

WEEKLY

# Television Digest®

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### Broadcast

**NAB TASK FORCE ON RENEWALS** formed to exert 'strongest muscle possible' to get renewal bill through Congress. Elson plan for national fund raising for TV-radio contributions to congressional candidates gets favorable response. (P. 1)

**FCC BLOCKING COMTEL EXPANSION IN N. Y.** via telephone facilities. Decision expected to support city govt., Sterling & TelePrompTer. N. Y. Telephone facing 'anticompetitive' label re actions in Hyde Park, Brookhaven & Poughkeepsie. (P. 2)

**FISCAL BIOGRAPHY OF 1970:** FCC details rough year—total industry profits down 18%, with network earnings down 46%, o-&-o's off 12.1%, all other stations decreased 12.6%. (P. 3)

**JOHNSON'S AD-RULE GOALS** ready for consideration by FCC. House report blasts TV Code, supports Johnson ideas. (P. 4)

**STUDIES LINK VIOLENCE & TV:** Independent researchers submit report to Surgeon General's Committee, note 'real progress' in determining how TV violence affects children. Final govt. report expected in fall. (P. 5)

**TV PRICE QUESTIONS ANSWERED** in ruling that seasonal rates are exempt, though several problems remain. (P. 6)

**NAB's TASK FORCE ON RENEWALS:** Attacking "the most important issue facing broadcasters today," NAB Exec. Committee last week set up special task force to push for legislation in Congress overturning D. C. Appeals Court ruling that FCC's renewal policy is illegal (Vol. 11:24 p1). "We feel that we have to get moving—and moving immediately—to put some stability in our operations," NAB Chmn. Richard Chapin said. "We plan to put forth the strongest muscle possible for a law to overturn the Skelly Wright decision."

Metromedia Exec. Vp Mark Evans will head 10-man task force (other members haven't been appointed), and broadcast industry reportedly is prepared to "spend whatever it takes to get our message across." Though Exec. Committee didn't discuss costs (one estimate was \$500,000 to do proper job) or outside counsel, prominent broadcasters say there's strong need for special PR counsel. NAB Exec. Vps Paul Comstock (govt.), Grover Cobb (station relations), James Hulbert (PR) and 50-man FOB Committee will work closely with task force. Hulbert outlined plans for generating support from non-broadcast groups, support papers from academe, possible newspaper ads. Also, all speeches by NAB Board members & staff will include pitch on license renewals.

### Consumer Electronics

**CARTRIDGE-LOADED DISCS** for color TV announced by Teldec in Berlin. Video discs to come in 8-in. 5-min. size only, stacked in quick-change cartridges for longer selections. Color quality judged good in first demonstration. (P. 7)

**SURCHARGE, FREEZE RELIEF** solves some short-term problems of importers, but bigger ones lie ahead. Initial rulings indicate that price hikes resulting from revaluation can't be passed along by U.S. assemblers. Parts importers face long-term contract woes. (P. 8)

**AVERAGE COLOR SET PRICE** rose \$6 at factory in 1971's first half to \$332 in domestic-label category. Portable-table models increased \$16 to \$281, consoles up \$7. B&w stops 10-year price slide. Phonos down, radios stable. (P. 9)

**TV TUNER IMPORTS** in first half doubled comparable 1970 results, were enough to meet nearly entire U.S. OEM demand in period. Color & b&w picture tube imports jump. Speakers, transistors decline. (P. 11)

**NATIONAL AD SPENDING** by consumer electronics firms declined last year from '69 levels, survey indicates, showing cutbacks by Philco, GE & RCA, latter increasing color TV promotion. GTE, Zenith drop from top 100. (P. 11)

"We've got to move during this Congress, and hit with everything we've got," Exec. Committee member told us. "I believe our chances are good if we can muster newspaper & public support, but to do it we'll have to overcome the general anti-broadcasting attitude in Congress."

Though no action was taken, recommendation that industry establish formal machinery to solicit & dispense financial contributions to Senate & House candidates "received a generally favorable response," according to Exec. Committee member. Couple of others said this was something broadcasters should have done years ago, citing trade associations (including NCTA) for other industries which have long sponsored political action groups. However, another Exec. Committee member cautioned that "nothing has been approved; it's a very sensitive thing."

Plan was put forth by Roy Elson, NAB vp for govt. relations. Long-time administrative asst. to ex-Sen. Hayden (D-Ariz.)—and himself 2-time candidate for Senate from Ariz.—Elson reportedly told Exec. Committee that past broadcast contributions to congressional candidates have been woefully inadequate, that only way such major legislation as license renewals can be accomplished is through aggressively supporting candidates of both parties. He said industry could & should become most powerful lobby in country, but that only way to do it is through co-ordinated national action.

Elson recommended committee be established outside NAB to solicit & disburse contributions—making sure that TV-radio & NAB get proper credit. He reportedly outlined both plusses & minuses of such effort, including reporting requirements of Corrupt Practices Act, and stressed that major contributions to Senate & House candidates is only way industry can overcome counter-influences.

Comstock said such an organization would have to be established outside NAB—without public or even tacit approval of association. Some others disagree, said industry should anticipate and accept adverse publicity that would result. Exec. Committee instructed Elson to refine proposal, report back at Oct. 4 meeting.

In other actions, Exec. Committee: (1) Moved winter Board meeting to Marco Beach Hotel, Marco Island, Fla. (near Naples), Jan. 17-21. Meeting originally had been scheduled in Feb. at Estate Carlton Hotel, St. Croix, but Hotel went bankrupt, closed. (2) Heard luncheon report from FCC Exec. Dir. John Torbet on responsibilities of Commission, with stress placed on emergency broadcasting.

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Also meeting last week was NAB Convention Committee, which got good news that 1971 convention showed substantial profit (over \$200,000), despite slight drops in attendance & exhibit space (Vol. 11:41 p1). Committee approved as luncheon speakers at 1972 gathering a member of Nixon Cabinet, CBS Pres. Frank Stanton, and standard appearance by FCC chairman—and that man in all probability will again be Dean Burch. Being good Republican, he now is expected to remain at Commission through Nov. 1972 elections. Still smarting from Al Capp speech last spring, Committee members vetoed any participants in convention sessions who are likely to be highly critical of broadcasting. Turned down as result was proposal that NCTA & pay-TV advocate Zenith be invited to session on TV's future.

**FCC TO BLOCK N. Y. TELEPHONE & COMTEL:** Long battle among Manhattan interests—whether N. Y. Telephone Co. can expand facilities leased to Comtel, cable operator without city franchise—appears near climax at FCC, with phone company & Comtel the losers.

Franchise-holders Sterling & TelePrompTer, backed by city govt., have been fighting Comtel expansion, on grounds they've been sanctioned by city, have responsibilities Comtel doesn't (must provide access channels, pay 5% fee to city, etc.), and Comtel expansion would be wasteful duplication. (N. Y. courts have held that telco can provide channels to CATV system even though a municipality hasn't granted franchise.) It thus appears that Commission is about to reverse Examiner David Kraushaar, who recommended Comtel expansion. Comtel serves 27 blocks, sought to expand into about 100 more. It now feeds some 13,000 hotel rooms plus 2-3,000 apartments, offices & other buildings.

Telco looks as if it may have antitrust problem out of case, too. Commission reportedly doesn't believe phone company acted on anticompetitive basis in Manhattan—but it does believe it was dog in manger in other N.Y. towns—Hyde Park, Brookhaven & Poughkeepsie. Commission believes telco used variety of delaying tactics (claiming it didn't have pole maps, etc.) to slow entry of cable systems in those areas—while providing quick service to competitive cable systems willing to lease telco channels. As result, it's understood Commission will order telco to quit operating in several of the areas within 6 months, prohibit it from including construction costs in rate base, and prohibit sale of facilities without FCC approval.

**TV LAST YEAR—FCC's FISCAL BIOGRAPHY:** Rough 1970 for telecasting was documented by FCC last week as it released summaries showing:

- (1) Total TV industry profits were down 18% to \$454 million.
- (2) Broadcast revenues (excluding commissions) were up .4% to \$2.81 billion while expenses rose 5%.
- (3) Total ad expenditures for TV (including commissions) were \$3.24 billion (up .2%)—broken down into \$1.55 billion network (down 1.2%), \$1.1 billion national & regional spot (down 1.5%), \$589 million local (up 7.7%).
- (4) Networks suffered 46% drop in earnings to \$50 million, though broadcast revenues remained unchanged at \$1.14 billion. Network o-&-o profits dropped 12.1% to \$117 million on revenues drop of 3.4% to \$312 million. All other stations suffered 12.6% drop in profits to \$286 million though revenues rose 1.7% to \$1.35 billion.
- (5) Vhf stations (excluding o-&-o's) had 1% increase in revenues, 6% increase in expenses, 10.5% drop in profits. Uhfs had 9.2% revenue rise, 8.1% expense increase, while losses increased to \$45.5 million from \$43.2 million.
- (6) Of vhfs, 82.3% showed profit; of uhfs, 32.2%. Of network-affiliated vhfs, 83.7% were profitable, while 42.9% of such uhfs showed earnings. Of independents, 62.1% were profitable—but figure for uhfs was only 10.4%.
- (7) Profits over \$5 million were achieved by 19 stations; \$3-\$5 million, by 24; \$1.5-\$3 million, by 46; \$1-\$1.5 million, by 34. Highest 4 uhfs were in \$400,000-\$600,000 profit bracket. Among heaviest losers (\$400,000 & over) were 8 vhfs & 34 uhfs.
- (8) Investment in tangible broadcast property, for stations & networks, was \$1,497,311,000 original cost, \$739,397,000 after depreciation.

(Copies of full report, comprising 17 tables, are available from FCC Office of Information. For breakdown of performance for each year since 1946, consult Television Factbook.)

**Most of Jerrold's cable systems**—7 groups representing some 92,000 subscribers (see Television Factbook, Group CATV Ownership)—have been sold to TeleSystems Corp. (Fred Lieberman & Jack Crosby), price undisclosed. Purchase gives TeleSystems total of some 160,000 subscribers, raising its rank from 18th to 5th among largest cable operators (Vol. 11:27 p5). (TV Communications, with recent purchase of Continental's 70,000, has 172,000, putting it 4th.) TeleSystems has just finished construction of tower in Philadelphia, where it is one of 6 franchise holders, expects to start stringing cable within 60 days. Franchise covers 113,000 families. System will provide local signals to start, double-cable, 24-channel capacity.

**Short-haul microwave** equipment makers Theta-Com and Laser Link are due to be followed by others soon—among first, reportedly, are Varian and Microwave Assoc.

**FCC-member-designate** Rep. Charlotte Reid (R-Ill.) will be honored at National Bestrs. Club reception Oct. 20; she'll be sworn in at Commission first week of Oct. Club also starts "Wavemakers Luncheons"—no speeches, Q-&-A, regular lunch prices—next week, first guest new CBS Washington Vp Richard Jencks Sept. 15. Also scheduled: Daniel Manelli, acting chief counsel, House Investigations Subcommittee, Sept. 28; Chmn. William Brown, Equal Employment Opportunity Commission, Oct. 13.

**Latest contested renewals** by applicants: Phoenix, KOOL-TV's Ch. 10, sought by Valley of the Sun Bestg.; Las Vegas, KORK-TV Ch. 3, sought by Las Vegas Valley Bcstg. Both were filed by Washington attorneys Welch & Morgan.

**FCC has appealed**, as expected, D.C. Appeals Court ruling that stations must sell time for controversial issues (Vol. 11:32 p1). Commission seeks rehearing before Court en banc.

**JOHNSON'S AD-RULE GOALS:** During House Small Business Subcommittee hearings in June on TV advertising (Vol. 11:25 p5), FCC Comr. Nicholas Johnson suggested that Commission adopt 7 restrictive measures on advertising. He now has formally asked fellow commissioners to issue rulemaking on some of them, incorporate others in currently pending matters. Commission is expected to consider Johnson proposals this week; there's no indication how majority will go.

Specifically, Johnson wants following rules: (1) Prohibit on TV "more than 8 min. of commercial matter in any clock hour... This is in excess of the maximum permitted on British commercial TV, and certainly cannot be considered an onerous restraint," he said. (2) Allow only 2 commercial breaks in any hour—"as near as is practicable to the hour & half-hour." He said plan would avoid numerous commercial breaks during programs and "the distracting and occasionally demeaning" interruptions in news. (3) Outright ban on all TV advertising for over-the-counter drugs. "My proposal is scarcely a radical one," he said.

Johnson also asked FCC to issue notice of inquiry to require that all TV advertising "be limited to factual & informative product claims." He said Appeals Court "Friends of the Earth" decision applying fairness doctrine to product advertising (Vol. 11:34 p4) means Commission should adopt his proposal that "the public interest requires the systematic presentation of public service announcements designed to inform viewers of the adverse consequences of consuming the products advertised..." Johnson also would restrict commercial time in Sat. morning shows to maximum now permitted in prime time, and require that all spots directed toward children be "institutional" rather than "product" oriented. He asked that staff be instructed specifically to add last 2 items to pending inquiry on children's TV (Vol. 11:30 p3).

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Meanwhile, House Subcommittee quietly released report on June hearing which is critical of NAB TV Code and embraces many of Johnson's ideas. "His proposals seem eminently fair," Subcommittee Chmn. John Dingell (D-Mich.) told us. "I say hooray. Power to him." Subcommittee recommended that FCC establish "meaningful standards" for children's advertising and "determine whether present time limitations on advertising are in the public interest." Among Subcommittee conclusions: "It is within the responsibility of the FCC to examine closely the type of advertising that licensees accept... The NAB must now either overhaul its Code or surrender to the FTC and the FCC... The Subcommittee specifically finds that the Code Authority must set up realistic regulations & clear limitations on all advertising shown during the daytime hours when children are watching... It is hard to justify why this country would allow its children to be bombarded with up to twice the amount of advertisements per hour as adults are exposed to on prime-time TV... It is hoped the Code Authority will include... public representatives to assure the public both a voice and active participation."

**Collins Radio stockholders** have approved \$35 million take-over by North American Rockwell.

**Firestone tire ads** made false safety claims, FTC examiner Edward Creel ruled, but he rejected plea from George Washington U. law students that company disclose govt. allegations in future advertising. Creel also dismissed charges that Firestone ads contained deceptive pricing. Students and FTC staff charged Firestone with misleading public by using phrases "the safe tire" and "stops 25% quicker." Firestone said it would appeal to full Commission. In another case, Procter & Gamble agreed to consent order requiring it to award all future prizes advertised in sweepstakes. Order is similar to others Commission has accepted concerning alleged false advertising of promotional games. Commission said P&G never awarded prizes for sweepstakes in 1968-69. P&G denied wrongdoing, said it signed order "since we have no desire to engage in a prolonged controversy over a type of promotion which we are no longer using." Another consent order tentatively agreed to by Commission & Popeil Bros. would prevent firm from making deceptive TV claims for Veg-O-Matic food slicer and Hi Temp frozen food slicer. Commercials claim Veg-O-Matic will slice raw carrots, ripe tomatoes, etc., but package instructions warn against slicing such products. FTC also alleged that guarantee in ad was misleading and that other commercials for Hi Temp were deceptive in claiming that knife was similar to surgical instruments, would never become dull.

