sup>c</sup>Includes special credit. <sup>d</sup>After extraordinary item. <sup>e</sup>Restated.

presidency; Harold Chestnut, GE, nominated for vp.

Thomas Jennings joins Toshiba America as national hi-fi sales mgr... Edward Churchill, ex-Montgomery Ward Distribution systems mgr., named Sylvania distribution services gen. mgr. with responsibility for 18 regional centers handling consumer electronics, components & lighting products.

Gerald Citron promoted at Norelco from industry sales mktg. mgr. to cassette products mktg. mgr. (audio & video)... Don Miseur named distribution mgr., Motorola Systems (EVR)... Nelson Smith, chmn. English & Communication Arts Dept., Sacred Heart U., Bridgeport, named Videorecord communications consultant.

Gerard Seeling, ex-Lockheed Electronics, named ITT exec. asst. to Office of Pres.-Operations & group gen. mgr. of ITT Semiconductors Worldwide; James von Harz, ex-Transitron, named ITT Cannon Electric pres... Walter Dennen advanced at RCA Solid State Div. from news & information mgr. to public affairs mgr... John Leedom, Wholesale Electronic Supply, Dallas, elected NEDA pres., succeeding James Neustadt, Burstein-Applebee, Kansas City, who becomes chmn... E. Grant Easton advanced at Ampex Educational & Industrial Products Div. from New England region mgr. to Eastern sales mgr.

South Vietnam ventures planned by 3 Japanese: Sanyo, 49% interest in \$360,000 radio & b&w TV assembly; Matsushita, 60% partner in \$1-million radio facility. Both plan production by year-end. Sony is seeking local partner for proposed \$1.75-million consumer electronics venture.

WEEKLY

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JUNE 28, 1971

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**STANTON REFUSES TO SURRENDER** 'Pentagon' outtakes in confrontation with Staggers, who's expected to force committee contempt vote with 'personal prestige' pitch. Staggers livid, 'respects' Stanton, but sees betrayal by 'disciples.' (P. 1)

**NAB-A SLIGHT THAW ON CABLE:** TV Board moves tentatively to 3-3-1 in top 25 markets, 3-2-1 in next 50, 3-1-1 below 75th. Copyright owners call meeting with cablemen & telecasters. NAB & NCTA hail White House committee. NCTA names presidential committee. (P. 3)

**NAB UP ON NEWS, DOWN ON PREP H:** Board adopts strong resolutions backing CBS & newspapers in disputes with govt. ABC incensed at 8-7 turn-down of hemorrhoidal spots. Fight pledged for license stability. Haney resigns. Chapin elected. (P. 4)

**ABC 'CAN'T LET MATTER DROP'** after sponsoring kid TV workshop, Duffy says, predicting 'new & better shows' will result. Critics Sarson & Braren given platforms. Kennedy expects 'a commitment to action.' (P. 6)

### Consumer Electronics

**SHARE-OF-MARKET SURVEY** shows gap between RCA & Zenith for No. 1 spot in color is down to one percentage point. Sears & GE make biggest gains in

both color & monochrome. Survey based on estimates by domestic manufacturers. Eight brands have 90.5% of color. (P. 7)

**EASING OF UHF TUNER RULE** proposed by FCC, to temporarily permit 70-channel detent without memory tuning if channels are positively identified. Move would aid manufacturers' transition to comparable tuning. Tarzian ready; others say they can do same. (p. 8)

**STEREO-4, VIDEOPLAYERS** to star at CES in Chicago this week, with audio prime focus of dealer interest. Discrete, matrix & phased 4-channel systems at main event & sideshows. Cartridge TV to show new deck, battery portable VTR; postpones stock offering. (Pp. 9 & 11)

**MAGNAVOX TO BOYCOTT** Japanese products for resale here when other sources are available, Platt indicates. Color TV sourcing already changed; b&w TV, audio next. Japan May TV exports to U.S. up 25%. (P. 10)

**BSR TO PLEAD NOT GUILTY** to smuggling indictment by grand jury. Failure to pay duty on \$1 million in imports was clerical error, not conspiracy, says spokesman. (P. 11)

**COLOR PICTURE TUBE SALES** up sharply in first quarter, while monochrome picture and receiving tube sales hold at 1970 levels. Slight decline in receiving tube sales. (P. 11)

**STAGGERS & STANTON 'AT THE TURNING POINT':** Putting personal prestige squarely on line, Rep. Harley Staggers (D-W.Va.) will demand—and likely win—vote of confidence from his Commerce Committee in recommending that House hold CBS Pres. Frank Stanton in contempt of Congress. Unanimous vote for contempt is expected from Investigations Subcommittee, possibly this week, in wake of June 24 classic confrontation between free press & congressional authority when Stanton steadfastly refused to surrender or even talk about outtakes from "Selling of the Pentagon" subpoenaed by Subcommittee. Though Commerce Committee may vote contempt, endorsement by full House is something else. If House does vote it, Justice Dept. must pursue it in courts. Conviction carries fine & sentence.

"I order you to turn over to the Subcommittee the materials sought in the subpoena," said Staggers at start of 4-hour public hearing. "I respectfully decline," responded Stanton. Then Staggers angrily asserted: "In my opinion you are now in contempt of Congress." At several

points, Staggers attacked Stanton's refusal to discuss editing of specific programs (he offered to discuss practices generally). "I think you're just a figurehead, that you've been forced to come down here by others," Staggers said. "You haven't been helping us...I wouldn't hide behind the First Amendment...[Broadcasters] control this land. They can ruin any President and every member of this Congress. We must have those outtakes. I hold you in the highest esteem, but we are at the turning point..."

Then, talking faster & faster, getting redder & redder, Staggers said he respects Stanton but 'I blame your organization...just like Jesus's disciples...One sold Him out for 30 pieces of silver; another denied Him before He was crucified...' Obviously shocked, Stanton said: "Don't separate me from my organization. I put them there...It's most unfair to refer to our organization like that—traitors." Said Staggers: "I didn't say that."

Subcommittee is expected to submit report to Committee, which may then vote on issue soon after July 4 recess. Several members who openly opposed subpoena now say they'll support Staggers. "This whole thing is unpleasant as hell," member told us, "but Staggers has made it such a matter of personal prestige." One claimed only 17 out of 43-member Committee would vote against contempt. "I think we're just going down the road to self-destruction," said one who opposes Staggers. "It makes us all look idiotic." We're told most members consider matter "the Chairman's prerogative." Staggers is expected to argue strongly that contempt issue should be decided in court, thus test limits of congressional power. Committee members will have to consider vote long & hard—because votes will be public. Quite a few may vote 'present,' meaning they won't be counted.