**TV cares more about blacks** than any other principal American institution, according to Louis Harris poll of black households. But survey was promptly disclaimed as "totally ridiculous," by William Wright, national coordinator for Black Efforts for Soul in TV (BEST). "He's obviously not talked to the blacks I talk to," Wright told us. "No black can believe in the great white American tube." He said survey "perpetuates the myth of TV." According to poll, when blacks were asked whether institutions "really care about blacks achieving equality," TV was rated 8 points higher than Supreme Court, 20 points above newspapers. However, poll said most institutions fail to attract confidence of black citizens. Those thinking TV cared about blacks totaled 47%, while 26% said medium was indifferent, 13% called it discriminatory, 14% weren't sure. Supreme Court followed with 39%, 23%, 12%, 26% respectively, then came Congress. Newspapers were 4th at 27%, 33%, 17%, 23% respectively.

**International Digisonics Corp.** (IDC) system, along with all other ideas on program & commercial coding, is expected to be set for proposed rulemaking soon by FCC. During rulemaking, meanwhile, it's expected Commission will allow somewhat relaxed coding standards to be used. IDC had requested amendment of rule to allow use of 6 lines at top and 6 at bottom of picture, plus 3 lines tolerance at top or bottom. Present rule permits use only of 3 at top, 3 at bottom. FCC's current thinking is to permit 6 & 6 temporarily—but no 3-line tolerance—pending rulemaking. Commission is inclined to be tough about enforcing 6 & 6 until rulemaking is over.

**Networks flatly rejected** Democratic National Committee's request for time under fairness doctrine to respond to President's Aug. 15 economic message.

**STUDIES LINK VIOLENCE & TV:** Independent researchers commissioned by Surgeon General's (SG) Committee on TV & Social Behavior told American Psychological Assn. convention in Washington last week that "real progress" has been made in determining how TV violence affects children. Four independent studies were presented to SG last week as part of some 40 papers prepared either by SG's own investigators or specially commissioned. SG report & conclusions from these studies is expected this fall (Vol. 11:33 p4).

"There is more than a trivial basis for a 'best guess' conclusion which is central to the major question," say State U. of N. Y. Prof. Robert Liebert & Purdue U. Prof. Robert Baron. "At least under some circumstances, repeated exposure to TV aggression can lead children to accept what they have seen as a partial guide for their own actions. As a result, the present entertainment offerings of the TV medium may be contributing, in some measure, to the aggressive behavior of many normal children. Such an effect has now been shown in a wide variety of situations."

Paper was one of 4 to be presented Sept. 4 to convention symposium "The Early Window: The Role of TV in Childhood." Another study presented by Bradley Greenberg & Thomas Gordon of Mich. State U. deals with 5th & 8th graders, notes that "violence is clearly recognized & labeled as violence by all groups, that the aggressive behavior is not considered acceptable, but that it is enjoyable to watch. Further, the violence borders on being labeled 'like real life'... Among younger, pre-teen black children, there are lesser perceptions of violence... Further, the behavior exhibited in violent scenes is more acceptable to the more disadvantaged. It is also considered to be more humorous."

However, Greenberg & Gordon stop short of Liebert & Baron conclusion. "The crucial question which remains is whether differing perceptions manifest themselves in differential overt behavior, particularly aggressive behavior. For example, because the lower-class child says a given sequence of violence is less violent and the behavior more acceptable, is he more likely or less likely to be aggressive following exposure, assuming any effect at all? Again, these questions can only be answered through extended research."

Concluding that heavy exposure to TV violence "induces or reinforces tendencies in the youngster to behave aggressively toward others," what's to be done about it? According to Steven Chaffee & Jack McLeod of U. of Wis. School of Journalism, answer may be education, rather than parental or govt. censorship. "Self-regulation by the TV industry might be preferable, but at best it should be seen as an enormous challenge to TV writers & producers. The prospect of TV entertainment bowdlerized by strictures against depicting violence is a dismal one, in our view... There simply has been no study addressed to this issue of whether controls on violent TV content would have socially beneficial effects—or possible harmful side-effects... If TV alone were to abandon the apparent 'violence market,' one should not expect those media [movies, comics, etc.] to refrain

from attempting to fill the resultant void."

Instead of limiting what youngsters view, Chaffee & McLeod note that "several experiments have shown that the effects of aggression-inducing stimuli interact with the kind of context or preliminary instructions in which they are presented to the youngster. In general, this appears to be a promising and under-investigated field. Whether interpretive comments to provide a context for viewing violence can be most effectively instituted by parents & teachers, or as part of TV presentations themselves, is obviously worthy of serious consideration... Given the evidence that both interpretation of TV violence, and social sanctions against aggression, provide potentially effective mechanisms for lessening adverse behavioral consequences of TV violence, suggestions for direct controls on violent media programming would appear to be scientifically questionable and, to say the least, premature..."

Fourth study, by UCLA Journalism Dept. Drs. Jack Lyle & Heidi Hoffman, dealt with first, 6th & 8th graders in unidentified town near L. A. Among findings: Students are more skeptical about TV content, have become "overtly hostile" to commercials; while most don't watch news, 60% think if they saw something on TV news it was probably true; TV's importance to youngsters "declines quite markedly" in adolescent years; programs viewed by youngsters are primarily those produced for adults, not children; children seldom, if ever, watch ETV; parental control of viewing is "a relatively weak factor."

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**WBAL-TV Baltimore** acted fairly in turning down request of Rosenbush Ad Agency to purchase political spots, FCC ruled. However, Commission warned that while station's reasons for refusal were consistent with past FCC policy, D.C. Appeals Court Aug. 3 ruling that commercial stations must sell time—spots & programs—for discussion of controversial issues (Vol. 11:32 p1) might have impact on WBAL-TV case. FCC also said issue would be discussed during upcoming inquiry into fairness doctrine. Rosenbush case involved Baltimore's Democratic primary for mayor, and agency claimed that station's policy on political ads discriminated against its client who couldn't afford 5 min. or more. WBAL-TV countered that political spots only encourage "sloganeering & huckstering" at expense of meaningful discussion, added that it intends to offer free time to candidates anyway.

**Mexican-American group's** request to inspect annual financial records of Albuquerque stations KOB-TV, KOAT-TV and KGGM-TV has been denied by FCC. Alianza Federal de Pueblos Libres claimed figures were vital to its decision whether or not to file petitions to deny, saying stations ignored programming needs of minorities. But Commission said compelling need for records, which aren't normally made public, wasn't shown. It also said reports do not provide information on specific expenditures for news, public events, local programming, etc.

**Avery-Knodel's** 1971-72 guide showing daily TV network listings is now available.

## Personals

**Ted O'Connell**, administration vp, CBS-TV stations, elevated to vp & asst. to CBS-TV Pres. **Robert Wood**; **W. Edmund Cramer**, ex-WCBS-TV N.Y., appointed bcstg. dir., WCAU-TV Philadelphia; **Charles S. Carleton**, ex-vp of National Audio-Visual Assn., Fairfax, Va., named govt. affairs dir., CBS Washington. It's first appointment by new Washington Vp **Richard Jencks** in major effort to shore up govt. relations (Vol. 11:30 p5).

**Walter Saffer** promoted to tax administration vp, NBC... **David Fulton** resigns as ABC controller; **Stephen Nenno** elevated to program administration dir., ABC-TV East Coast; **Peter Desnoes & Richard Gold** elevated to account executives, ABC-TV Spot Sales, N.Y.

**Benjamin McKeel**, ex-national sales mgr., WHTN-TV Huntington, named gen. sales mgr., WLWT Cincinnati, succeeding **Ray Colle**, now gen. mgr., WLWD Dayton... **David Butts**, ex-WKTR-TV Dayton, named program dir., WUTV Buffalo, succeeding **Pete Kolankiewicz**, resigned... **Robert Sutton**, ex-WXYZ-TV Detroit, named ad. promotion & PR dir., WABC-TV N.Y.

**Max Paglin**, former FCC exec. dir. & gen. counsel, recently special asst. to gen. counsel, joins Office of Opinions & Review as supervising attorney, succeeding **Joseph Zias**, now chief, Renewal & Transfer Div... **Joseph Kaswell**, ex-Kiefer & Moroney, joins new Washington office of San Francisco law firm Farrow & Segura, with quarters in Federal Bar Bldg., Oct. 1.

**William Sinkunas**, ex-Nation Wide Cablevision vp, named vp & gen. mgr., TVC's Cablevision Corp. of America, with systems in Malden, Mass. & Nashua, N.H... **Frank Haney** advanced at Tele-Vue Systems from gen. mgr. to vp, engineering & development; **Frank Bias** promoted to engineering dir... **I.I. Weaver** advanced to chief microwave field engineer, Theta-Com.

**George D. Cary**, deputy Register of Copyrights, Library of Congress, promoted to Register, succeeding **A. L. Kaminstein**, retired... **John Gavin**, first vp, Screen Actors Guild, nominated to succeed **Charlton Heston** as national pres.

**Charles E. Reilly** resigns as dir. of National Catholic Office for Radio-TV, will continue as consultant for several months; **Robert B. Beusse**, dir. of Church's Communications Dept., will assume Reilly's duties temporarily.

Presence on ETV station boards by top management of commercial stations would be restricted by proposed rule under consideration by FCC. Current thinking is that people should be barred from serving on ETV station boards if they're officers or directors or owners of more than 1% or serve as top management officials of commercial station with Grade A contour overlapping Grade A of ETV station. It's estimated 15-20 ETVs would be affected. Commission is also considering inquiry to weigh other restrictive formulas, including application to AM & FM.

**TV PRICE QUESTIONS ANSWERED:** Telecasters breathed sigh of relief last week with confirmation that President's wage-price freeze wouldn't force them to sell fall programming at summer rates. "The ruling that seasonal rates are exempt from the price freeze cleared up 3/4ths of our problems," according to NAB Exec. Vp Grover Cobb. However, he and FCC Exec. Dir. John Torbet (assigned to handle inquiries from broadcasters & lawyers) stressed that many questions remain to be cleared up.

Major unsolved points, according to Torbet: (1) What constitutes new programming? He said this includes many factors such as ratings, time of day, competing programs, etc. (2) Effectiveness of new station rate cards because of customary 90-day protection clause. Commission received 500 inquiries last week on price-wage freeze; NAB had over 100. Torbet sent group of questions to Cost of Living Council last week (hasn't received answer yet), will send another bunch early this week. They'll deal with wage increases, cost-of-living contracts, sales made in spring for fall, rate cards, etc.

Torbet also said wage-price order is causing problems within FCC. For example, Commission has been ordered to cut its average grade rating .1% this year, another .1% in 1972 (present average grade at FCC is 9.1%). "This is causing a major problem in the upper grades," he said. "We just can't fill management positions, which start at 13s." Commission hasn't received directive from OMB on mandatory cutback of all federal employes by 5%, expects it this week. Torbet said it isn't known what impact this will have.

Discussion on cable was conducted Sept. 3, between OTP Dir. Clay T. Whitehead & NCTA Chmn. John Gwin—and both said meeting was "friendly" but produced no change. Gwin restated NCTA position that it stands behind FCC plans, while Whitehead said he "deeply regrets" unwillingness of cablemen to change. Meanwhile, "working group" of President's Cabinet-level cable committee heard presentations Sept. 3 from NAB's William Carlisle & John Summers, copyright owners' Gerald Philips & Gerald Meyer, MPAA's Jack Valenti & Leo Hochstetter—will hear other groups shortly. OTP is also getting ready to respond soon to letter from Sen. Pastore (D-R.I.), who had requested reaction to FCC's "letter of intent" on cable policy. Also, last week, OTP Gen. Counsel Antonin Scalia conferred with CPB's William Duke on long-term financing. OTP spokesman said: "It was a good meeting... but no big results."

SMPTE conference Oct. 3-8 at Montreal's Queen Elizabeth Hotel features 5 sessions on TV, 35 papers on such subjects as narrowband video, color TV receivers for CATV, TV film vs. tape, computer-controlled switchers, satellites in domestic broadcasting, video cartridge, cassette & disc player systems.

## Obituary

**Lucille Buford**, 59, majority owner with sons Robert & Gerald of KLTV Tyler & KTRE-TV Lufkin, Tex., was killed Aug. 2 in fire in Fairmount Hotel, Dallas. Mrs. Buford owned 46.3% of stations, her sons own 17.5% each.

# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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

## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Aug. 20 (33rd week of 1971):

	Aug. 14-20	1970 week	% change	Aug. 7-13	1971 to date	1970 to date	% change
Total TV.....	165,427	168,868	- 2.0	178,866	5,963,224	5,130,048	16.2
color .....	89,496	81,967	9.2	95,502	3,183,792	2,555,005	24.6
monochrome .....	75,931	86,901	-12.6	83,364	2,779,432	2,575,043	7.9
Total radio .....	324,078	309,637	4.7	296,682	11,291,033	9,796,929	15.3
home, portable .....	142,871	137,548	3.9	127,977	4,888,153	4,372,455	11.8
AM-only .....	70,584	70,356	0.3	59,954	2,783,806	2,710,832	2.7
FM & FM-AM .....	72,287	67,192	7.6	68,023	2,104,347	1,661,623	26.6
auto .....	181,207	172,089	5.3	168,705	6,402,880	5,424,474	18.0
Total phono .....	84,295	66,637	26.5	59,694	2,268,788	1,993,998	13.8
portable-table .....	66,344	46,130	43.8	41,939	1,740,517	1,392,715	25.0
console.....	17,951	20,507	-12.5	17,755	528,271	601,283	-12.1

Color TV 5-week moving average: 1971—104,888; 1970—86,113 (up 21.8%)

**TELDEC'S CARTRIDGE-LOADED COLOR TV DISC:** Last week's showing of Telefunken-Decca-Teldec color video disc at Berlin TV-radio exhibition brought some surprises—evidencing considerable effort by engineers to work it into producible, saleable, practical product. Although principles are same as system shown in U.S. last fall (Vol. 10:42 p9, 10:43 p9), format is sharply changed and much refined.

Single disc size has been adopted—about 8.27 in. (210 mm), playing 5 min. on either U.S. or European standard TV—and plans for 12-incher playing 15 min. have been dropped. Rather than use larger discs to gain playing time, developers have decided to use more discs, loaded in book-like cartridge which slips into automatic player. Single-play machine will be slot-loaded—thin, flexible disc, enclosed in its jacket, is inserted, played automatically and ejected, in jacket.

Only 2 versions of each disc—one for 525-line 60-Hz systems, one for 625-line 50-Hz—are necessary, former spinning at 1,800 rpm, latter at 1,500 rpm. They'll play on any color system—for example, same 625-line disc will play in color on Germany's PAL system, France's Secam, USSR's different version of Secam, or on any 625-line version of NTSC. The 525-line disc can be used in U.S. on NTSC system or in Brazil on PAL.

Four players were demonstrated at huge Berlin show; cartridge-changer system wasn't in evidence, but slot-loader was. Observers saw commercially acceptable picture with excellent color—marred only by occasional dropout, not considered serious—and good sound. As is usual with all systems, delivery dates & prices have both been changed. Mid-1973 is now marketing target. Single-play color unit is now being quoted at about \$200 in Germany (up from \$120), cartridge-loaded unit at \$400 (from \$240); monochrome-only version is also planned.