Hearing room was jammed while Stanton testified. He was ordered to answer each question with "yes" or "no," then explain. His attorney, Lloyd Cutler, objected strongly to intricate questions on constitutional law posed by Acting Chief Counsel Daniel Manelli. Staggers opened hearing with long statement saying that CBS reasons for declining subpoena "have been carefully considered and found to be without merit. To be perfectly frank, there has been not the slightest doubt raised as to the legitimacy of the Subcommittee's legislative concern in this matter...We have heard a good deal of talk about something called 'legislative surveillance' being involved here...If it means 'public scrutiny', then that is exactly what is involved...No segment of the broadcasting industry has the right to insist that its affairs be held sacrosanct & immune from public scrutiny & criticism."

"Clearly," responded Stanton, "the compulsory production of evidence for a congressional investigation of this nature abridges the freedom of the press. The chilling effect of both the subpoena and the inquiry itself is plain beyond all question...This Subcommittee's legislative purpose—to prevent 'distortions' or to control 'editing practices' in broadcast news reports and thereby engage in official surveillance of journalistic judgments—has no constitutional warrant and therefore no benefit that can be balanced against the chilling effect of this subpoena, let alone outweigh it."

Stanton was asked why CBS furnished Subcommittee with material filmed for "Project Nassau" (aborted Haitian invasion), which was never telecast, yet refuses to give outtakes from "Pentagon." Said Stanton: "We had to weigh the question of violation of law...If 'Nassau' were up now, I'm not sure we would give the material. Perhaps we've learned something...Govt. decisions since then give me pause. It's a different environment today." FCC has been looking into "Nassau," and one faction is said to conclude that Commission can't & shouldn't take any action—because material was never aired—but some people urge that CBS should be advised that it must supervise its staff more closely.

Rep. Springer (R-Ill.) pressed hard in attempt to show that broadcast journalism is not "press," thus not entitled to First Amendment protection, is merely a "licensed" industry. He read from old dictionary which referred only to print press. Stanton suggested reference to later dictionaries, said "the public looks to broadcasting as the press...The Supreme Court says so...If you go back far enough, you won't find print."

Staggers was critical of CBS letters to broadcasters, journalism, schools, etc. urging they sign form letter opposing subpoena, send it to their congressman. "How many of these letters

did you send out?" Staggers demanded. "A thousand, 2-thousand?" Stanton said he didn't know, wasn't familiar with letters, asked if there's "anything wrong with pressing a point of view." Staggers then charged that a Committee member privately told him he could not vote for contempt citation because a local TV broadcaster threatened his re-election.

Reaction from Subcommittee members was predictable. Springer: Called "Pentagon" documentary "deceit bordering on fraud." Pickle (D-Tex.): "We want the truth. You are, in effect, taking the Fifth Amendment." Shoup (R-Mont.): "The credibility gap in TV is suffering & suffering badly... You are refusing to accept the thrust of this investigation."

But Stanton did offer to talk about general editing practices. "We recognize that journalists can make mistakes, that editing involves the exercise of judgment, and that we and other journalists can benefit by criticism... We have been searching for a long time to find the equivalent of the printer's 3 dots... A broadcast journalist's job is to be fair in the reproduction of what was said, to maintain the sense of the interview... We do not intend to ignore... or shrink from continuing self-examination of our own practices. What we do object to is being subjected to compulsory questioning..."

FCC, meanwhile, has rejected fairness complaints lodged against documentary. In letter to Staggers, Chmn. Burch said: "The network appears to have afforded reasonable opportunity for the presentation of significant contrasting views on the issues involved in the program, and we cannot conclude that CBS has failed to comply with the requirements of the fairness doctrine." NAB Board also supported network, with strong resolution (see p. 4).

**NAB-A SLIGHT THAW ON CABLE:** Obviously stung by direction FCC is going toward CATV rules, as reported to Senate Communications Subcommittee (Vol. 11:25 p1), NAB TV Board last week took tentative step toward relaxation of its traditional hard-line position. While no announcement was made—and in fact subject was ordered expunged from minutes—NAB will be willing to go for signal ratios of 3-3-1 in top 25 markets; 3-2-1 in 26-75 markets; 3-1-1 markets 76 & below in future negotiations to protect TV from cable.

Some on Board said this was "historic change" for NAB—which in past had tenaciously held to straight 3-1-1 formula, they said. Others said there's no change in position at all, that nothing formal was adopted except resolution that no rules for outside signals should go into effect until a copyright bill is passed protecting local signals from duplication. They also stressed no policy has been decided on where outside signals could come from, non-duplication protection, leapfrogging, etc. "All we've done is said the staff could talk about 3-3-1," we were told.

NAB wanted to keep position secret to avoid tipping its hand in advance of future talks—tentatively slated to resume July 9 in Washington. (Present will be NAB, MST, NCTA, copyright holders, U.S. Copyright Office.) "We're going there to listen," said one broadcaster. "It won't be a negotiating session at all." ACTS is trying to join session, hasn't been invited yet. Copyright owners initiated meeting, and their negotiator—Columbia Pictures' David Horowitz, said "It's up to the broadcasters to choose whom they wish."

Some at NAB saw new position as attempt to knock down Commission's plan to allow 2 free distant-signal imports in dozens of markets. Not so, said others. "We didn't even have the Commission in mind in our discussion." New TV Chmn. Louis Read said Board showed "a much greater maturity than in past" in trying to solve cable dilemma.

Meanwhile, Presidential CATV committee, disclosed in these pages earlier (Vol. 11:25 p3), was announced officially by Nixon last week. It won't delay FCC deliberations, according to FCC Chmn. Burch. Appearing before Senate Appropriations Subcommittee headed by Sen. Pastore (D-R.I.), Burch said he had been in contact with OTP Dir. C. Thomas Whitehead about "what's going on," said FCC "has not been asked to slow down" will proceed "post haste."

White House statement said Nixon "wishes to avoid in the field of TV that instability which technological change has caused in some of our heavily regulated industries. A number of complex issues must be resolved if cable TV is to grow in an orderly way and without serious disruption of the existing TV service. The President has asked the committee to develop forward-

looking policy proposals that will permit the full potential of cable TV to be realized & enhance the TV service..."

NAB Pres. Wasilewski was heartened that Nixon is concerned about "disruption," and NCTA Pres. Taverner was sure committee's work "will be of value" and "will not delay" FCC action. Whitehead is chmn. of committee, which includes Secys. of Commerce, HEW & HUD and Nixon aides Finch, Garment & Klein. Among other developments:

(1) FCC is scheduled to discuss federal-state-local relations June 28, "access" following week; distant signals are likely to be considered last.

(2) NCTA presidential selection committee has been named to pick successor to Donald Taverner: Edward Allen, Western Communications; Polly Dunn, Columbus, Miss.; William Karnes, National Trans-Video; James Klungness, Iron Mountain, Mich.; Robert Symons, TelePrompTer; Robert Weary, Junction City, Kan. New NCTA chmn. will serve ex officio. Group will name its chmn. during July 6-9 convention in Washington.