Five-minute disc format was chosen, according to developers: (1) To have single standard size. (2) Because shorter disc provides optimum picture quality as result of less speed variation between outside & inside diameters of recorded surface. (3) For easy binding into standard magazines & journals as giveaways and animated illustrations.

Cartridges will be available in 3 sizes, running up to about hour in playing time. Operation

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appears to be similar to that of cartridge-loaded slide projector, except that discs are placed in cartridge in their protective jackets. In automatic or single-disc operation, actual disc surface is never touched by hands. Discs in cartridge are played in sequence "practically without pause." User will be able to buy empty cartridges, load them with his own discs, or purchase cartridge albums already containing records.

Color system, adopted from "6 different possibilities," uses redundancy principle. For low-frequency picture sections (up to about 1 MHz), line-sequential system is used—that is, one line contains only red information, next blue, 3rd green. Delay system stores this information, redistributes it on each line. Higher-frequency segments are reproduced unaltered. Video bandwidth is claimed to be nearly 3 MHz. Said Teldec Technical Dir. Horst Redlich at kickoff news conference: "The technical development of the color video disc has now reached a state at which a standard can be set." Demonstrations are expected in U.S. next winter.

Berlin show brought few other surprises. Philips color videocassette system was demonstrated under several brandnames—including Telefunken—with good results. Nordmende showed its super-8 videoplayer, but no information was given on availability.

**IMPORTS GET SURCHARGE, FREEZE EXEMPTIONS:** Importers got early Christmas presents last week in form of partial exemptions from 10% duty surcharge & price freeze, and can now stop looking back over their shoulders for problems, turn instead to bigger ones which lie ahead. New rulings also ease immediate pricing problems of domestic manufacturers using imported parts & end products.

Bending to pleas of impending bankruptcy, Treasury changed Aug. 16 surcharge to apply to date of merchandise exportation from country of origin, rather than date of actual entry into U.S. This frees from added duty all imports in transit to U.S., in bonded warehouses or tied up by west coast dock strike. Partial kicker is that formal entry of all exempt goods—except untouchable west coast merchandise—must be made by Oct. 1.

Exemption should soften surcharge's impact on 2nd-half imports. Plentiful availability of many regularly priced imports at retail could be assured well into Christmas season—but only if dock strike ends, and threatened Oct. 1 east & gulf coast stoppage doesn't materialize. With all ports shut, price would become secondary matter—problem would be availability of any products, regardless of cost.

With floating yen and possible revaluation providing additional headaches, importers are hoping that govt.'s price-freeze exemption, permitting them to pass along higher prices charged by foreign suppliers, applies to changes in foreign currency values. This hasn't been clarified, but best interpretation is that increase can be passed on if imports are paid for in dollars, as most are. Tentative ruling is that only increase itself can be passed along, without markup—and this, again, is subject to "clarification."

But there's real whammy in price-boost ruling—one which should keep U.S. assemblers of foreign subassemblies awake nights. Increase may be added to resale price only so long as imported product remains separate entity. So far, this appears to mean that importer of radio chassis, for example, may charge more if he resells chassis, but must eat differential if he slips it into cabinet—because price of complete radios is frozen. If interpretation stands, ruling would have severe impact on domestic import assemblers of console stereos & compact systems, whose business has been booming.

Some like it, some don't—but everybody gets a little breather in new deferred surcharge rule. There's more time to decide what to do, and to wait for those confusing "clarifications." A few more manufacturers & importers disclosed what they're going to do about surcharge. RCA said it would pass on to distributors "significant portion" of surcharge on imported consumer products, as well as additional costs of surcharge on components in U.S.-assembled end-products. Westinghouse said it would absorb all surcharge on its portable products—since many are now made in Puerto Rico and not surchargeable.

It's still not clear whether surcharge must be separately itemized in bill to consumer, but one major Washington law firm is advising all clients to assume that this is mandatory. What

if part of surcharge is absorbed and part passed along? One consumer products manufacturer (not in electronics) is stamping on his invoices: "Only \$\_\_\_\_ of amount of surcharge is included in this invoice."

Treasury's change in surcharge policy is first loosening of controls, may hint that others are on way. Manufacturers & assemblers would like to see some form of surcharge "averaging" permitted, to relieve them of almost impossible problem of computing pre-surcharge & post-surcharge component content of each individual product for pass-along purposes. Precedent may have been set by one manufacturer who submitted complete audit of pre-surcharge imported components in stock, received official okay to act as though only pre-surcharge components were used in products made before Nov. 1, only post-surcharge components after that.

But there's been no disposition at all to grant flat exceptions to price freeze or surcharge—all such individual requests have been rejected. Yet to be ruled upon is request by ITA to exempt audio tape equipment from surcharge on grounds that 98.3% of such gear is produced off-shore and therefore surcharge would hurt—not help—U.S. employment & anti-inflation efforts.

Parts importers are running into real snag in area where govt. has specifically declined to give relief—contracts. They're finding there's big difference between having right to pass surcharge along and being able to pass it along. Reaction of U.S. OEMs to parts importers' pleas to add surcharge to future-delivery price-fixed contracts has varied from grudging acceptance to split-the-difference to outright refusal. After initial turndown, one Japanese supplier told us customer called back to say he'd accept partial surcharge, but only after calculating how much he could add to finished product without missing key price points.

Some U.S. OEMs who are direct importers have tried to get foreign suppliers to eat, or share, surcharge. But such kickback arrangements are legal only when reported to U.S. Customs by importers and, in case of Japanese exporters, to Ministry of International Trade & Industry. Customs views such deals as price reductions, which, in some cases, could reactivate now-dormant dumping issue. MITI has some effective ways of chastising exporters who violate orderly marketing guidelines.

While crash action is no longer required of importers, they still have mid-to-long-range programs to formulate, and many vital decisions can't be made until more guidelines come from govt. and uncertainties over yen are resolved. Top executives of Japanese-brand electronics import houses traditionally visit Japan in fall to finalize design, price & quantities of next year's line. Unless uncertainties are resolved soon, importers will have to make firm commitments based on speculation.

One of biggest uncertainties is duration of surcharge. IUE District 3 Pres. William Bywater—who heads union's anti-import activities—reflected opinion of many U.S. manufacturers last week when he said 10% surcharge won't help domestic consumer electronics industry. Instead of being across-board, he added, it should have been selective, with Canada, for example, exempted, while Japan "should have been hit 5 times harder." Quota system—not surcharge—is needed "to protect the 49% of TV manufacturing still remaining to American workers," he said.

Surcharge may be around for long time—at least on Japanese goods. Japanese statements indicate its end will be demanded at Sept. 9-10 Japan-U.S. economic meeting in Washington, while Japan seeks to hold upvaluation of yen to around 6%, vs. some 15% reportedly sought by Washington. Administration has told major trading partners that revaluation won't be enough to end surcharge—it will seek other concessions, including elimination of non-tariff barriers, voluntary quotas on exports to U.S. of sensitive items, increased share of European defense costs.

**AVERAGE COLOR SET PRICE UP \$6 IN '71:** Color set prices veered upwards in first-half 1971 after long period of decline. Despite change in mix, which saw portables & table models rising to 55.8% of total sales from 49.7% one year earlier (Vol. 11:35 p8), average domestic-label color set rose to \$338 at factory level from \$332 in last year's first half. B&w set prices apparently reversed 10-year slide to level off at \$87, up about \$1.

In color, largest factory-price increase was in portable-table model category, perhaps partly due to inflation and partly result of new dominance of 18V"-19V" screen at expense of

smaller sizes (Vol. 11:35 p8), with average portable-table set going to \$281, up \$16 from \$265 in first-half 1970. With increasing use of 25V" tubes, black matrix and automatic tuning features, average console was up \$7 to \$403, while combination increased by \$10 to \$615.

In monochrome, portables & tables remained at \$82 average, consoles & combinations rising by \$4 to \$140. Here's average-price story for U.S.-brand TV sets in tabular form:

TYPE	COLOR		MONOCHROME	
	1st Half 1971	1st Half 1970	1st Half 1971	1st Half 1970
Portable-table	\$281	\$265	\$ 82	\$ 82
Console . . . . .	403	396	140	136
Combination . .	615	605		
<b>ALL SETS . . .</b>	<b>\$338</b>	<b>\$332</b>	<b>\$87</b>	<b>\$86</b>

Because of increasing dominance of portable-table category and decline in console prices, average phonograph was down \$18 to factory price of \$77 from \$95 one year earlier. Average portable-table model increased by about \$1 to \$41, while console sank by \$21 to \$196 from \$217. Average U.S.-brand tape recorder declined this year by about \$5 to \$63.

Radio prices remained stable in first half, table & clock models continuing unchanged at \$19 & \$18 respectively, portables going up \$1 to average \$13. Average radio price rose this year to about \$16 from last year's \$15.

**Tape topics:** **Williamhouse-Regency** has sold assets of **Cassette Corp. of America** subsidiary to **Gabriel Mfg.**, Stony Point, N.Y. Gabriel acquired all equipment, inventory & plants in New Brunswick & Carlstadt, N.J. and Haiti. Pres. Edmond Gabriel said he would market blank cassette & 8-track cartridges under Gabriel brand, also sell empty cartridges & parts to duplicators...**Hohner Musical Instruments** is considering entry into blank & recorded cassette marketing, with emphasis on music education field...**Memorex** fall promotion offers free aluminum cassette storage box to purchasers of 3 blank cassettes...**Ampex Stereo Tapes** has formed premium sales operation, headed by Shad Helmstetter...**No exports** to U.S. are planned for **HIPAC**—mini 8-track tape cartridge playback system introduced in Japan last month. Spokesman for 10-member **HIPAC Assn.** cited difficulty of obtaining music rights here as main reason. While many leading tape player manufacturers are **HIPAC** supporters, one—**Nippon Victor**—is not. Nippon Victor is exclusive licensee (with right to sublicense) under **Lear Jet Stereo** patents, which **HIPAC** system is intended to circumvent...**New ITA members:** 3M, Mallory Battery, Celanese...**AIWA** has contracted to supply 170,000 cassette recorders, under private label, to **BASF** of West Germany at cost of about \$6.3 million.

**Ironic casualty** of price freeze was scheduled hike in Asia-to-U.S. ocean freight rates. Increase was instigated at urging of Nixon Administration because outbound shipping charges were higher than inbound, putting U.S. exports at disadvantage. As result of freeze, imports continue to get preferential treatment.

**Symposium on Video Cartridge, Cassette & Disc Player** systems Oct. 7-8 will highlight Oct. 3-8 **SMPTE** technical conference in Montreal. Other sessions will feature papers on **CATV** color receivers, Cobaloy high-coercivity magnetic tape.

**Zenith** introduces "most advanced TV set in the industry"—25V" Avante console, on white pedestal base with rosewood top, similar in appearance to **RCA's** widely promoted 2000 model. Set, with new "Titan 101" chassis—no details announced—is priced at about \$699.95, remote \$799.95. Zenith also has introduced 5 new cassette products, including top-of-line modular receiver-cassette recorder with pop-up control panel, 40 watts peak, at \$269.95. Two AC-battery recorders with microphone which retracts into case are \$39.95 & \$49.95, FM-AM version \$79.95. Cassette playback-only unit is \$19.95. New Zenith radios: Circle of Sound FM-AM clock with back-lighted tape numerals, downward-firing speaker, \$49.95; FM-AM AC-DC portable with control panel which recesses into cabinet, \$39.95; pocket FM-AM portable, \$16.95; larger FM-AM, \$34.95. AC-battery manual mono phono with FM-AM is \$39.95.

**Some 500 Sony Videocassette** players & recorders should be kept off market because they don't meet FCC's proposed radiation limits, in opinion of Commission's staff. Sony has asked for waiver, permitting sale, claiming units come very close to meeting proposed rules (Vol. 11:34 p10), but Commission tests of sample Sony unit found 20-fold excessive radiation. FCC is expected to turn down request soon.

**Sansui** is trying to expand sales of hi-fi gear in world markets to compensate for expected sharp decline in business with most important single customer—U.S. PX system. PX sales now account for about 25% of **Sansui's** business, but volume may drop drastically in coming years as U.S. reduces troop strength in Asia.

**Distribution notes:** **Westinghouse** appoints **Radio Specialties**, Detroit, for portable electronics & stereo systems...**Teledyne Packard Bell** names **American Appliance Distributing**, Phoenix, for Northern Ariz., replacing **Elliott Distributing**. American also handles **Toshiba** line.

**COMPONENT IMPORTS:** Enough TV tuners were imported in first half to meet 97% of U.S. OEM demand in that period, Commerce Dept. shows. Arriving in U.S. were 8.1 million tuners, more than double 1970 figure. EIA figures for half show 4.17 million U.S.-made TVs sold, indicating use of some 8.3 million tuners (vhf & uhf). Last year, tuner imports equaled just over 50% of OEM consumption.

Nearly half of tuner imports, 4 million, came from Mexico, which doubled 1970 shipments; imports from Taiwan jumped fourfold to 2.4 million, with Hong Kong up 65% to 727,000, Japan up 78% to 839,000. Nearly 85% of tuners were imported under Tariff Schedule 807, indicating they contain some U.S.-made parts, and most were from countries where U.S.-owned export assembly plants operate.

Picture tube imports jumped sharply in period, color up 102%, b&w 145%, with Japan and Canada leading suppliers. Color tube imports from Japan rose 98% to 53,700; Canada's increase was 168% to 5,017. In b&w, Canada supplied 28,227, compared with 2,000 in 1970 half; imports from Japan slipped 15% to 13,985.

Other component imports posting gains from 1970 were microphones (up 10%), receiving tubes (up 9%), ICs (up 375%), fixed capacitors (up 50%), fixed resistors (up 93%). On down side were imports of loudspeakers (off 1%), transistors (down 30%), variable capacitors (off 11%) & variable resistors (off 70%).

Japan continued as major supplier for most components. Imports of Japanese receiving tubes in period rose 26% to 16.7 million, microphones held even at 1.1 million, speakers declined 4% to 14.1 million. Japan also was leading source for fixed & variable resistors and most capacitor types. Taiwan led in mica capacitors, Mexico in tantalum. U.S.-owned foreign plants were dominant sources for semiconductors, with 87% of transistors & 43% of ICs imported under Sec. 807. Commerce breakout, not given below, shows 34% of fixed capacitor imports were ceramic, 19% aluminum, 18% paper or film, 6.2% tantalum, 5% mica, 17% other types. Following is breakdown:

#### U. S. COMPONENT IMPORTS

	First Half 1971		First Half 1970	
	Units	\$ Value	Units	\$ Value
Pic. tubes, color . .	58,846	2,137,151	29,088	1,256,891
Pic. tubes, b&w . .	46,745	587,744	19,051	231,289
TV tuners . . . . .	8,118,069	22,154,713	3,417,891	10,061,239
Loudspeakers . . . . .	16,277,729	19,018,575	16,414,655	15,153,255
Microphones . . . . .	1,320,621	2,725,539	1,196,168	2,472,786
Receiving tubes . . . . .	23,990,892	9,567,769	21,998,170	8,452,037
Transistors* . . . . .	251,712	27,546,655	358,696	33,541,303
ICs* . . . . .	136,752	38,838,350	28,781	34,733,341
Fixed capacitors* . .	355,803	13,454,287	236,537	9,991,186
Variable capacitors . .	120,988	5,095,082	135,723	5,294,197
Fixed resistors* . .	779,726	7,153,406	403,333	4,165,771
Variable resistors* .	33,919	3,054,372	112,319	3,060,445

\*Units in 1,000's.

**Osaka Onkyo** will change name to Onkyo Corp., Sept. 17. Best known as speaker producer, firm also manufactures complete products and has supplied b&w portable TVs to Emerson and other U.S. private-label customers. Toshiba holds 69% interest in Onkyo.

**AD SPENDING DOWN IN '70:** Fewer industry members made 1970 list of top 100 national advertisers than in 1969—and those who did make it reduced budgets. Rankings are compiled by Advertising Age and reflect national ads placed in measured media. Total ad budgets, though shown, are not included for ranking purposes.

RCA spent \$76 million for all advertising last year, off 1.3% from 1969, largest single chunk—about \$10 million—promoting color TV (up from \$8.3 million). RCA Record & Tape Clubs spent about \$3.4 million (vs. \$4.1), while CBS supported Columbia Record Club with budget in excess of \$10 million. GE ads dropped 10% in 1970 to \$70.5 million; advertising for color TV cost about \$928,000, down from \$1.1 million. Philco-Ford spent \$5.4 million in 1970, off 38%, though expenditures for TV time rose 3% to \$4.9 million. Westinghouse had apparent spending jump of 28% to \$46 million. Increase, however, resulted from Longines-Wittnauer & other acquisitions. Union Carbide ads for Eveready batteries held at 1969 level of \$1.5 million.

Members of 1969 list, but missing from current one, were GTE & Zenith. All industry firms which made list were repeaters.

"Time has come for Japan to put an end" to stalling on liberalization and enter "swift, good-faith negotiations" on currency, capital & trade reforms, writes E. H. Shrenzel, managing dir. of Motorola Semiconductors Japan, in Aug. 31 Nihon Keizai Shimbun (Japan Economic Journal). Japan's past response "has always been to procrastinate...then finally to give in just as little as possible and do it just as late as possible," he said. "Board of Directors of Japan Inc." has played masterful "economic game of brinksmanship," while "responses by U.S. industry [and] U.S. govt. have been, generally speaking, disorganized & ineffectual." U.S. unilateral actions, said Shrenzel, have made Japan's old protectionist policies obsolete.

"Unique opportunity" now exists "for American manufacturers to recapture a large portion of the market for portable & table-model TV sets which has been lost to imports," said Lancaster Glass Corp. Pres. Robert K. Fox in letter enclosed with sample 9V" TV tube bulb sent to selected picture tube & TV set-manufacturing executives. Lancaster, which specializes in small TV bulbs, has capability for 10 b&w bulb types from 5V" to 14V", makes glass for GE 10V" Porta-Color. "We believe that the opportunity we all now have should not be allowed to pass," wrote Fox.

**Fleetwood (Canada)** increased sales and cut losses in 6 months ended June 30. Pres. B. N. Pollock of consumer electronics firm controlled by GT&E International said that Canadian dumping findings against Japanese & Taiwanese TV sets "may produce long-term benefits for our industry and removal of the federal excise tax on home entertainment products should stimulate sales during the balance of the year."

**Sony's bid** for component import quota exemption was rejected by French officials, effectively killing, for now at least, plan to assemble consumer electronics there.

## Trade Personals

**Edgar Griffiths**, former RCA Service Co. pres., elected to corporate post of services exec. vp—vacated by **Anthony Conrad**, now RCA pres.—responsible for Service Co., RCA Parts & Accessories and Hertz... **Clyde Everett**, ex-Sheaffer Canada pres., appointed international mktg. mgr., Motorola Consumer Products Div., with responsibility for foreign marketing activities except Canadian & military sales... **Jerome Santowski**, ex-Admiral audio product planning mgr., joins Bell & Howell as consumer electronics product mgr., succeeding **Anthony Mirabelli**, now Consumer Products Group mktg. dir.

**James Collier**, Zenith corporate development vp, elected pres. of Swiss watchmaking subsidiary Movado-Zenith-Mondia. Zenith Chmn. **Joseph Wright**, Pres. **John Nevin**, Senior Finance Vp **Ralph Spang** & Collier all named to M-Z-M board... **James Stark**, ex-Philco-Ford chief audio engineer, joins Zenith as radio-stereo engineering dir... **Eugene Keys**, former Electronics Div. pres., advanced at Oak Electro/Netics to corporate sales vp, new post.

**David Schneer** advanced at Bruno-N.Y. (RCA distributor) from gen. sales mgr. to vp-gen. mgr., RCA Div.; **Robert Furlong** promoted to Div. mdsg. mgr.; **Carl Sonnett** appointed vp & mktg. dir. responsible for both RCA & Whirlpool Divs.; **Eugene Van Cleve** named ad mgr... **Robert Judd** promoted at Zenith of N.Y. to audio products sales mgr.

**Semiconductor sales** by U.S. factories in first 5 months of 1971 totaled 1.13 billion units valued at \$455.4 million, down 23.3% & 18.2% respectively from 1970, according to EIA. Lone increase was posted by unit linear IC sales, up 2.4% to 21 million, but value dropped 16.2% to \$32.1 million. Other sales totals in millions, with percent decline in parentheses: Digital ICs 109.2 units at \$138.3 (3.6% & 12.4%); hybrid ICs 34.7 units at \$36 (38.5% & 9.6%); discrete devices 964.3 units at \$249 (24.8% & 22.4%). Totals include U.S.-brand imports.

**Curtis Mathes** net earnings for year ended May 31 were more than double those of fiscal 1970, with consolidated sales up 15% (see financial table). Pres. Horace Kelton said Benton, Ark. plant will close, operations transferred to Athens, Tex. facility. "We are presently building more sets than we did a year ago by using new materials & manufacturing techniques," he said, adding that company had more than doubled number of eastern seaboard dealers and "improved our position in all of the major markets in the country."

**Matsushita** lost title as Japan's biggest industrial money-maker for first time in 5 years, according to Tax Administration Agency. In 6-month period ending May 31, Matsushita Electric Industrial Co. reported earnings of \$66.9 million, putting firm 2nd to top earner Toyota Motor Co., whose income was \$77.8 million. Among other top-10 earners in period were Matsushita Electric Works (4th), \$22.8 million; Sanyo Electric (7th), \$11.5 million; Dai Nippon Printing (9th), \$10.9 million.

## 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
Electrohome 1971-6 mo. to June 30 1970-6 mo. to June 30	25,262,825 20,336,416	585,043 211,436	.91 .34
Gray Communications Systems 1971-year to June 30 1970-year to June 30	5,963,746 5,300,608	297,282 269,885	.63 .57
Curtis Mathes 1971-year to May 31 1970-year to May 31 <sup>a</sup>	43,590,920 37,798,523	1,223,448 605,334	.39 .19
Silicon Transistor 1971-6 mo. to June 30 1970-6 mo. to June 30 1971-qtr. to June 30 1970-qtr. to June 30	1,110,000 1,362,000 540,000 589,000	(197,000) (1,088,000) (127,000) (515,000)	-- -- -- --

Note: <sup>a</sup>Restated.

**General Corp.** of Japan is reviving one-gun "Colornetron" color TV picture tube for use in PAL-compatible TVs, to be sold in Europe later this year. Colornetron tube, offshoot of Chromatron, was developed by General & tube manufacturer Kobe Kogyo in 1963, then shelved. Colornetron demodulation circuit, General claims, has been modified to provide phase-shift needed to meet PAL standards without infringing on AEG-Telefunken patents. Hitachi is only Japanese firm with Telefunken license, and is restricted to sales outside Germany & Italy. Sony & Mitsubishi, along with General, have developed PAL-compatible color TV systems.

"Price breakthrough" on electronically controlled quartz crystal clocks with "accuracy one minute per year" is announced by Seth Thomas Div. of General Time, which offers 8 consumer models at \$60-\$175. Quartzmatic line has crystal-controlled oscillator circuit consisting of 3 modules—IC electronic module, motor module, gear-train module. Motor operates on 300 microwatts, 1/10,000 of power required by standard synchronous electric clock.

**National Electronics Conference** has cancelled Oct. 18-20 booking at Chicago's McCormick Place. Show management indicated 26-year old event was casualty of component recession. NEC still has reserved dates for next 5 years and may be back next year.

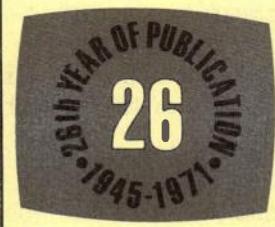
**Taiwan** has 1.1 million TVs in use, or one per 13 people. Included are some 40,000 color sets, about 4%. Govt. expects color sales pickup as result of recent 20% price reduction, with price of 18V" model now about \$450. Some 50% of TV broadcasts there will be in color by year's end.

**Desk-top calculator** forecast of Japan Business Machine Assn. for year to March 31, 1972, puts production at 2.4 million worth about \$500 million, both up 25%. Exports are seen up 50% to 1.45 million worth \$284 million.

WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**ITT's IRELAND FOR STANTON:** Paley goes outside CBS to pick new pres., effective Oct. 1. Stanton becomes vice chmn.-chief operating officer, plans March 1973 retirement. Move signals future diversification by CBS. (P. 1)

**LOVETT LEADS FOR NCTA PRES.** Burch calls in NAB spokesmen for cable position report. State takes over in Ill., freezes new systems. CPI acquires Telesystems. FCC okays pay cable in N. Y., over-rules city. (P. 2)

**HEW MOVES ON ETV GRANTS:** Office of Education releases first 1/3 of \$13 million facilities matching funds, will issue new guidelines, delay further grants until Dec. 4. NAEB says public broadcasters 'in better shape than ever.' OTP & CPB converging on financing plan. (P. 3)

**ACT STUDY ON KID's TV** finds excessive violence & commercials, calls network progress 'incredibly depressing.' Burch will voice 'guarded hope' to IRTS. Networks announce new programs, promise fewer commercials. (P. 4)

**CAMPAIGN SPENDING BILL** faces uncertain future in House as Congress returns from summer recess. Commerce & Administration Committees working on conflicting bills. (P. 5)

**ITT's IRELAND TO SUCCEED STANTON:** A new president for CBS was picked last week, and surprise was that Chmn. William Paley went outside company to tap ITT Senior Vp Charles T. (Chick) Ireland Jr. to succeed Frank Stanton, effective Oct. 1. Stanton will become vice chmn. & chief operating officer until his scheduled retirement at age 65 in March 1973.

"None of us expected the change so soon," said one CBS exec.—though most knew Paley has been actively seeking Stanton successor since John Schneider was moved from corp. exec. vp to Bcst. Group pres. (Vol. 11:30 p5), "making it obvious to CBS insiders that Jack was out of the running." Another network vp said Ireland appointment means that Paley intends to carry out his promise at spring stockholders' meeting to increase CBS income from non-broadcast sources substantially. "Paley wants to diversify, and he got his man from the master of diversification in [ITT Pres. Harold] Geneen."

"We were as surprised as hell," an ITT official told us. "They came at Chick from out of nowhere. It was an offer he just couldn't turn down. We hate to see him go, but we are delighted for him." Paley reportedly first approached Ireland about month ago, personally carried out

### Consumer Electronics

**PRE-SURCHARGE RUSH** lifts Aug. sales, as final week's color shipments rise 50% over year earlier to set year's record. Portable-table phonos, FM radios also at weekly high for year. (P. 7)

**COLOR IMPORTS TOOK NOSEDIVE** in July, govt. figures showing sets from Japan off 51% from year earlier, hitting lowest level since Jan. 1970. B&W imports also slumped, reflecting dock strike impact. Japanese July exports to U.S. indicate business as usual. (Pp. 8 & 12)

**MORE CONFUSION OVER SURCHARGE**—what happens after Nov. 13? Surcharge will still be on, but will it have to be outboarded when price controls expire? Admiral spells out charges in new price list. Govt. permits components 'averaging,' will rule on revaluation price hikes. (P. 8)

**VIDEOPLAYER MARKETING** to be delayed by FCC's proposed radiation rules. Motorola gets rules waiver to continue selling EVR, but Sony withdraws request for FCC okay on Videocassette. FCC changes proposed rules, extends comments deadline. (P. 9)

**NEW PHILCO PRESIDENT**—Thomas Page, 19-year Ford veteran and former vp-gen. mgr. of Autolite Parts Div. Marketing expert succeeds Philip Caldwell, promoted to Ford group vp post. (P. 11)

negotiations with him—though Stanton certainly wasn't kept in dark and agreed with the immediate naming of Ireland as pres.

"After all, you couldn't hire Frank's successor without giving him the title immediately," CBS official told us. Another added: "It's an orderly transition period. Ireland will have 18 months of on-the-job training. Remember, he isn't a broadcaster." Ireland will report to Stanton. "My responsibilities will be the same," Stanton said. "We've never had a military line of command. It's been loose. Paley has handled some things that I didn't get into, and I handled some things that he didn't get involved with." He said he has no intention of leaving CBS before he reaches 65.

CBS didn't announce Ireland's salary; at ITT, in 1970, he had base of \$116,000, plus \$60,000 bonus. He joined ITT in Jan. 1968 as vp-special asst. to pres., served 3 years before that on board while pres. of another conglomerate, Alleghany Corp. He was elected senior vp in 1969, and also is group vp for consumer & financial services. He graduated summa cum laude from Bowdoin College in 1942, and as Marine officer won Silver Star & Purple Heart in WWII. He received LLB & JD from Yale Law School, joined N.Y. law firm White & Case in 1948. Alleghany's A.P. Kirby beckoned in 1951, and he joined corporation as secy.-gen. counsel. He moved to N.Y. Central in 1954, returning to Alleghany as exec. vp in 1959 and was elected pres. 2 years later.

"Chick is charming," ITT co-worker said. "He'll get along fine as a broadcaster." He's 50, married, 4 children, lives in Chappaqua, N.Y. Irelands also have farm in Me.—where he spent last weekend. He reportedly is excellent tennis player, and will find several worthy opponents among executives of all 3 networks.

CBS board approved Paley's pick of Ireland at special meeting Sept. 10, had planned to hold announcement until Sept. 13—but released it late the same day he was elected because "it was all over N.Y." Asked to comment on Ireland, executive of another network said: "CBS is looking beyond broadcasting, because they're in a lot of things in addition to broadcasting. Ireland's an expert in such fields as management. CBS has people expert in broadcasting, but went outside for an expert in other fields."

**LOVETT HOLDS STRONG LEAD FOR NCTA PRES.:** Front-runner candidate for NCTA pres. remains Bruce Lovett, ATC vp & former NCTA gen. counsel. Though several dozen names are before presidential selection committee headed by TelePrompTer's R.H. (Hank) Symons, none seems to have anywhere near support enjoyed by Lovett. Indicative of weight behind Lovett is fact that 5 of last 6 NCTA chairmen have endorsed him—Messrs. Beisswenger, Crosby, Stern, Conroy & Merrill. Immediate past chmn. Ralph Demgen strongly opposes Lovett.