(3) NCTA reports registration for convention at Sheraton Park is running ahead of schedule last year, when record 5,000 attendance was estimated. (National Bcstrs. Club has scheduled reception for NCTA officers & directors July 9, 6:30-8:30 p. m.)

(4) FCC Comr. Johnson has taken off all wraps on campaign to make cable new communications frontier for blacks & other minorities. Addressing Urban CATV Workshop in Washington June 26, he stated: "First, [cable] offers a better start toward the improved racial communication & understanding our society so sorely needs. Second, it is the quickest way of ending white captivity of minority media and, by extension, the white monopolization & molding of minority culture... The sooner we get the riots off the streets, and transform the vitriolic sentiments underscoring them into the relative calm of rational debate in our media, perhaps on cable TV channels, the sooner the entire nation will be in sounder posture for progress."

**NAB UP ON NEWS FREEDOM, DOWN ON PREP H:** Strong resolutions telling govt. to stay out of all news operations and urging that FCC "implement a license renewal policy that will foster stability, reduce harassment, and remove the potential threat to full broadcast journalism" were overwhelmingly adopted by NAB Board last week. And in highly-controversial action, TV Board rejected for the Nth time (by 8-7 vote) commercials for hemorrhoidal remedies. ABC immediately promised to take case directly to stations, will seek special meetings of TV Code Board & parent Board to reconsider ban.

Highlight of meetings, by far, was hour visit at White House. Each NAB dir. had his picture taken individually with President Nixon for display back home.

Board was shocked at outset by resignation of new PR Exec. Vp Paul Haney for "compelling personal reasons," effective Aug. 15. Haney has been on job only since mid-Feb., said he planned to move to Galveston beach house "to spend more time with my family." NAB Pres. Vincent Wasilewski termed Haney departure "a keen personal loss," said he hoped to choose successor (subject to Exec. Committee confirmation) by time Haney leaves.

Just day after CBS Pres. Frank Stanton faced 4 hours of hostile questions from House sub-committee (see p. 1), NAB lined up 4-square behind Stanton. Move was particularly heartening to many, since large number of broadcasters are openly hostile to network TV news. In separate resolution on controversy over publication of secret Pentagon papers, Board said: "Without attempting to pass judgment on the means by which the 'Pentagon Papers' became available, this Board believes it is essential to an open free society that all media be free to present to the public any and all information without being subjected to prior governmental restraint."

Eyeing Appeals Court decision throwing out FCC's policy statement on renewals (Vol. 11:25 p4), Board ordered NAB staff to make immediate study "to determine the best means of achieving a sound basis under law for broadcast licenses" and to "take such judicial action as it deems necessary." Outgoing Chmn. Bill Walbridge told news conference that NAB "sees no real hope that the problem will be settled legislatively... We won't know which way to go until the FCC decides what to do... It's untenable the way it is." (Note: FCC plans meeting this week on Judge

Skelly Wright's decision, will hear recommendations of Gen. Counsel Richard Wiley on whether reconsideration by en banc court should be sought, whether to go to Supreme Court, or try to live with narrow interpretation of decision. There's little likelihood Commission will seek legislation at this point.)

At same time TV Board rejected Preparation H commercials, it approved substantial hike in Code fees and permitted independent stations to carry 12 min. commercial time per hour—as opposed to general restriction of 9-1/2 min. effective Oct. 1. It was argued latter move would encourage more than 30 independents to subscribe to Code. However, ABC's Richard Beesemyer (leader in fight for Preparation H), pointed out that 80% of independents now are carrying hemorrhoidal spots and "they're not about to give them up to join the Code."

NBC & CBS joined ABC in voting for Code acceptance of Preparation H, as did individuals Richard Block, Wilson Wearn, Dale Moore & Earl Hickerson. It's understood ABC & CBS already had made plans to accept personal product spots if Code Board had approved.

Joint Board spent all of first day (June 22) on govt. regulation; TV Board spent good portion of June 23 on CATV, reached significant but unannounced decision (see p. 3). TV Board also approved up to 20 "mini-conferences" per year. Highly successful format was started last fall by TV Vp William Carlisle.

Radio Board established committee—called "a highly significant undertaking"—to determine need for Radio Information Office (a la TIO) to "tell & sell the story of radio." Committee members Wendell Mayes (chmn.), KNOW Austin, Tex.; Frank Balch, WJOY Burlington, Vt., & Kenneth Marston, WDXI Jackson, Tenn., were told to report in Jan. Board also approved recommended Code ban against advertising for abortion referral services, changed division between Class C & D directors from markets with 25,000 population to 15,000.

Richard Chapin, pres. of Stuart Enterprises and outgoing Radio Board chmn., was elected NAB chmn. (to succeed Walbridge) without opposition, as expected. Chapin's election was in absentia, however. He suffered kidney stone attack shortly after arriving in Washington, wasn't able to attend any sessions and returned to Neb. home mid week.

Also elected without opposition were TV Chmn. Louis Read, WDSU-TV New Orleans; TV Vice Chmn. Donald Campbell, WMAR-TV Baltimore, and Radio Chmn. Andrew Ockershausen, Evening Star Stations, Washington. In only contest, Mayes was elected Radio vice chmn. over Allan Page, KGWA Enid, Okla., & John Hurlburt, WVMC Mt. Carmel, Ill. Mayes won with bare minimum of 15 votes (of 29-man Board, all of whom voted) on first ballot.

**Full FCC budget** for 1972—\$31,454,000—has been approved by House Appropriations Committee, goes to floor this week. It's first time in years that Committee has approved FCC budget without cuts, mainly because Commission expects to recover costs through fees. However, Committee accused Commission of "no progress" in following its charge last year to work out "comprehensive policy" in areas of spectrum allocation, violence & obscenity on TV. "The Commission is again admonished to look into this sensitive but very important matter," Committee said in present report. FCC Chmn. Burch testified on budget last week before Senate Appropriations Subcommittee, and discussion included CATV, violence, children's programming, etc. Chmn. Pastore (D-R.I.) reiterated that he won't sponsor legislation overruling recent U.S. Court of Appeals reversal of FCC 1970 renewal policy statement (Vol. 11:24 p1). "I've had my day," he said. "I'm not ready to go through that again." He also cited "tremendous improvement" in way networks are reducing violence on TV.

**Anti-sex-discrimination** rule is proposed by FCC, in addition to its anti-ethnic-discrimination requirements—with comments due Aug. 9, replies Aug. 19.