Strangely, though Symons' committee has dozens of names before it, no new ones seem to be getting trial-balloon treatment in trade press. Normally, this is almost inevitable, as friends & foes of candidates float names to draw praise or fire. (It's recalled, however, that this didn't happen in case of Donald Taverner, whose selection was well concealed until week before announcement was planned, Vol. 9:45 p1.)

There seems to be no desperate rush to get new pres. NCTA Chmn. John Gwin is working at Washington hq virtually full time, has delegated number of time-consuming chores to Managing Dir. Wally Briscoe. On other cable fronts, meanwhile:

(1) FCC Chmn. Burch has called in NAB spokesmen for session Sept. 13, to get clear on association's position, which is: "Look, we're willing to negotiate. It was NCTA that broke it off with OTP." Scheduled for conference: Chapin, Wasilewski, Read, Harris. (2) Working staff of Administration's CATV committee confers Sept. 14 with representatives of Communications Workers of America and American Newspaper Publishers Assn. Earlier, it heard from NAB, others (Vol. 11:36 p6). NCTA hasn't been scheduled yet. (3) Ill. Commerce Commission has assumed jurisdiction, effective immediately, over cable TV & broadband communications—stating it preempts municipalities, meaning cities' franchises can't be implemented without state certificates. In effect, this freezes construction of systems in state, unless Commission grants waivers "in appropriate situations." (4) Communications Properties Inc. (CPI) is acquiring

Telesystems Corp. for about one million shares of CPI common worth about \$15 million. CPI has about 80,000 subscribers, Telesystems some 60,000. Deal doesn't include Telesystems' proposed acquisition of Jerrold's systems with 92,000 subscribers (Vol. 11:36 p3). However, if latter deal is consummated, Jerrold systems will be brought into CPI package, giving it total of 230,000-240,000 connections—challenging Cox for 2nd place (Vol. 11:27 p5). (5) Pay TV is permitted on N. Y. cable systems, FCC told Time-Life & Sterling, which had requested interpretative ruling. Commission said it over-rules city franchise prohibiting toll TV, "and no further affirmative authorization is required." Commission cautioned, however: "This present letter is thus not to be construed to sanction, authorize or encourage the carriage of any specific program on pay cablevision. As you know, the Commission has expressed its continued concern that programming now presented on broadcast TV might be siphoned off to cable, and it intends to keep a close watch on this question and to take whatever action is necessary to protect the public interest."

**HEW MOVING ON PUBLIC TV GRANTS:** For first time since ETV-radio facilities matching funds program was started and handed over to HEW to administer, public broadcasters are voicing optimism that Office of Education is making major effort to cut red tape, get money flowing and inform stations exactly what they need to qualify for grants. "We're way ahead of the game this year," NAEB Exec. Vp. Chalmers Marquis told us. "We're in better shape now than we've been in for years."

Stations should start receiving first 1/3 of available \$13 million this week, HEW source told us. "The first batch will total about \$4 million and cover 10 or 15 projects," he added. Also this week, Office of Education plans to send all stations bulletin refining priority categories and give them until Dec. 4 to amend or submit new applications based on new guidelines. No further grants will be made until after that date. "Before, the applicants didn't know what they needed to qualify," Marquis said, "now we're hoping this new bulletin will clear all that up."

Only problem area is how much money Administration will feed into program. Congress appropriated \$13 million for fiscal 1972, even though HEW and Office of Management & Budget (OMB) requested only \$11 million—and of that, HEW first planned to spend \$4 million. Now we're told OMB has released \$11 million. "We're also wondering what happened to the other \$2 million," Office of Education spokesman said. "We expect a public outcry to come at some point," Marquis said, especially in light of \$31 million backlog in applications, "but this situation is normal. It's still better than it has been for years." He also noted that educational appropriation was passed & signed by President in July, "and that's the earliest the bill has ever been signed in modern times."

Elsewhere on public broadcasting front, progress is reported in OTP's renewed efforts to work out compromise with CPB over long-term financing (Vol. 11:33 p2). We're also told that separate HEW draft expanding facilities program to include other areas of "public telecommunications" has been modified to meet broadcasters objections and will be included in OTP bill.

"We're damn close to an agreement," OTP spokesman said. "There's been a reconsideration all around... We've done some changes in our own thinking." CPB, on other hand, said that while discussions have made "some headway, there has been nothing terribly significant... We never had a chance to sit down and negotiate after the first bill was drafted. But they're willing to listen now." It's understood that OTP Dir. Whitehead will participate in discussions this week. "There's going to be just one bill," Marquis said. "The lethargic attitude we anticipated after OTP withdrew its bill is not there. I have every confidence there will be a bill proposed before the NAEB convention [Oct. 17-20, Miami Beach]. All of us are working together now."

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**Evaluation of uhf tuners** by Consumers Union has been requested by All-Channel TV Society. In letter to CU, uhf group states: 'We are chagrined by the fact that although providing a comprehensive evaluation of TV receiver capability, CU invariably neglects to address itself' to uhf tuning.

**Broadcasts for poor people** should be required by FCC for 3-5% of station time, Office of Economic Opportunity told Commission. OEO noted that the poor spend more time with TV-radio than other groups do, thus may benefit from information programs aimed at them.

**KID'S TV 'INCREDIBLY DEPRESSING':** While FCC Chmn. Dean Burch is expected to express "guarded hope" about future of children's programs at IRTS luncheon speech in N. Y. Sept. 14, study commissioned by Action for Children's TV (ACT) charged that networks have made little, if any progress toward eliminating excessive commercials & violence from kid's TV. It was 2nd study in as many weeks to connect violence with children's programs. Independent researchers commissioned by Surgeon General's Committee on TV & Social Behavior released their reports discussing effects TV violence has on children (Vol. 11:36 p5).

"We had been led to believe that things had changed for the better in the 4 years we were in operation," ACT Pres. Evelyn Sarson told news conference last week. "But we were struck by how incredibly little had changed. The networks had said violence was out, but so many of the shows had chases and people hitting each other over the head... It was all incredibly depressing." Study was sent to FCC, will be used to support ACT petition urging banning of commercials from all kid's shows and requiring stations to air minimum of 14 hours of non-commercial programs for children.

Study was conducted by F. Earle Barcus, Boston U. communications research professor. He monitored children's shows on Boston's WBZ-TV, WHDH-TV, WNAC-TV, WSBK-TV, and found an average of one commercial every 2.8 min., violent incidents in 71% of stories, 23% of time devoted to announcements & commercials. About 3 out of 10 dramatic segments were "saturated" with violence, while only 4% of violence directed at humans resulted in death or injury. "One is left with the impression that, after all, violence is harmless since very little permanent damage is done to the characters," Barcus

"**Petty bickering & divisiveness [among media] will defeat us all,**" TIO Dir. Roy Danish warned last week in speech to Kansas City Ad & Sales Executives Club. "Though we in media are competitors, in the face of pressure from consumers, govt. & special interests, whenever there is a threat to any of us we must be thoughtful & far-sighted... Today there is a thrust which is directed at the very economic underpinning of the commercial broadcasting system." Danish attacked specialized studies by one medium which attacks another, citing a study for newspapers' Bureau of Advertising which he said reflected unfavorably on all advertising: "The policy which fosters short-view, one-shot research quickly done, quickly discredited and quickly forgotten, in the long run harms not only the media it purports to study but also cheapens & devalues all media research."

"**Community involvement** and industry commitment" keynote AWRT conferences this fall, according to Pres. Marianne Campbell of Avco Bcstg. Meetings kick off Sept. 17-19 at Tides Hotel & Bath Club, St. Petersburg. Others: Sept. 24-26, Ambassador West, Chicago. Oct. 15-17 (3 simultaneous conferences) Otesaga Hotel, Cooperstown, N.Y.; Red Carpet Inn, Beaumont, Tex.; Hilton Hotel, St. Paul. Oct. 22-24, Holiday Inn, San Francisco. Oct. 29-31, Motor House Complex, Williamsburg, Va.

said. He found: More than half of program time was concerned with either crime, supernatural or interpersonal rivalry between characters. Less than 3% of time dealt with family, home, religion, culture or public affairs, and less than one minute in 15 could be classified informational.

There were 406 commercials in 1,125 min. of air time studied. Barcus said commercials answered few questions about product such as cost and contents. "We found only 10 commercials out of 311 which gave any indication of what the thing cost," he said. However, he wouldn't say whether he thought TV was harmful to kids. "It was a study of content, not harmful vs. beneficial," he said, adding that he may later examine tapes for racial & ethnic bias.

Networks, however, claim they're upgrading quality of children's shows, devoting more time & money for new programs than ever. NBC's new live children's show "Take a Giant Step" started Sept. 11. Cast consists of three 13 or 14-year-olds, different each week, none with TV experience. Hour program will have 5 commercial breaks, 6 programming segments of about 7 min. each. "Mr. Wizard" (30 min.) will contain 2 commercial breaks, run 3 program segments of about 7 min. each. "To make this kind of programming go," network official told Wall St. Journal, "we're going to need... lots of kids watching, positive response from advertisers and some approval from the self-styled critics crawling over our backs. If we don't get at least 2 out of 3, we may have to head back to Bugs Bunny."

ABC announced monthly series of hour-long programs for 4:30 p.m. in 1972-73 season, designed to complement grade school work. Designed for 8-12-year-olds, program will have 10 commercial minutes vs. normal 12. Independently produced, shows will include literature, science, history, current events.

**NAB plans no special budget** for Task Force to lobby for license renewal bill in Congress (Vol. 11:26 p1), but "we'll find the money as needed," Pres. Wasilewski said. Joining Chmn. Mark Evans of Metromedia on Task Force are: Richard Barron, WSJS-TV-AM-FM Winston-Salem; Frank Gaither, Cox; Donald McClintock, KFBB-TV Great Falls, Mont.; Hamilton Shea, Gilmore; Robert Thomas, WJAG(AM) Norfolk, Neb.; Charles Tower, Corinthian; Ancil Payne, King. Proposal that NAB endorse formation of political action committee has received "highly favorable" reaction, according to initial reports.

**The public's seeming disinterest** in the preservation of free broadcasting and govt. interference in day-to-day operations are the major problems facing TV-radio, according to Dixie Network Exec. Vp Kenneth Marston. Speaking to Miss. Assn. of Bestrs., he said "most critical need today" is to sell broadcasting's story and to solicit active interest & support of public.

**FCBA fall outing**—combined this year with Bcstrs. Club golf tournament—will be Oct. 4 at Washingtonian Motel & Country Club, Gaithersburg, Md. Cocktails & buffet, \$15; tickets, George Wheeler (737-5566); green fees, \$5.50; starting times, Jay Shrinsky (347-0883).

**HOUSE NEXT FOR CAMPAIGN BILL:** Fate of campaign spending legislation remains very uncertain this week as Congress gets into full swing after summer recess, is expected to focus most of its attention on economy. While Senate has passed its version of spending bill (Vol. 11:32 p6), House is faced with conflicting & overlapping bills pending in Commerce Committee, scheduled to renew debate week of Sept. 27, and Administration Committee, which slated markup session Sept. 14-16.

Last time Commerce Committee met on bill was in July, and one observer called session "a hell of a donnybrook with separate opinions all over the place." Most opposition came from Republicans, and just before recess began Minority Leader Ford (Mich.) was denying charges by liberal House Democrats that GOP was trying to delay or sidetrack bill (Vol. 11:32 p6). Bill by Rep. Macdonald (D-Mass.) repeals Sec. 315 for Presidential & Vice Presidential candidates only, limits candidates to 5¢ per voter on broadcast ads, 10¢ on print, and doesn't include primaries. Senate measure represents compromise with Republicans and differs sharply from Macdonald's bill in spending provisions, repealing Sec. 315 for all federal candidates and including primaries.

House Administration Committee bill sponsored by its Chmn. Hays (D-O.) and Elections Subcommittee Chmn. Abbott (D-Va.) places \$30,000 ceiling on contributions, limits House & Senate candidates in primary & general elections to \$30,000 or 6¢ per person in state or district, whichever is greater. Presidential candidates are limited to 6¢ per person in country with no restriction on how it's spent. But most of bill deals with reporting & disclosure—as does Senate bill—but not Macdonald's. Also, Justice Dept. claims that limiting contributions is unconstitutional, while others raise similar objections to Hays' provision that violators be barred from public office for 5 years.

**IRS has upheld income forecast** method of computing reasonable depreciation allowance of motion picture and TV films. It also said it will not require forecast & income estimates from future TV showing of motion pictures produced in U.S. and originally released for theatrical exhibition after Dec. 31, 1970. However, if arrangement for domestic TV exhibition takes place prior to time cost of film has been depreciated to reasonable salvage value, IRS will require income estimate.

**Cablecom-General** has obtained \$10 million loan from 5 unnamed insurance companies through 10-1/2% promissory notes due July 1986, and includes issuance of 165,000 warrants for purchase of Cablecom stock. Proceeds paid off \$7.4 million short-term bank debt.

**First CATV price increase case** has been presented to OEP by NCTA. Unidentified system had received city approval for increase before freeze, based on increased signals via microwave, had sent out payment books and received some payments before freeze.

**NBC International & Winters/Rosen** have signed 7-year pact giving former foreign distribution rights to latter's TV programs.

**BBC has banned "Sesame St."** because of its "authoritarian aims," according to Monica Sims, head of BBC's children's TV programming. "Educators in America have questioned the value of 2, 3 & 4-year-olds acquiring knowledge in a passive, uninvolved fashion, and have criticized the program's essentially middle class attitudes, its lack of reality and its attempt to prepare children for school but not for life," she said. But decision was branded "irrational & emotional" by Sir James Pitman, chmn. of Royal Society of Teachers Educational Trust. "Obviously it's hard for them to conceive that anyone can do anything better than the BBC," he said. However, "Sesame St." will be shown by commercial Independent TV Authority (ITA) for 30 weeks starting Sept. 25. "We're being fairly cautious," said ITA spokesman. "We're waiting to see how British children adapt to the program."

**Freedom of press in America** is topic of Sen. Sam Ervin's (D-N.C.) Constitutional Rights Subcommittee hearings starting Sept. 28, to run several weeks. Ervin said Subcommittee will hear testimony from working press, publishers, broadcasters and govt. agencies. He said hearings were "prompted in part by recent developments which have caused many Americans to question the vitality & significance of the Constitution's free press guarantee." These developments included: "The increased subpoenaing of journalists by grand juries and congressional committees, efforts to secure injunctions against certain newspaper publications and the use of assumed press credentials for investigative covers ... New fears about govt. control & regulation of the broadcast media."

**NAB seeks FCC declaratory ruling** governing foreign-language broadcasts, asking change of policy which requires station-paid employee to monitor such programs. Association asks that Commission apply policy it uses in phone interview shows—relying on stations' judgment. NAB asks: "What insures that the individual paid to monitor a foreign-language broadcast is any more or less trustworthy than the individual presenting the program? Certainly, a thorough background check on a particular performer or announcer and a determination of his reliability is worth more than a routine hiring of someone who simply speaks the language..."