**Campaign spending bill** is likely to be reported out by House Communications Subcommittee this week probably same way Chmn. Macdonald (D-Mass.) introduced it (Vol. 11:21 p5). Subcommittee has tentatively accepted Sec. 315 repeal for Presidential & Vice Presidential candidates only, voted down amendments for total repeal or to leave law alone. Other provisions to be decided include spending limits of 5¢ per eligible voter on broadcasting, 10¢ on print, lowest unit rates for all media. While bill deals only with communications, it conflicts with one covering disclosure now before House Administration's Elections Subcommittee. Latter prohibits federal candidates from spending more than 6¢ per resident or \$30,000, whichever is greater, in any primary or general election. Testifying last week before Elections Subcommittee, Macdonald urged both subcommittees work together, possibly combine bills. But Elections Subcommittee is searching for more witnesses, will resume hearing around July 12.

**Prime-time rule** has been waived by FCC for all top-50-market stations carrying 6-7 p.m. (5-6 Central) local news or public affairs followed by 30-min. network news, for one year.

**Personals**

**Ray Beindorf**, ex-vp & gen. mgr., KNXT L. A., elevated to exec. vp, CBS-TV Stations Div... FCC Chmn. **Dean Burch** attends NARUC meeting in Coeur d'Alene, Ida. week of July 5, returns to address NCTA luncheon July 9.

**FCBA elects:** **Thomas H. Wall**, pres.; **Eugene F. Mullin**, first vp; **Marcus Cohn**, 2nd vp; **Peter D. O'Connell**, secy.; **Edward W. Hummers**, asst. secy.; **Joseph F. Hennessy**, treas...**Jon Bednerik**, on NAB Govt. Affairs staff since April 1969, resigns to become legislative dir., National Society of Public Accountants, Washington.

**Leslie G. Arries**, WBEN-TV Buffalo, appointed to TIO Committee, succeeding **Robert Ferguson**, WTRF-TV Wheeling... **Earl Henton** elected vp, dir. & public affairs mgr., KDAL-TV-AM, Duluth, succeeding late **Robert Dettnan**; **Calvin Haworth**, **John LaForge** & **James Golden** elected vps... **Aaron Cohen** advances to daytime sales mgr., NBC-TV, succeeding **Robert McFadyen**, retired... **Perry Massey** elevated to film program administration dir., NBC-TV... **Dennis Considine** promoted to program analysis mgr., CBS-TV research.

**Thomas Josephsen**, gen. sales mgr., WSFA-TV Montgomery, also named asst. gen. mgr... **Norman Andrus**, ex-KUTV Salt Lake City, appointed local sales mgr., KCOY-TV Santa Maria, Cal... **Richard Martin**, ex-gen. sales mgr., WHAG-TV Hagerstown, Md., named account exec., WMAL-TV Washington... **Bernie Barker**, gen. mgr., WDAK(AM) Columbus, elected pres., Ga. Assn. of Bcstrs., succeeding **Don Heald**, WSB-TV Atlanta; **Albert Sanders**, WMAZ-TV Macon, re-elected TV vp.

**Scott Robb**, ex-Javits & Javits, joins NBC law dept., Washington hq.

**TvB** "remains as dissatisfied as we were before," regarding rating services, Pres. Norman Cash said in letter to members last week. Following meetings with ARB & Nielsen, Cash wrote: "Your Bureau feels that neither the reports of current audience levels nor the 2 services, plans to improve their measures of these audiences are adequate... We do not feel the rating services reflect the local audiences we believe are being delivered. This is particularly true in regard to ARB." However, he gave no specific objections or recommendations. ARB was unaware of Cash's letter when it announced last week its TV Advisory Board would consider recommendations that May survey be continued, and time-formatted diary (TFD) be introduced by Oct. "ARB has considerable experimental evidence that such a diary induces fuller reporting," report said. TFD will have quarter-hour time periods printed in left hand column. TV Market Report format for 1971-72 will also be changed: Product usage ratings & market tonnage estimates will be dropped, Program Audiences Section is being consolidated, there will be fewer ADI people rating columns, Day-Part Summary has been developed to reflect changed programming blocks, rating & HUT data from previous nationwide survey periods will be added to weekly report.

**ABC 'CAN'T LET MATTER DROP':** Surprising turnout of 400 (250 had been expected) attended ABC's Children's Programming Workshop in N. Y. last week, and ABC-TV Pres. James Duffy was encouraged by results. He told news briefing at close that "the really remarkable number of suggestions" assures that action will result. "After all, ABC can't sponsor a workshop and then let the matter drop."

He expressed hope "new attitudes" among broadcasters, educators, advertisers & critics participating will result "hopefully, in new & better shows." He said agencies for several large advertisers have stated privately their clients might be willing to forego ratings for quality in kid TV. Earlier, Pres. James Harvey, of Harvey & Carlson (agency for leading ABC kid TV advertiser Milton Bradley Co.), defended commercials in children shows. He said: "We want shows that are of higher quality and at the same time will attract larger audiences. We will not [settle] between mindless pap and a program that will be watched by only a handful of old ladies in Boston."

ABC gave platform to its critics—including ACT Pres. Evelyn Sarson & NCCB Exec. Dir. Warren Braren. Both complained about poor quality of kid TV and advertising directed toward children. Child psychologist Urie Bronfenbrenner was applauded for: "TV is a constructive force in the lives of children and the family... The accusation that TV is a purveyor of gloom & violence is misaddressed... TV is not the wicked witch, but the sleeping giant. The questions is how to awaken it."

—

**FCC's proposed CATV rules** permitting importation of at least 2 distant signals in 100 top markets will "open up a potential for several thousand such systems to be built," starting within a relatively short time, General Instrument Chmn. Moses Shapiro told annual meeting June 25. He expressed confidence that neither Senate Commerce Committee nor new White House CATV committee would delay FCC's presentation of proposed rules before Aug. 6. He said that within year "economic situation in the cable field will have justified the perseverance & fortitude we have displayed." (See also financial table.)

**WTVP (Ch. 47 ETV) Peoria** began programming June 24 using Visual transmitter, 355-ft. tower. Philip Weinberg is pres.; Joel Hartman, operations dir.; Dave Randolph, chief engineer. There are now 889 stations on air (591 vhf, 298 uhf), 684 commercial, 205 non-commercial, 168 CPs.

**FCC won't disqualify itself** from acting on Don Burden's (Star Stations) renewals, rejecting assertions by Burden that Commission had been "intimidated" by "ex parte" contacts from Rep. Staggers (D-W. Va.) and staff of his Commerce Committee.

**License renewals** were denied to **KWLG(AM) Wagoner**, & **KVIN(AM) Vinita**, both Okla., by FCC, for numerous rule violations & misrepresentations.

**Television Digest—Suite F-340**

NCTA convention hq for Television Digest & Factbook will be Suite F-340, Sheraton Park. Exhibit space will be 108-B.

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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended June 11 (23rd week of 1971):

	June 5-11	1970 week	% change	May 29 June 4	1971 to date	1970 to date	% change
Total TV.....	120,148	103,767	15.8	118,712	4,013,340	3,382,720	18.6
color .....	61,069	53,392	14.4	69,935	2,139,271	1,680,855	27.3
monochrome .....	59,079	50,375	17.3	48,777	1,874,069	1,701,865	10.1
Total radio .....	317,547	302,873	4.8	239,845	8,245,687	6,885,474	19.8
home, portable ..	100,769	115,166	-12.5	74,936	3,359,779	2,783,025	20.7
AM-only .....	51,813	67,045	-22.7	48,045	2,014,499	1,810,925	11.2
FM & FM-AM ..	48,956	48,121	1.7	26,891	1,345,280	972,100	38.4
auto .....	216,778	187,707	15.5	164,909	4,885,908	4,102,449	19.1
Total phono.....	41,156	37,683	9.2	39,696	1,466,115	1,166,903	25.6
portable-table .....	31,053	25,380	22.4	30,098	1,127,709	763,653	47.7
console.....	10,103	12,303	-17.9	9,598	338,406	403,250	-16.1

Color TV 5-week moving average: 1971-75,461; 1970-50,341 (up 49.9%)

**OUR ANNUAL SHARE-OF-MARKET SURVEY:** Gap between RCA & Zenith for color TV sales leadership has been trimmed to one slim percentage point. GE displaced Admiral for 6th place in color TV rankings, Magnavox elbowing Motorola for No. 6 in monochrome. Biggest share-of-market gains were charted by Sears & GE in both color & monochrome TV.

These are trends indicated in our 4th annual TV share-of-market survey. Results aren't necessarily definitive, but constitute well-educated guesstimate. At end of each model year, we ask domestic TV manufacturers to estimate their top competitors' unit shares of market for preceding 12 months (omitting their own companies). From replies—we received 12 usable ones this year—we compile median market shares, using average shares to break ties in rankings. Shares are computed on percentage of domestic-label TV market only.

Results for 1971 model year indicate Zenith gained one percentage point, while RCA lost one, from preceding year, making it a 24% -to-23% race. Just 3 years earlier, in 1968 model year, spread was big 10 points—30% to 20%. Zenith has gained point a year, while RCA lost 2-1/2 points a year from 1968 to 1970 and now appears to be digging in. (Zenith & RCA both claim to be No. 1 in color TV sales.)

Largest gain in color share-of-market was chalked up by Sears (Warwick), which rose in year from 7.75% to 10% of market, but remains in 4th place behind Magnavox, which has gained half a percentage point with 11.5%. (Average of responses put Magnavox's share at 12.5%, so company appears to be very strong No. 3.) Although Motorola & GE each recorded median 6% of market, average of replies came to 6.5% for Motorola, 5.9% for GE. Likewise, Admiral's average (5%) is far ahead of Sylvania's (4%), although both show up at 5%. Sylvania was not listed by 2 respondents; Philco-Ford wasn't mentioned by 7, so median wasn't possible.

Eight leading brands represented 90.5% of domestic-label color TV market in 1971 model year, showing apparent 2-year trend toward domination of color market by major brands. Similar trend seems to be shaping up in monochrome, where 8-brand market domination is at 4-year high at 86.5%.

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Monochrome rankings show relatively little change, Sears largest gainer, as in color, followed by GE. Magnavox replaced Motorola in No. 6 ranking without increasing share-of-market. Sylvania wasn't ranked because it wasn't listed in 6 replies; Motorola & Philco-Ford were downgraded slightly because their names were omitted from one reply each. Here are survey results compared with those for 1970, 1969 & 1968 model years:

### SHARE OF DOMESTIC-LABEL MARKET-COLOR TV

1971 Model Year			1970 Model Year			1969 Model Year			1968 Model Year		
Rank	Brand Name or Company	% Share (median)	Range	Rank	% Share (median)	Rank	% Share (median)	Rank	% Share (median)	Rank	% Share (median)
1	RCA . . . . .	24.0	20-26%	1	25.0	1	27.5	1	30.0		
2	Zenith . . . . .	23.0	20-25%	2	22.0	2	21.0	2	20.0		
3	Magnavox . . . .	11.5	10-14%	3	11.0	3	10.0	3	9.0		
4	Sears . . . . .	10.0	8-11%	4	7.75	4	7.0	6	6.0		
5	Motorola. . . . .	6.0	6-8%	5	6.25	5	6.0	4	7.0		
6	GE. . . . .	6.0	5-7%	7	5.0	6*	5.5	7	5.25		
7	Admiral. . . . .	5.0	4-7%	6	5.5	6*	5.5	5	6.5		
8	Sylvania . . . . .	5.0	4-6%	8	5.0	-	-	-	-		
-	Philco-Ford . . . . .	-	2-4%	-	-	-	-	8	4.0		
Total, ranked brands		90.5			87.5		82.5		87.75		
All others . . . . .		9.5			12.5		17.5		12.25		

\*Admiral & GE tied for 6th place in 1969 model year

### MONOCHROME TV

Rank	Brand Name or Company	% Share (median)	Range	Rank	% Share (median)						
1	Zenith . . . . .	22.0	18-29%	1	21.0	1	22.0	1	22.0		
2	RCA . . . . .	17.0	14-20%	2	18.0	2	17.0	2	17.0		
3	GE. . . . .	13.0	10-17%	3	11.0	3	12.5	3	11.0		
4	Sears . . . . .	11.0	9-15%	4	9.75	4	9.5	4	8.25		
5	Admiral. . . . .	7.0	6-9%	5	7.5	5	7.0	5	8.0		
6	Magnavox . . . .	6.0	5-8%	7	6.0	8	5.25	8	4.5		
7	Motorola . . . . .	5.5	4-7%	6	6.0	6	6.0	6	6.5		
8	Philco-Ford . . . . .	5.0	4-7%	8	5.0	7	6.0	7	6.0		
-	Sylvania . . . . .	-	2-5%	-	-	-	-	-	-		
Total, ranked brands		86.5			84.75		85.25		83.25		
All others . . . . .		13.5			15.75		14.75		16.75		

**FCC PROPOSES TO EASE TUNER RULE:** FCC took step last week which could considerably help manufacturers phase into comparable vhf-uhf tuning at minimum expense. It proposed to permit use of 70-channel detent uhf tuners without memory fine tuning in sets which have memory tuning on vhf.

Commission issued proposed rule-making, as we forecast last week, after inspecting little Sarkes Tarzian tuning mechanism which gives positive identification of every channel from 14 through 83, can fit into same space as continuous uhf tuner and is claimed to be less than 1/3 as expensive as 6-position detent uhf tuner (Vol. 11:24 p11). FCC expressed hope rule would encourage "more nearly comparable tuning in lower-priced sets."