**TV commercials for Confidets**—sanitary napkins banned from air by NAB TV Code—now are on enough non-Code stations to reach over 40% of TV audience. Confidets' manufacturer Scott Paper has made several unsuccessful appeals of ban to TV Code Board. Commercials for similar product, Playtex tampons, also are on several TV stations, and Code Authority has warned subscribers that tampon spots are unacceptable (Vol. 11:35 p3).

**FTC Chmn. Miles Kirkpatrick** is in line for appointment to 3rd Circuit Court of Appeals in his native Philadelphia, according to Advertising Age. Magazine speculated that if appointment comes, it could be covert attempt by White House to curb anti-business activities of FTC.

**Drug advertising**—over-the-counter—is subject of testimony to be presented Sept. 22 by FCC members before Small Business Monopoly Subcommittee headed by Sen. Nelson (D-Wis.).

## Personals

**Clive Davis**, CBS Records Group pres., and **Harvey Schein**, CBS Columbia Group pres., elected CBS dirs... NBC News Pres. **Reuven Frank** will keynote Nov. 10-13 Sigma Delta Chi convention in Washington; CBS Washington Vp **Ted Koop**, who retires at end of year, is convention arrangements chmn.

**Gene Schneider**, LVO Cable, named NCTA convention committee chmn.; **Charles Henry**, Iron Mountain, Mich., code committee chmn. Chmn. reappointed: **Benjamin Conroy**, CPI, utility relations; **Robert Scallorn**, Del Rio, Tex., budget & audit; **Joel Smith**, TVC, elections procedures; **William Karnes**, National Trans-Video, engineering; **Robert Behringer**, Theta-Com, associates.

Rep. **Thomas O'Neill** (D-Mass.) will receive first Distinguished Service to Mass. Award from Mass. Assn. of Bcstrs. at Oct. 7-9 fall meeting, Sheraton-Hyannis, Hyannis Port. Other speakers: Sen. **Edward Brooke** (R-Mass.), Rep. **Robert Tiernan** (D-R.I.), NAB Chmn. **Richard Chapin**, Plough Bcstg. Pres. **Harold Krelstein**, FCC Deputy Bcst. Bureau Chief **Robert Rawson**, Washington attorney **Thomas Wall**.

**Roger Gardner**, ex-program dir., WCCO-TV Minneapolis, joins WBBM-TV Chicago as bcastg. dir., new post... **Joseph Kramer** advanced to news dir., KCMO-TV Kansas City... **Richard Lindheim** promoted to program research dir., NBC... **Phillip Miller**, ex-KOMU-TV Columbia, Mo., appointed promotion mgr., KOCO-TV Okla. City, succeeding **Lucy Koch**, now exec. secy. to Vp & Gen. Mgr. **Arthur Glenn**.

**John Hylton**, Canadian Radio-TV Commission gen. counsel, named managing dir. of operations, new post; **John Lawrence**, ex-Bourgeois, Doheny, Day & Mackenzie law firm, succeeds Hylton; **Peter McDonald** promoted to Bcst. Programs Branch dir., succeeding **J. Harold McKernan**, who will concentrate on Atlantic region matters; **Germain Cadieux** advances to asst. program dir.; **Ralph Hart**, to radio-TV development mgr., Planning & Development Branch; **Thomas Parrott**, to personnel dir., succeeding **Beth Bertram**, retired.

New SMPTE fellows: **Renville McMann**, CBS Labs exec. vp; **Ralph Hucaby**, WLAC-TV Nashville engineering dir.; **Norman Grover**, CBC studio engineering facilities dir., **Marvin Camras**, IIT.

**Harold Berg** named TelePrompTer CATV Div. labor relations dir... **Ben Hughes**, ex-SKL, joins Cerro Wire & Cable, Freehold, N. J., as mktg. dir.; Cerro recently bought Vikoa cable plant there.

**Morris Gelman**, promoted recently to Broadcasting magazine senior correspondent and moved from L. A. to N. Y., resigns to return to West Coast, plans unannounced... **Paul Saltin**, ex-Katz TV, named account exec., Metro TV Sales, N. Y.; **Tom Majorina**, ex-Ted Bates, also joins N. Y. staff.

**Richard Carlton** steps down as pres., Schnur Appel TV, continues as consultant... **Philip Burrell**, ex-SSC&B advertising, named programming dir., TeleMation Program Services.

**Disaster** struck 3 Minneapolis-St. Paul TV stations Sept. 7 when 1,375-ft. candelabra tower nearing completion crumbled to ground as platform for antennas was being hoisted. Seven men (none station employes) working on tower were killed, and 2 WCCO-TV employes working in transmitter building—across which tower crumpled—were injured. WCCO-TV & WTCN-TV—which were operating from new tower with temporary side-mount antennas—were knocked off air for short time. They immediately switched back to old antennas, still in place atop Foshay Tower in downtown Minneapolis. KSTP-TV 3rd partner in Telefarm Inc., was still operating from old site, wasn't affected. "We just don't know what we'll do now," spokesman for 3 stations said. "Investigators are all over the place, but the cause still hasn't been determined."

**Use of Laser Link** (LL) multi-channel microwave equipment has been specified by 21 CATV operators in FCC filings, according to Pres. Ira Kamen. Of major CATV group operators, he said, only TelePrompTer hasn't indicated plans to use LL gear, which is designed to transmit up to 18 separate TV channels on single carrier. Among proposed LL users, he listed Cablecom General for 3 systems (including Colorado Springs & Corpus Christi, Tex.), Cypress (Fla., Tenn. & Tex. systems), Times Mirror, plus systems in Carbondale, Pa.; Eldon, Mo.; Hilo, Hawaii. He said backlog is \$2 million, capacity of new Westbury, N. Y. plant \$20 million yearly. LL has petitioned FCC for broader bandwidths, at least 200 MHz, for local distribution of inter-city microwaves, including various non-TV uses.

**Internal Revenue Service** has ruled that following brands (all small size) are "cigars," thus acceptable for advertising on TV-radio: **Charles the Fifth**, **Cherry Blend**, **Wee Willem**, **Antonio y Cleopatra**, **Hav-A-Tampa Jewels**, **Santa Fe Cigarillo**, **Tall N' Slim**, **GB Little Cigars**, **Sanchez y Hermanos**, **Armes del Mundo**, **Scotty Little Cigars**, **Tampa Nugget Tip Cigarillos**, **Tijuana Smalls**, **CigarLet**, **A&C Little Cigars**, **Mardi Gras Tips**, **Tiparillo**, **Winchester**. Also acceptable is **LAREDO Filter Blend Kit**.

**Uhf KTXL-TV Sacramento** has asked FCC to start rulemaking to require "occasional TV networks" to offer their programs first to independents in markets with 3 fulltime network affiliates. Station says typical occasional networks are Hughes, American TeleSports & CSPI Sports. Petition says independent must offer coverage "reasonably comparable" with that of affiliates—meaning coverage of at least 2/3 of area involved.

**Advertising that's unacceptable** for TV "probably shouldn't be allowed anywhere, in any medium," Tvb Pres. Norman (Pete) Cash said last week in accepting CARTA Award. "If it can't be on TV, the problem may well rest with the product," he said. "TV may be the standard of public acceptance all media should apply, each to itself. Our NAB Code can apply not only to broadcasting, but to every medium interested in serving the same American public."

**FCC has scheduled** special meeting Sept. 20 to consider Comr. Johnson's proposals for restrictions on advertising in kids' TV and several related matters (Vol. 11:36 p4).

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Aug. 27 (34th week of 1971):

	Aug. 21-27	1970 week	% change	Aug. 14-20	1971 8 mo.	1970 8 mo.	% change
Total TV.....	260,227	200,300	29.9	165,427	6,223,451	5,330,348	16.8
color.....	144,093	96,390	49.5	89,496	3,327,885	2,651,395	25.5
monochrome.....	116,134	103,910	11.8	75,931	2,895,566	2,678,953	8.1
Total radio.....	491,033	470,295	4.4	324,078	11,782,066	10,267,224	14.8
home, portable ..	275,607	266,280	3.5	142,871	5,163,760	4,638,735	11.3
AM-only.....	140,123	135,523	3.4	70,584	2,923,929	2,846,355	2.7
FM & FM-AM ..	135,484	130,757	3.6	72,287	2,239,831	1,792,380	25.0
auto.....	215,426	204,015	5.6	181,207	6,618,306	5,628,489	17.6
Total phono.....	174,261	142,131	22.6	84,295	2,443,049	2,136,129	14.4
portable-table ..	151,211	114,467	32.1	66,344	1,891,728	1,507,182	25.5
console.....	23,050	27,664	-16.7	17,951	551,321	628,947	-12.3

Color TV 5-week moving average: 1971—113,356; 1970—89,322 (up 26.9%)

**PRE-SURCHARGE RUSH LIFTS AUG. SALES:** Aug. sales to dealers droned along in humdrum fashion until final week—when color TV zoomed almost 50% over 1970 and portable-table phonos jumped 32%, both setting records for any week this year.

Final Aug. week usually is good one, but in 1971 it was unseasonably good. Since it was first full week following President Nixon's price-wage freeze, inescapable conclusion is that extra buying represented attempt to beat imposition of 10% surcharge on imported products. (Although EIA figures on sales to dealers cover domestic-label products only, more than 50% of domestic-label monochrome TV, 20% of domestic-label color and vast majority of radios are foreign-made; in addition, most domestically manufactured products have some foreign content.)

Examples of final-Aug.-week's zoom, in relation to month's first 3 weeks: Color was running at rate of 17.4% above 1970 in first 3 weeks, jumped to 49.5% in last week. Monochrome was running 2.1% behind last year, but was up 11.8% in final week. Portable-table phonos moved from deficit of 6.4% to plus of 32.1%.

Color sales set year's record of 144,093 units in last Aug. week, highest for any week since Oct. 1970 and a weekly level exceeded only 3 times since 1968. FM radio sales also established 1971 record, total phonos having 2nd best week of year, b&w year's 4th best.

Whether these good sales were borrowed from normally high Sept. remains to be seen. First reports from retail level seem to indicate that consumer TV buying has continued good—perhaps improved a little since Nixon speech. TV set makers report strong demand. Motorola says its color sales have set all-time record through Aug. and that it is hard-pressed to meet demand for both color & monochrome.

Industry inventories are up fairly substantially on unit basis—color stocks at factory-plus-distributor levels totaling nearly 1.62 million units as of Aug. 20, vs. 1.4 million one year earlier. On basis of current sales rate, however, they're down slightly—to about 15 weeks' supply as opposed to 16 weeks at last year's selling pace.

Rescued by banner final week, Aug. monthly sales figures from EIA look fairly respectable, color showing its 4th biggest monthly sales increase of year over 1970, total phono sales returning to black (vs. 1970 month) after showing deficit in July. Story on 8-month figures is shown in State of the Industry table (p. 7). Here are EIA domestic-label sales-to-dealer figures for Aug., with 1970 & 1969 comparisons:

Product	Aug. 1971	Aug. 1970	% change	Aug. 1969
Total TV . . . . .	793,357	695,008	14.2	880,247
color . . . . .	437,761	346,463	26.4	468,984
monochrome . . . . .	355,596	348,545	2.0	411,263
Total radio . . . . .	1,361,871	1,328,045	2.5	1,651,016
home, portable . . . . .	649,531	676,377	-4.0	756,414
AM-only . . . . .	320,488	355,478	-9.8	455,089
FM & FM-AM . . . . .	329,043	320,899	2.5	301,325
auto . . . . .	712,340	651,668	9.3	894,602
Total phono . . . . .	371,742	360,651	3.1	446,785
portable-table . . . . .	297,417	270,601	9.9	332,079
console . . . . .	74,325	90,050	-17.5	114,706

**JULY COLOR TV IMPORTS NOSEDIVE:** Impact of West Coast dock strike shows clearly in plunge taken by July color TV imports from Japan to lowest level in 18 months. Imports of Japanese b&w TV also slumped, from year-earlier figure, while shipments from Taiwan & Mexico posted solid gains, Commerce Dept. figures show.

Month's color imports from Japan plummeted 50.5% from July 1970 to 40,472, lowest monthly figure since Jan. 1970 when 37,000 sets were imported—and that was lowest since June 1968. In b&w, Japanese imports slipped 22% to 164,689. In contrast, b&w TV imports from Taiwan jumped 67.5% to 97,824, while b&w from Mexico rose 19% to 31,875. Taiwan & Mexican-made sets are mainly product of U.S. manufacturer-owned factories & carry domestic brand names.

Total TV imports in month were down 9.7% to 346,049, with color at 46,911 (off 42.6%), b&w at 299,138 (up less than 1%). For 7-month period, total TV imports were up 26% to 2.83 million; color up 44% to 664,526, b&w up 21.5% to nearly 2.17 million.

While July decline ate sharply into gains logged earlier in year, 7-month total of 1.99 million TVs leaves imports from Japan up 20% from 1970. Japanese color is up 42% to 617,547, b&w up 12.6% to 1.38 million. Taiwan b&w for full period is 572,455 (up 42.5%), with Mexican b&w up 60.7% to 197,648. July was also 2nd month of b&w TV imports from Korea; 4,000 sets arrived, raising total for year to 7,000.

How serious long-range effect of strike will be is uncertain. Japanese July export figures give no hint of slowdown (see p. 12), which may indicate that month's import decline is temporary. Big worry facing importers now is threatened Oct. 1 dock strike along East & Gulf Coasts. West Coast strike is now in 3rd month, and unresolved issues there—including handling of containerized freight, annual wage guarantee and pay rates—are same ones in bargaining at now-open ports.

**MORE CONFUSION—AFTER NOV. 13, WHAT?** Economic stabilization ground rules have been changing so fast that it's become virtually impossible to make firm plans for future. Nixon's pledge to remove price-wage controls Nov. 14, combined with previous decision to make Aug. 16 surcharge date applicable to time of export from country of origin rather than import to U.S. (Vol. 11:36 p8), gives importers no reason to rush into new surcharge price structure.

For many consumer electronic products—probably most—there'll be enough surcharge-free goods to last well beyond Nov. 14, and nobody knows what the rules will be by that time—whether, for example, regular markup will be permitted on surcharge. It's possible, then, that very few of industry's products will go to consumer with surcharge specifically on their price tags.

Some things, however, are becoming absolutely clear. One, as revealed in talks last week

between Secy. of State Rogers & Japanese Foreign Minister Fukuda, is that surcharge won't end soon, and no unilateral Japanese action will change it. Another is that U.S. will try to insist on substantial revaluation of yen—which Japanese will continue to resist.

Meanwhile, U.S. importers & manufacturers are making clear that they'll pass along all or substantial part of surcharge when time comes—but most of them are taking own sweet time about informing distributors and/or dealers of surcharge amounts. One major U.S. manufacturer told us he probably will have few or no surchargeable items before Christmas.

Probably first company actually to spell out surcharges is Admiral, which sent its distributors post-surcharge price lists but continued to supply merchandise at old prices. It promised to notify distributors week in advance when surcharge will become applicable on each specific model. Admiral is absorbing part of surcharge, passing rest on. In TV, there will be surcharge on 13 out of 35 color models, majority of portable monochrome sets.