These stipulations are made in FCC notice: (1) Maximum deviation from correct frequency not to exceed 3 MHz. (2) Numerical readout to be provided for each uhf channel number, or under some circumstances every other channel, with marks to indicate those in between. (3) Color sets using tuner must have AFC. When idea of permitting this type of tuner was broached, comments were overwhelmingly favorable (Vol. 11:16 p10).

FCC noted that though 6-position detent tuners with memory tuning were considerably more accurate than proposed system, they still couldn't be considered completely comparable, had major disadvantage of covering only 6 stations and requiring set owner to insert channel number tabs. Small size of newly approved mechanism makes it simple to retrofit into existing set designs.

Although Sarkes Tarzian is only manufacturer to have demonstrated compact uhf detent tuner with positive channel identification—company already is in production to meet orders placed before FCC proposed to accept it—other tuner manufacturers claim they have designs which can accomplish same purpose. ST tuner requires 7 complete rotations of knob to tune all 70 channels; its readout mechanism contains 2 number discs, one for each digit of channel number. Commission said it had been advised that 2 concentric discs fastened to tuning knob—one for odd, other for even numbers—would cost about 1/4 as much, provide faster tuning by requiring fewer rotations.

Commission stressed "temporary nature" of proposed authorization, urged set & tuner makers to continue working toward more comparable systems, "including electronic tuning." Neither 70- nor 6-position system, it said, is "considered satisfactory for the long term," although both will be permitted as interim measures if rule is adopted as expected. Deadline for comments is July 12, replies July 19.

**STEREO-4, VIDEOPLAYERS TO STAR AT CES:** Though bright promise of home videoplayer concept again will be dangled before retailers at CES, main buying interest at event in Chicago this week is expected to center on audio equipment, with emphasis on 4-channel stereo.

CES's character will be totally different this year. Hospitality suites & private displays in hotels up to 10 miles from main exhibit in McCormick Plack will force careful time budgeting for showgoers, who in prior years found most activities within 4-block N. Y. area.

Latest advances in Cartrivision (CV) videoplayer system will be shown at Astor Towers Hotel by Avco subsidiary Cartridge TV Inc. (CTV). Player is more compact, lighter than prototype unveiled last year, has improved audio frequency response, more easily replaceable tape heads. On view will be first adaptor deck, offering playback through any color or b&w TV, recording ability from camera or TV. Deck has no built-in tuners, so present TVs can be used only after proper modification. CTV is trying to have manufacturers put output jacks on coming models. Updated b&w camera with zoom lens will be shown and plan for color camera announced. CTV is also ready to reveal development of battery portable color VTR, capable of handling 30-min. cartridge.

CTV won't be alone with videoplayers. Both Ampex (Instavideo) & Motorola (EVR) are expected to show at CES exhibits. Akai will have 1/4-in. b&w tape reel VTR and Sanyo will show new compact cartridge 1/2-in. color system if prototype arrives from Japan in time. Sony will be demonstrating 3/4-in. Videocassette system, announcing delivery dates—but in N. Y., at June 30 Hilton Hotel seminar. In CES booth, Panasonic is slated to display video-related item, high-resolution fiber-optic TV display which permits photocopies to be made of on-screen image.

Stereo-4 products using variety of systems will be shown by host of manufacturers & importers. Most common will be displays of discrete 8-track tape systems; Panasonic & JVC will have 4-channel cassettes. Mikado Electronics will combine JVC's 4-channel disc system with Dorren FM quadracast demonstration: CBS SQ disc will get U.S. premiere at Essex Inn suite; Electro-Voice matrix system will be shown by E-V and hi-fi manufacturers. Phased (derived) 3- & 4-channel systems will rival 8-track in popularity, and will be found in combination with coded & discrete systems. Norelco will be demonstrating Philips' new DNL (noise limiting) cassette playback system; Dolby Labs has arranged for Dolbized FM broadcasting over Chicago's WFMT and assortment of Dolby-equipped FM receivers & cassette recorders will be on view. Panasonic & JVC may also show own cassette sound-enhancing developments.

Importance of audio at CES is emphasized by fact that only some of 10% of 226 listed exhibitors are in TV at all—some of them only marginally—and that several big domestic TV names will feature stereo at expense of TV, with Admiral & GE slated to have audio-only exhibits.

\* \* \* \*

Postponement of CTV stock offering (Vol. 11:11 p13) may dampen videoplayer enthusiasm somewhat. Public sales of CTV shares, awaited by Wall Street as barometer of investor interest in new industry, has been indefinitely delayed. Spokesman blamed recent market slump;

outside observers feel unfavorable review of prospectus in Wall Street Journal (Vol. 11:25 p9) was contributing factor. Avco has agreed to continue financing CTV until issue is floated.

**MAGNAVOX TAKES ANTI-JAPAN LEADERSHIP:** Magnavox has unsheathed new weapon against alleged unfair Japanese practices in U.S. market—a boycott. Company has established formal policy against buying Japanese-made consumer electronics for sale here under Magnavox brand-name, we were told last week by Pres. Robert Platt.

Implementation of policy has already had these results: (1) Halt to Magnavox purchases of small-screen color in Japan in favor of U.S. production. (2) Shift in procurement of small transistor radios from Japan to Singapore. (3) Plan to manufacture in Nogales, Mex., sub-assemblies for other items now sourced in Far East—such as b&w portables & audio equipment—for finishing in U.S.

Japanese could retaliate by refusing to fill remaining Magnavox orders. "That could be a problem," Platt conceded, "but I don't think you can talk out of both sides of your mouth." Like other U.S. firms, Magnavox must still depend on Japan for some finished items—such as cassette recorders. But Platt says it "will make a valiant effort to find other ways of doing what we did in Japan—a determined effort to manufacture here." In view of industry's competitive nature, he couldn't "unequivocally commit" Magnavox to complete independence of Japan.

"This is not a problem for Magnavox alone," said Platt, pointing to consumer electronics' trade-balance deficit, which EIA says jumped 21% last year to nearly \$1.1 billion. Entire industry is involved, he added, with unions fully aware of situation—Magnavox is currently negotiating labor contract to replace one expiring June 30. He lauded efforts of Zenith Chmn. Joseph Wright and other industry & labor leaders to push for dumping & other penalties. "It's not enough to sit and hope the govt. is going to bail you out of your problem," he said.

In putting profit-&-loss statement on line, Magnavox—one of earliest importers of Japanese consumer end products & components—has opened 2nd front in battle to break Japan's grip on large segments of U.S. market. Other U.S. firms have reduced buying in Japan, but usually only after own offshore assembly plants were in operation. Though Platt hasn't called on other domestic manufacturers to follow his example, his dramatic policy decision is certain to get careful review by those in industry facing same market problems.

\* \* \* \*

Japan's TV exports to U.S., meanwhile, edged past 1.5-million mark in year's first 5 months. Surge in May saw shipments of 366,000 complete TV sets, up 24.5% from May 1970—color up 46% to 125,000, b&w rising 46% to 241,500. Five-month color shipments now stand at 487,600, up 61%, with cumulative monochrome exports to U.S. just under 1.1 million, up 31%.

Magnavox showroom—salesroom will be opened in N.Y.'s Rockefeller Center in late fall. Located in shadow of RCA Bldg., new Home Entertainment Center will be at 16 W. 50th St., across Rockefeller Center Promenade from big Singer salesroom. At press time, it couldn't be learned who will operate 5,000-sq.-ft. store. Magnavox closed factory-operated N.Y. showroom year ago, about same time as RCA shut down its Rockefeller Center Exhibition Hall.

Merger talks between 2 of industry's top trade publications fell through June 24 at last minute after staffs were notified of sale of Merchandising Week to Fairchild Publications (Home Furnishings Daily). Later same day, staff members were informed that sale was off. Spokesman for MW publisher Billboard Publications said merger was cancelled because of "legal complications."

TV & radio prices declined in March from Feb., but were up from year-earlier levels, according to Labor Dept. Consumer Price Index. Here are March 1971 price indexes (100 equals 1967 level), with percentage change from Feb. 1971 & March 1970: TV sets 99.9 (down 0.2% from Feb., up 0.5% from year earlier), portable & table radios 98.3 (down 0.3% from Feb., unchanged from year earlier), portable tape recorders 95.8 (up 0.2% & 0.9%), TV replacement tubes 121.4 (up 0.2% & 6.1%).

Zenith adds 90-day labor to monochrome TV and modular & console stereo, beginning with 1972 model lines, extending its "consumer protection plan" to cover all products. Color TV, radio, portable phono & tape products were put under 90-day service policy last year. Policy provides servicing through local dealers, carry-in for portables, in home for consoles.

**NEW AT CES:** Concept Plus, new privately held Cal. consumer electronics specialty firm headed by Bernard Denberg, ex-Teledyne Packard Bell operations vp, unveils series of unique products this week at Water Tower Inn, Chicago: (1) "Video-Voice," cube-shaped battery-operated radio which tunes to vhf TV sound & FM bands, \$24.95. (2) "Speaker of the House," wireless stereo speaker system, utilizing house wiring as carrier; 2 speakers and solid-state transmitter for attachment to any stereo receiver or amplifier are \$129.95. (3) "Station Master," tiny AM radio designed to be pre-tuned to one frequency as radio station promotional item, custom imprinted with call letters; full AM tuning dial is on bottom; \$24.95. (4) "Lost Cord," due this fall, consists of battery-operated transmitter & receiver to permit wireless listening to any stereo set through headphones, \$59.95.

Zenith has introduced its first portable AC-battery public service radio, designed to tune emergency broadcasts, business & municipal communications, weather plus FM-AM, at \$39.95.

Norelco adds 12-lb. "transportable" compact stereo cassette system which folds into rectangular unit for easy carrying, operates on AC or rechargeable batteries, at \$219.95. Also from Norelco: Stereo cassette deck at \$109.95, new AC-battery version of mono Carry-Corder at \$54.95.

Sharp joins manufacturers with "single-button" color controls. Its ACT (automatic color & tint) button is on new 19V" color set; no price given.

No X-ray "pollution threat to the public" is presented by TV receivers, according to report "An Evaluation of the Appliance X-Ray Pollution Problem," prepared for Commerce Dept. by National Industrial Pollution Control Council. Council Chmn. is Bert Cross (3M). Report concludes that TV manufacturers effectively reduced radiation hazard to insignificant level, while more action is needed in medical & dental field. Study was by sub-council: Donald Burnham (Westinghouse), chmn., Fred Borch (GE), vice chmn., and members A. P. Fontaine (Bendix), Raymond Giesecke (McGraw-Edison), C. Lester Hogan (Fairchild), Robert Sarnoff (RCA).

Warwick workers' bid for import-impact adjustment aid will be subject of Tariff Commission hearing July 7. Hearing request is unusual in such cases, and union (IUE) leaders who filed import-adjustment eligibility petition will probably be only witnesses. Case is first in which claim is made that tariff concessions have caused increased imports and unemployment in phono segment of industry.

**Tape topics:** Marketing in Japan of Hi-Pac (mini 8-track cartridge) tape-player system is to begin next month, with Toshiba & Nippon Columbia among first with hardware & software... New International Tape Assn. members include Videorecord Corp., Canadian Audio Magnetics & Alps-Motorola of Japan. ITA is forming committee to develop standards for all areas of 4-channel sound.

IEEE plans move of some hq operations from N. Y. to 13-acre site in central N.J., has budgeted \$1.3 million for land & building.

**BSR 'SMUGGLING' CHARGE:** BSR is expected to plead not guilty to charge of avoiding duty on record-changer & accessory imports. BSR of England and U.S. & Bermudian subsidiaries were accused of smuggling in indictment by Federal grand jury.

Basic accusation is that BSR understated quantity & value of imports in invoices submitted to Customs Jan. 1, 1967-April 5, 1971, failed to pay duty on more than \$1-million worth. While calling conspiracy charge "unbelievable," BSR spokesman said firm may owe some back duties. Indictment, he said, starts from date when BSR switched to containers. It is common practice for importers to take unopened containers from piers, pay estimated duty, with adjustment made later after contents have been checked, shipping documents received. BSR contends any underpayments were caused by clerical error, points out that underpayment allegation results from govt. comparison of Customs records with corporate records freely supplied by BSR.

Allegation that BSR of England, BSR (U.S.A.) & Discus of Bermuda (tax-haven tunnel company) had conspired to cheat on duty was met with disbelief among importing community. BSR is believed to import more than \$20-million worth of changers annually, paying over \$1.3 million in duties each year (at present 6.5% rate), while indictment would indicate that BSR owes something less than \$100,000 in underpayments over full 5-year period. Observers question why BSR, unchallenged leading changer supplier in U.S. market, would risk \$425,000 fine and loss of reputation for insignificant duty saving.

**PICTURE TUBE SALES UP:** U.S. factory sales of color picture tubes posted substantial increase in first quarter over 1970 period, while sales of b&w & receiving tubes declined slightly, EIA reports. Totals include U.S.-brand imports.

Producers sold 1.86 million color tubes, up 38.6%, with sales to OEMs up 43.2% to 1.53 million. Replacement sales climbed 24.8% to 262,000, exports 4.8% to 65,000. Value wasn't announced.

In b&w, manufacturers sold 1.13 million (down 1.5%), valued at \$16.3 million (down 11.1%). Sales to OEM of 972,000 at \$12.6 million were down 1.2% & 13.7%; renewal sales were 113,000 at \$2.8 million, off 17.5% & 13.1%. Exported were 49,000 (up 63.3%), valued at \$879,000 (up 83.1%). Both color & b&w renewal totals exclude sales of independent rebuilders.