Here are samples of surcharge amounts Admiral will pass on: Color—12V" import (list \$259.95), \$9.50; 16V" import, (list about \$279.95), \$11; 19V" domestic set (list about \$379.95), \$2.50 (covering imported components); 21V" domestic (list about \$429.95), \$2.75. In monochrome, Admiral's new 7V" AC-battery set (list \$159.95) will carry \$6.75 surcharge; 9V" (about \$69.95), \$3.50; 12V" (\$89.95), \$3.75; 16V", \$4; domestic 18V", \$2.50; 19V", \$2.

In new clarification, Cost of Living Council reiterated that sales tickets & invoices must show import surcharge—or at least amount of surcharge which is passed on. On another important matter, industry is still awaiting decisive clarification: Can price increases resulting from currency fluctuations or revaluation be passed on, and how? Govt. has stated formally only that changes in "world market" prices may be passed on, with no markup, unless product is transformed—for example, components placed in an end-product. Initial informal rulings appeared to classify revaluation as price change if product were purchased in dollars; later opinions seem to reverse this interpretation. Formal ruling—extremely important to consumer electronics industry in view of current 6% premium in price of yen—is expected soon.

One significant clarification came from CLC last week—subject to formalization in writing—dealing with important issue of component "averaging." Manufacturer who uses imported components may keep track of dollar value of all imported components on hand Aug. 15 plus non-surcharge imports received after that date. He may ship all end products with no surcharge until he has used up amount of components equal to total pre-surcharge dollar value; after that time he may pass on full surcharge on all imported components—making possible only one price change rather than many. Govt. warned that manufacturers should keep detailed records, and use actual dollar cost of components, not evaluation made internally.

Japanese manufacturers, meanwhile, continued attempt to appraise damage of surcharge-plus-floating-yen to their sales—already aggravated by growing severity of West Coast dock strike and possible East & Gulf Coast stoppages (see pp. 8 & 11). Dire forecast came from Sony Finance Managing Dir. Noboru Yoshii, who predicted U.S. actions would cause color TV price war on domestic Japanese market. Any such domestic-market price cuts would almost certainly be followed by export-price reductions. Japanese TV makers can't cut prices to U.S. market without reductions in domestic prices because of dumping findings.

**FCC DELAYS VIDEOPLAYER MARKETING:** Prospective videoplayer manufacturers are in real tizzy over FCC's proposed rules for their product (Vol. 11:29 p10, 11:34 p10)—and there's strong possibility they'll cause delays in introduction of any videocassette systems scheduled for marketing here this winter.

Sole exception so far is Motorola-made EVR, which last week was granted waiver by FCC to permit marketing—and Motorola announced it is resuming shipments immediately. Proposed rules relate to RF radiation which could cause interference to TV sets and other radio devices. Commission has offered to grant waiver from more stringent existing radiation rules if equipment can meet proposed rules on basis of tests in FCC lab.

Only 2 models have been submitted for testing so far—the slightly modified EVR and Sony's Videocassette player. When it became obvious that latter wouldn't meet requirements (Vol. 11:36

p10), Sony quietly withdrew its application last week, presumably will wait until final rules come out. This could upset Sony's plan to start U.S. marketing late this year, since rules probably won't come out until Jan. or Feb. at earliest—and then machine probably will have to be modified to meet them.

Other existing & proposed marketers of VTRs, videoplayers and other devices designed to feed signal into antenna terminals of standard TV set are in same boat. The other cartridge videoplayer maker most immediately affected probably is Ampex, whose Instavideo is scheduled off production lines in Japan soon. Also directly affected are virtually all manufacturers & importers of industrial-institutional VTRs, who offer "modulator" accessories to feed signal into standard TV set. The VTRs themselves are legal, since they are designed to feed video signal directly to monitor—producing no RF—but high FCC staff official told us he doubted that any currently produced modulators would comply with proposed rule. Anyway, since none has been certified as meeting existing rules or submitted for waiver, none may legally be marketed.

Least immediately affected is Cartridge TV Inc., whose first Cartrivision models, scheduled for mid-1972 introduction, don't feed RF to TV set but are built into TV combination. Its future deck-type VTRs, however, would be covered by new rules.

FCC last week delayed deadline for comments on proposed new rules by another month to Nov. 26, for reply comments to Dec. 8, when it amended its proposal for measuring cabinet radiation to cover situations found in recent tests. All videoplayer proponents—including EVR backers CBS & Motorola—feel FCC's proposed standards are too stiff. EIA's Videoplayer Engineering Committee will meet in Chicago Sept. 15, has invited all interested manufacturers to participate, in attempt to arrive at industry consensus on FCC proposal.

Industry travelers returning from Berlin TV-radio exhibition—and there were plenty of them—were enthusiastic about AEG Telefunken-Decca-Teldec color video disc (Vol. 11:36 p7). Said one observer: "They were lining up, hats in hand, to sign licensing agreements, but Telefunken wouldn't even talk to them." Best bet is that licensing terms won't be worked out until U.S. demonstration, some time early next year. Will there be U.S. licensees? You bet.

Three basic versions of disc player are tentatively planned, we've learned: (1) Single-play machine—5-min. disc, in jacket, is dropped in slot, automatically played, and returned in jacket. (2) Standard changer—cartridge containing up to 12 discs in jacket is inserted in machine and discs are played in order, with 10-sec. or so interval between discs. (3) Deluxe changer—containing 2 turntables, one of which is automatically loaded from cartridge while other is playing, for between-discs interruption of less than one second.

**Sony will report "good jump" in profit in 3rd quarter ended July 31, Finance Managing Dir. Norboru Yoshii said last week in Tokyo, forecasting full-year net income would exceed its earlier estimate of 10% gain over \$27.5 million profit of 1970, despite surcharge, floating yen and deteriorating business climate in Japan.** He saw these factors having little effect on Sony products, whose sales are not based on price. Company's main concern, he said, is prospect of East Coast dock strike. Sony ships in containers, hasn't been able to divert to Canadian & Mexican ports to avoid West Coast stoppage.

**All Star Products**, Defiance, O. producer of variable capacitors for consumer electronics, has filed for import impact adjustment aid. Tariff Commission will determine whether increased imports resulting from trade concessions granted in past years by U.S. negotiators have injured All Star. If so, firm could receive such aid as low-cost equipment loans & technical assistance. Report is due Nov. 8.

**EIA urged formation of international standards study commission**, with members drawn from Congress, Commerce Dept. & industry. Commission would report on foreign standards activities, recommend ways to finance U.S. participation. Suggestion was in letter to Sen. Inouye (D-Hawaii), chmn. of Senate subcommittee considering bill (S-1798) to give Commerce authority to oversee American involvement in international standards & certification programs.

**Electronics-72** is name of electronic components exhibition booked into Chicago's Arlington Park Towers Hotel Oct. 14-15, as substitute for cancelled National Electronics Conference (Vol. 11:36 p12). Some 40-60 exhibitors are expected to occupy 10,000 sq. ft. Sponsor is Ohmtronics Inc., Chicago parts distributor.

**Matsushita** has more Japanese affiliated companies than any other firm there, according to Fair Trade Commission which says Matsushita holds 10% or more of 536 companies, including 195 in which Matsushita owns controlling interest.

**NEW PHILCO CHIEF:** Ford celebrated 10th anniversary of Philco acquisition by naming new president for that once trouble-plagued subsidiary. Tapped was Thomas C. Page, former Autolite-Ford Parts Div. vp-gen. mgr., 51-year-old Harvard Business School grad & 19-year Ford veteran. Philip Caldwell, who held Philco post just 17 months, moves back up to Ford as vp in charge of North American Auto Operations Mfg. Group.

Page becomes Philco's 5th president since Sept. 1961 Ford takeover, and first in recent years to have marketing & distribution expertise. Before becoming Autolite gen. mgr., Page was responsible for sales & distribution of parts to dealers & replacement market. Caldwell's promotion indicates his job of fat-trimming and hammering Philco's realigned corporate structure into shape was success in Dearborn's eyes.

Commenting on appointments, Robert Hampson, Philco chmn. & Ford exec. vp for non-auto operations, said Philco "has progressed to a position of stability & promise" and that "product, sales & distribution operations are now on a sound basis and should lead to an increasingly profitable position in the appliance & electronics industry." Availability of Page for Philco slot may be related to Justice Dept. order—now in litigation—that Ford divest Autolite.

**JAPAN'S SURCHARGE REACTION:** How hard a blow the U.S. 10% import duty surcharge & unpegged dollar strikes at Japanese electronics producers is apparently a company-by-company & product-by-product thing, according to reactions from producers there (see also p. 8).

Toshiba spokesman predicted 20% drop in color TV exports to U.S., with b&w falling off as much as 50%. In case of b&w, he cited competition from Taiwan as added factor. Sanyo announced 15-50% cut-back in consumer electronics production. Sony sees industry suffering up to 20% export slump, but feels own products will be less seriously affected. Matsushita said impact on its exports will depend on how much of cost increases can be absorbed. Most hi-fi & recorder producers feel effect on them will be minimal unless yen is revalued upward very sharply. In meantime, Hitachi, Toshiba, Fuji Electric, Mitsubishi & other major consumer electronics export manufacturers have cut spring 1972 hiring programs drastically.

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**RCA fall ad drive**, themed "It's a Whole New Ballgame," will be aimed at the 30 million non-color families, moving away from competitive comparisons. Theme will be featured in 3- & 4-page announcements in 10 consumer magazines, followed by 8-page insert in Oct. Readers Digest and including network TV, billboards & newspaper ads. Cost of campaign wasn't given.

**Distribution notes:** Philco-Ford expands territory of Dixie Appliance, Roanoke, to cover 15 Va. & W. Va. counties formerly served by Washington factory branch... Motorola appoints Roskin Bros., Albany, replacing Harrud.

**BSR is building** \$1-million warehousing addition at Blauvelt, N.Y. hq, completion slated in spring.

**PICTURE TUBE SALES:** Hampered by sharp drop in exports and sluggishness in replacement market, U.S. color picture tube manufacturers still managed solid sales gain in first half over same 1970 period, EIA reports. Volume & value of b&w picture tubes also posted increases, while sales of solid state devices declined in period.

Factory sales of solid-state devices in 6-month period totaled 1,394.9 million, valued at \$557.4 million, off 21.4% & 16.2% respectively from same 1970 months. Sales of discrete devices fell 22.9% to 1,190.1 million, with value off 20.5% to \$304.5 million; IC volume totaled 204.8 million (off 10.9%) at \$252.9 million (off 10.4%). IC sales by types (in millions) were: Digital 134.9 at \$169 (off 2.8% & 11.2%), linear 26.6 (up 10.8%) at \$40.3 (off 9.6%), hybrid 43.3 at \$43.6 (off 35.6% & 7.8%).

Sold in half were 3.26 million color tubes, up 28.9% from same 1970 months (2.53 million), but still 3.3% behind record pace of 1969. In 1969, some 3.37 million color tubes were sold in Jan.-June, with full-year total climbing to 6.22 million. Sales to OEMs in 1971 period were 2.74 million tubes, up 39.2% from 1970, but off 7.4% from 1969. Replacement sales of 424,000 were up 2.2%, while exports fell 35.2% to 94,000, compared with 1970. Both were well ahead of 1969 levels.

Monochrome tube sales rose 10.6% to 2,224 million in first half, with value up 2.4% to \$32.6 million, compared with 1970. Sold to OEMs were 1.9 million worth \$26.19 million (up 14.4% & 5.3% respectively); renewal sales totaled 209,000 at \$5.1 million (down 18.4% & 14.3%); exports amounted to 73,000 at \$1.27 million (up 30.4% & 33.3%).

Totals include sales of U.S.-branded imports, exclude volume of independent rebuilders. EIA does not report value totals for color tubes.

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**Tape topics:** Roberts is shedding image as high-end-only audio tape instrument marketer, plans broadening of line to include mid-priced cassette recorders & car tape players. Sales will be made to mass merchandisers & traditional consumer electronics outlets, as well as to audiophile stores. Move is necessitated by entry into U.S. market of Akai, which formerly sold only through Roberts on private-brand basis... Irish Magnetic Recording Tape is newest ITA member... Superscope Detroit is building own 18,000-sq.-ft. office-warehouse in Troy, Mich., replacing facility leased in Detroit.

**Westinghouse has phased out** Speciality Electronics Div., which handled CCTV, security & infrared detection systems. Most lines are expected to be assigned to other operations.

**RCA Records** has combined record & tape clubs, along with premium, educational & custom operations into new organization, RCA Music Service. Div. Vp Dave Heneberry heads activity.

**Sony is moving** N.Y. showroom uptown in Nov., from 585 to 714 Fifth Ave.

**Motorola introduced** FM-AM leaf-type digital clock radios at \$39.95 & \$44.95.

## Trade Personals

**Robert Adams**, ex-technical products service vp, promoted to pres. of RCA Service Co., succeeding **Edgar Griffiths**, now corporate services exec. vp; **Robert Cage** advanced to RCA Sales Corp., special sales mgr., replacing **George Fearnaught**, retired; **Lawrence Fouraker**, Dean of Harvard Business School, named to RCA board.

**Hermann Moessner**, ex-AEG-Telefunken deputy managing dir. for consumer electronics & Kuba-Imperial managing dir., joins GTE International Electronic Components Group in Europe as mfg. & mktg. operations dir... **Dorman Israel**, retired Emerson exec. vp and TV consultant in Iran, goes to Greece for International Exec. Service Corp. to help in start-up of TV assembly operations by Elex S.A., importer of German & Japanese consumer electronics... **Michael Whitford**, ex-Impeckon Ltd., named Allen-Bradley United Kingdom electronics sales mgr.

**Art Schnipper**, who resigned last year as Motorola Consumer Products Div. mktg. vp, appointed mktg. vp, Chrysler Airtemp Div... **William Smith Jr.**, ex-Bell & Howell Electronics & Instruments Group ad & PR mgr., joins Digital Equipment Corp. as corporate communications dir... **Eugene White** advanced at Fairchild Camera to Commercial Systems Group gen. mgr., succeeding **F. Joseph Van Popelen**, who continues as corporate development vp... **Leo Shumavon**, Shumavon Radio & TV Service, Dorchester, Mass., elected NATESA pres.

**MOTOROLA, AVNET ACQUISITIONS:** Motorola & Avnet each acquired control of a foreign consumer electronics producer last week, while Bell & Howell sold off magnetic tape manufacturing operation.

Motorola purchased majority interest in Autovox, Italian manufacturer of TV & other consumer electronics and Motorola licensee for automotive products, for undisclosed sum. Reports of pending acquisition circulated last year (Vol. 10:47 p11). Last 2 years, Autovox unsuccessfully tried to get U.S. distribution for car radios & car tape players.

**Avnet** acquired 70% of Manufacturas Electronicas, Mexico City, for \$5 million cash, with additional payment of up to \$2 million in stock, depending on future profits. Acquired firm produces Garrard record players under Plessey license, for Latin America. Avnet, through subsidiary British Industries, imports & markets Garrard in U.S., exclusive of OEM sales which are handled by Plessey subsidiary here.

**Bell & Howell** has sold Irvine, Cal. magnetic tape manufacturing facility—formerly Greentree Electronics—to Audio Magnetics for undisclosed sum. Sale followed by just 2 weeks statement by B&H Chmn. Donald Frey that such a move was being considered (Vol. 11:34 p11). At that time Frey indicated status of B&H position in consumer electronics was also being reviewed... **Javelin Electronics**, L. A. importer & distributor of CCTV & VTR equipment (mainly Sanyo-made) was acquired for shares by Apollo Lasers Inc. Apollo handles laser & CCTV equipment.