Receiving tube sales in quarter declined just 0.9% to 53.4 million. Declines were logged in sales to OEMs (off 4% to 25.4 million) & govt. (down 31% to 1.2 million). Replacement volume increased 4.1% to 23.1 million, while exports were up 6.2% to 3.6 million.

**INTERNEPCON**—International Electronic Production Conference—will be held in Tokyo Jan. 19-21. Exhibits & seminars will cover production equipment & materials for electronics components and products.

**Excise tax of 15%** on consumer electronics is being eliminated in Canada, climaxing long campaign by EIA-Canada and individual manufacturers.

## Trade Personals

**Robert Gunts**, Warwick mktg. vp, promoted to pres. of subsidiary Thomas Organ; **Marvin Weiler** joins Warwick as vp in charge of Scars sales & corporate development; Weiler comes from Warwick's majority owner Whirlpool... **Levy Katzir**, former Motorola Israel managing dir., promoted to new corporate post of multinational operations dir... **Robert Welsh**, Teledyne financial exec., named a Packard Bell vp.

**Richard Gralton**, former sales & distribution mgr., advanced at GE Audio Electronics Products Dept. to acting gen. mgr.; **Paul Van Orden** promoted from tape, components & console product mgr. to mktg. mgr.; duties were performed by **William Webber**, who becomes Consumer Products Group strategic planning mgr. July 1... **William Clemmens**, former room air conditioner dept. gen. mgr., advanced to GE Dealer Sales Operation mgr., succeeding **E. B. Weathers**, shifting to Fla. zone dealer sales mgr... **Fred Whitehouse**, formerly private-brand tubes & tube-checker product sales mgr., named products sales mgr. for entertainment receiving & CR tubes, GE Tube Products Dept.

**Douglas Hamilton** advanced from vp to senior finance vp, at Sylvania; **William Hershberger** advanced to Sylvania corporate financial administration dir., succeeding **A. B. Benjamin**, retired... **Gerald Quint** promoted at Sylvania Electronic Components Group to replacement semiconductor product sales mgr.

**Shigemi Nakano**, Sony America vp, named asst. to recently appointed Pres. **Kazuo Iwama**; **Richard O'Brion**, head of Sony VTR operation here, assumes Nakano's former responsibility for videocassette market development... **Bruce Sutherland**, ex-Sony, joins Doremus & Co. as treas.-controller... **Charles Borgard**, ex-Norelco Home Entertainment mktg. dir., joins Lenox Plastics as mktg. vp.

**Robert Whitehouse**, ex-Lantz International, appointed Ampex Consumer Equipment Div. gen. sales mgr., succeeding **Myron Wilson**, resigned... **Jim Gross**, ex-Reeves Production Services, joins Electronics International (videoplayer programming) as post-production services mgr... **John Poggi**, Singer U.S. Div. mktg. dir., named vp.

**Mauri Sardi** advanced at Westinghouse Semiconductor Div. from field sales mgr. to mktg. mgr., succeeding **Daniel Del Frate**, now Westinghouse Consumer Co. mktg. dir... **Ben Jacoby** promoted at RCA Solid State Div. to solid state power vp; **Bernard Vonderschmitt** to solid state IC vp... **John Christensen**, CBS Labs vp-assoc. dir., awarded honorary doctor of science degree by Fairfield U. (Conn.).

**Distribution notes:** Emerson names Jack Lederer, ex-Tecca Distributing, Cleveland (Motorola), as western Pa. branch mgr., and Kenneth E. Smith Co., Salt Lake City, for Utah, parts of Ida. & Wyo... **Eastco**, Westwood, Mass. (RCA), names Alan Steinert exec. vp, Robert Wanders finance & administration vp... **Packard Bell** appoints Billings Distributing, Fresno, Cal.

## 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
Ampex			
1971-year to May 2 <sup>a</sup>	290,862,000	(12,005,000)	—
1970-year to May 2 <sup>a</sup>	313,582,000	11,265,000 <sup>b</sup>	1.04
Communications Properties			
1971-6 mo. to April 30	3,601,188	151,604	.08
1970-6 mo. to April 30	3,069,846	255,601 <sup>c</sup>	.15
General Instrument			
1971-qtr. to May 31	65,400,196	1,177,174	.12
1970-qtr. to May 31	64,993,347	1,462,698	.16
Matsushita Electric			
1971-6 mo. to May 20	949,479,000	50,576,000	—
1970-6 mo. to May 20	1,005,123,000	68,885,000	—
Sony			
1971-6 mo. to April 30	249,000,000	15,900,000	.39 <sup>d</sup>
1970-6 mo. to April 30	194,000,000	14,400,000	.37 <sup>d</sup>
1971-qtr. to April 30	121,000,000	7,200,000	.18 <sup>d</sup>
1970-qtr. to April 30	99,000,000	6,400,000	.16 <sup>d</sup>

Notes: <sup>a</sup>Restated. <sup>b</sup>After special charge. <sup>c</sup>After special credit. <sup>d</sup>Based on American Depository Shares.

**Oak's CATV equipment sales** should reach \$2.5 million in 1971 and possibly \$25 million by mid-'70s, Chmn. E. A. Carter told annual meeting. Oak's first cable equipment sales came this year with delivery of 26-channel converters as result of agreement with Sterling, N.Y., giving Oak manufacturing & marketing rights to Gamut 26 unit. Other Oak CATV gear includes 2- & 4-way splitters, switches & block converters, matching transformers. Oak, which has made 30 million TV tuners, said "tremendous upsurge in tuner business" created "major problem" during first quarter, with Hong Kong plant unable to meet demand, resulting in heavy costs for air shipments.

**Ampex reported** \$12-million loss for year ended May 2 (see financial table), some \$9.5 million of it resulting from revaluation of some assets, announced earlier. Chmn. William Roberts said 4th-quarter sales & earnings were below expectations, forecast profitable operation and resumption of sales growth in fiscal 1972.

**Ad accounts:** Videorecord Corp. appoints Herzbrun, McManus & Co., Westport, Conn... **Muntz Stereo** names Sachs, Finley & Kaye, L.A.

## Obituary

**H. Leslie Hoffman**, 65, West Coast pioneer TV-electronics manufacturer, died June 24 in Switzerland after long illness. In 1941, he founded Hoffman Electronics, which entered TV manufacture in 1948, producing about a million sets before terminating TV-stereo production in 1961. Company later purchased TV manufacturer TravLer (now Admiral subsidiary Cortron) with Montgomery Ward. He was main organizer of Western Electronic Mfrs. Assn., was EIA pres. 1955-56, received EIA Medal of Honor. Wife, daughter survive.