## 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
Avnet			
1971-year to June 30	296,243,790	12,431,385	.90
1970-year to June 30	286,602,213	7,003,976 <sup>a</sup>	.46
Downe Communications			
1971-6 mo. to June 30	50,791,000	761,000 <sup>a</sup>	.15
1970-6 mo. to June 30 <sup>b</sup>	46,361,888	263,501	.06
Fleetwood			
1971-6 mo. to June 30	9,171,000	(469,000)	--
1970-6 mo. to June 30	8,765,000	(731,000)	--
LVO Cable			
1971-year to May 31	5,397,000	188,000	.16
1970-year to May 31	4,791,000	(3,000)	--
Tandy			
1971-year to June 30	356,969,964 <sup>c</sup>	11,257,285 <sup>c</sup>	1.25 <sup>d</sup>
1970-year to June 30	253,318,611	9,105,542	1.12 <sup>d</sup>

Notes: <sup>a</sup>After special charge. <sup>b</sup>As reported in 1970. <sup>c</sup>Record.

<sup>d</sup>Adjusted.

**JAPAN'S JULY EXPORTS:** TV provided brightest spot for Japanese exporters of consumer electronics to U.S. in July (Vol. 11:35 p8); results in other categories were mixed, compared with same 1970 month, Finance Ministry totals show.

Exports of audio tape units (excluding results in 2 classifications not reported last year) show units up moderate 18% to 1.24 million, as substantial gains by radio-recorders & cassette recorders more than filled void caused by drop in auto tape players & reel recorders. Home radio shipments (including clock) fell 2.5% to 1.04 million units, while radio-phonos declined 21% to 152,118. Increases were logged by auto radios, transceivers & phonos:

### JAPANESE EXPORTS TO U.S.

July 1971			July 1970	
	Units	Value (\$)	Units	Value (\$)
Total TV.....	419,595	36,381,297	355,719	27,541,931
color.....	137,661	22,368,772	86,319	14,259,769
b&w.....	279,854	13,934,444	266,800	13,191,161
b&w chassis, kits.....	2,080	78,081	2,600	91,000
Rad.-phono, stereo.....	72,734	5,157,544	192,493	5,391,722
Rad.-phono, mono*.....	79,384	931,642	—	—
Rad.-rcrdr. &				
other comb.....	414,865	16,931,008	291,232	12,132,889
Clock-rads.*.....	245,977	3,960,708	—	—
Tr. rads. w/FM.....	488,838	13,012,853	707,634	15,184,292
Tr. rads., other.....	302,932	1,740,139	346,286	2,615,247
Auto radios.....	123,401	1,974,350	70,938	1,224,978
Trevrs., under 100 mw.....	306,962	1,163,842	274,594	1,008,781
Trevrs., other.....	46,651	1,074,242	30,014	1,124,639
Phonos.....	33,705	607,358	5,686	84,297
Tape players, auto.....	190,005	3,498,944	201,745	4,338,842
Tape rcrdrs., reel.....	51,592	744,756	85,664	1,658,367
Tape rcrdrs., cass.....	587,796	10,064,617	472,026	8,669,150
Other cart., rcrdrs. & players*.....	154,066	3,399,531	—	—
Tape decks*.....	195,555	5,232,300	—	—

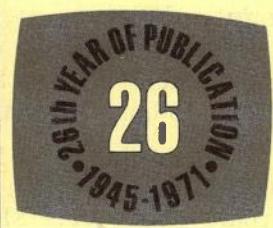
\*Not reported separately in 1970.

Commerce Dept. will again sponsor U.S. participation at Japan Electronics Show in Osaka, Oct. 1-7. U.S. has 41 exhibitors.

WEEKLY

# Television Digest

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**U.S. SATELLITE-TO-HOME TV** experiment to start in Rocky Mountain states in May 1973 in plan pushed through WARC by HEW. Programming to last year, then NASA satellite will be shifted to orbit over India. NAB 'astounded'. (P. 1)

**BURCH'S COMMITMENT TO CHILDREN'S TV:** Says 'Mrs. Middle America' has joined 'alienated & disaffected.' Expresses 'cautious optimism' about new programs, commercial cutbacks, Toy Code. (P. 2)

**NAB CODE SET TO ATTACK** growing practice of advertising 2 products in 30-sec. spot. Move led by large groups. Code subscribers polled on Preparation H. (P. 3)

**SHAKER FOR LANGHOFF AT ARB:** Firing of Langhoff as pres. comes as surprise since most problems with telecasters have been worked out. (P. 4)

**WHITEHEAD-CHANGE TV VIA CATV:** Hints at common carrier for cable, pushes pay TV, says trouble with industry is 'structure'. Hopes for Cabinet-committee report by Oct. 15. (P. 5)

**CBS NEWS SHAKEUP IN L.A.** follows House Subcommittee probe of news fakery. Network suspends correspondent Drinkwater for 90 days. (P. 5)

**U.S. SATELLITE-TO-HOME TV IN 1973:** Rocky Mountain states have been picked for govt.-backed satellite-to-home TV experiment slated to go on air in May 1973 via NASA satellite which eventually will be parked over India. Experiment, right out of blue, is result of little-noticed U.S. proposal (through HEW) which won approval at June-July WARC conference in Geneva—where nearly all the talk was about Indian experiment, not U.S. Satellite will be moved to Indian orbit after U.S. experiment.

ATS-F satellite will be used for year over Rocky Mountain states—area picked at secret meeting at Goddard Space Flight Center month ago—and will provide "good" signal from Mexico to Canada, and from Cal. to Kan. Satellite will be programmed 2 hours daily on one channel only, with 500 antennas to be provided by govt. for direct reception. Of these antennas, 30 will be for "public broadcast & cable installations," 70 for colleges, 150 for direct home reception, 100 in libraries, community centers, etc., 150 in public schools. In addition, "any individual, business or organization" can buy antenna for \$150-\$200 to receive satellite programming.

Programs will be aimed at all educational levels, and will be carried on ETV stations & cable systems in area, according to HEW, which has assigned job of coordinating experiment to Federation of Rocky Mountain States (FRMS)—formed several years ago by governors of 8 states.

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Experiment will use 2500 MHz, reserved by WARC for satellite-to-community center use—not direct to home, it was pointed out by Commission source.

According to FRMS, home antennas will be placed in remote areas where no TV is receivable either off-air or by cable. Antennas are saucer-shaped, 6 ft. in diameter with an electronic converter. FRMS also said that actual programming will be provided by HEW, Office of Education & CPB. FRMS continued:

"The satellite will provide a TV signal that can be received anywhere in the Rockies. For many areas, this will be the first TV signal received. Any TV with an antenna hookup can receive the satellite signal by direct broadcast. The signal may also be picked up on battery operated sets...Therefore, in many remote areas, the first TV signal ever will come from the satellite..."

"The programming should be tailored to the region's public and should contribute significantly to the expansion of educational technology...The ATS-F will at some time be replaced with a multi-channel satellite which will expand by many times the broadcast capabilities...The programming during this experiment will undoubtedly play an important role in future decisions that will provide for a replacement satellite or a series of satellites covering the whole of the U.S."

No applications have been filed at FCC—which must approve several facets of experiment. Nor has Commission been officially notified of how far plans have advanced: Contracts for software and organizational development will be let in Nov.

"I'm astounded by this precedent-shattering experiment in domestic broadcasting by the government," NAB Pres. Wasilewski said when he learned of plan. He noted that govt. is prohibited from programming to U.S. public, 'but here we have HEW doing it via an end run."

**BURCH'S COMMITMENT TO CHILDREN'S TV:** Speech on children's TV, delivered to IRTS Sept. 14 by FCC Chmn. Dean Burch, was generally accepted by record audience of 800 as Burch intended. Reaction was epitomized by NBC Pres. Julian Goodman: "It was a straightforward, forceful speech. It showed that the chairman is serious about children's TV."

"Last year," said Burch, "the best I could offer was disappointment over-all and a few signs of hope. Today, I give you a prognosis of cautious optimism...My guess is that the machinist's wife from Dayton—Mrs. Middle America in the flesh—has joined the ranks of the alienated and the disaffected...I think they're fed to the teeth with past performance and not about to settle for mere cosmetics." He then listed several indicators:

(1) Formation of permanent FCC unit—"just the beginning of a standing commitment"—including Mrs. Elizabeth Roberts, from National Public Radio and White House Conference on Children, and Dr. Alan Pearce, from Indiana U. & Britain's Independent TV Authority, latter to work on economics of kid TV.

(2) First reports from Surgeon Gen. advisory committee "tend to confirm our instinctive wisdom," noting that recent paper at APA "concluded that televised violence can affect child behavior—and in some degree it does" (Vol. 11:36 p5).

(3) "The good ladies of ACT have gone to the core issue. They are asking, in effect, whether a commercially-based broadcasting system is capable of serving up quality programming for an audience so sensitive & malleable as children."

(4) "The influence of Joan Ganz Cooney and the Children's TV Workshop go almost without saying." He said networks rejected "Sesame St." when first offered to them—"In corporate annals, that network 'no' must rank right alongside the decision to go ahead with the Edsel!"

Burch then looked to bright side. "I'm genuinely heartened, however late the hour may be, by many favorable indicators. Every component of the industry seems to mean business." He noted new network programs, added pointedly: "It will be interesting to see if their affiliates support these network efforts."

Burch called attention to station plans to cut back commercial minutes, cluster them at beginning & end of programs. He said he was "impressed with NAB's new Toy Advertising

Code, teeth & all... Many major advertisers of children's programs appear to be entertaining the radical notion that a quality TV product may sell more Corn Crunchies & dolls & chewing gum—more even than Popeye—and more public good will in the bargain."

Burch then gave reasons for his caution: (1) "One new season... does not make a new golden age." (2) Some network series are too short—13-16 weeks. (3) "Networks seem to be intent on bucking heads every Saturday morning with some of their hottest new properties," and some new programs are in "fringe" time. (4) Weekday afternoons are weak in programs. (5) "We must crack down on the hard-sell that shades off into downright deception and, if anything, err on the side of toughness. Just a week ago, the FTC & FCC initiated a formal liaison agreement. Our hope is, by sharing ideas and expertise, that we can devise an affirmative regulatory policy that will not undermine the commercial base of our broadcasting system but will produce a uniquely impressionable audience."

Building to conclusion, Burch stated: "The genius of our existing commercially-based broadcasting system—and I use the word 'genius' without apology—is that there tends to be room within its 4 walls for both extremes, and everything in between. At its best, it has something for every taste—for Shakespeare & Al Capp, Sesame St. & Popeye... We all know that ratings are the name of the game. But children's TV is no game..."

Wrapping it up, Burch said: "In microcosm, it may well represent a classic case of the latent conflict between public service and the profit motive—with broadcasting, necessarily, on both sides at once. Some critics [are] perfectly prepared to ram their own ideas of quality down all our throats. And if commercial broadcasting can't hack it—then it's bye-bye commercial broadcasting. For my own part, that would be an intolerable price to pay, and the public would be the ultimate loser. But it's not for me or any other sideline critic to call the shots, nor should it be. That is your responsibility and, indeed, your trust. I can only suggest to you the obvious: That your best effort will be required. And I can only assure you, in that event, of my wholehearted support."

Audience applause at end was neither hot nor cold—medium. Some broadcasters agreed with Burch objectives, but noted difficulties in bucking frothy shows with serious efforts. Some broadcasters said they wish Burch were as concerned with "license protection." ABC Pres. Leonard Goldenson said: "It was a very fair-minded speech. I agree with him." Another network official thought Burch hadn't given sufficient credit to programs they consider comparable with "Sesame St."—such as "Captain Kangaroo." Still another said he couldn't find that "Sesame St." was ever offered to his network—but another said it had been presented to his.

All-in-all, if personal presentation means anything, Burch had right audience. Most of nation's top broadcasters were there. Only NAB convention is a broader forum.

Rep. Macdonald (D-Mass.), chmn. of Communications Subcommittee, issued statement praising FCC action creating permanent unit dealing with children's TV, said he had asked Commission to set it up. He plans hearings on children's TV.

Sen. Pastore (D-R.I.) has set Sept. 28 for his Subcommittee's hearing on subject. One-day session will receive progress report from Surgeon Gen. Jesse Steinfeld and Dr. Eli Rubenstein, vice chmn. of Steinfeld's advisory committee, plus testimony from Burch & FTC Chmn. Kirkpatrick. Subcommittee spokesman told us: "After the Surgeon General submits his report to us, we don't want the FCC & FTC to say, 'well, it will take us another 2 years to evaluate it'."

**NAB CODE TO ATTACK 15-SEC. SPOTS:** Determined to stop spread of practice of advertising 2 products in single 30-sec. spot, executives of several large broadcast groups are pressing for tougher restrictions via NAB TV Code. They met last week—following FCC Chmn. Burch's speech to IRTS (see above)—decided on all-out push for Code action.

Code Chmn. Robert Ferguson and Dir. Stockton Helffrich were present, agreed to being problem to special Code subcommittee. "We feel the issue is so important that we must act before the practice gets clear out of hand," one participant told us. Specific Code language is being drafted to cover 2 possible approaches: (1) Outright ban of 2 products in 30-sec. spot. (2) "Sharper & clearer" definition of integrated spots to make it much harder for an advertiser to gain Code acceptance.

"That's the problem now," we were told. "The Code Authority has cleared far too many 2-product, 30-sec. spots as properly integrated... Such commercials just add to the appearance of clutter to the viewer, who concludes that much more time is being devoted to commercials than actually is the case." Several examples of the unwanted spots were shown at meeting, held at NAB N. Y. Code Office.

Possible antitrust problem was discussed, and while no vote was taken, consensus clearly was to go ahead on grounds "the risk is worth taking since any action will be in the public interest." There's strong possibility Justice Dept. will be asked to grant waiver from antitrust laws for any Code restrictions adopted. Specific language is expected to be ready for NAB Code Board action at Dec. meeting.

\* \* \* \*

Meanwhile, NAB Code Authority is polling TV subscribers on whether Code should accept hemorrhoid product advertising. Parent TV Board rejected, by 8-7 vote, such spots at June meeting (Vol. 11:26 p4). Subsequently, ABC polled its affiliates, found they favored such advertising by 4-1, and demanded reconsideration (Vol. 11:34 p4).

**SHAKER FOR LANGHOFF AT ARB:** Parent Control Data Corp. shocked broadcasters & researchers last week by firing ARB Pres. Peter Langhoff and replacing him with ex-ABC & CBS executive Theodore Shaker. Langhoff & ARB have had serious problems with telecasters during last year (Vol. 11:20 p5), but both sides say most have either been worked out or are nearing solution.

Year ago, dozens of stations threatened not to renew ARB contracts—primarily because they claimed ARB underestimated their audiences—but research firm had no such difficulty securing renewals this past summer. "ARB has been very responsive to the broadcasters' requests in the past year," one researcher told us. "It was over the hump with the stations. That's why Pete's firing is such a surprise."

Langhoff was told Sept. 15—by Control Data Group Vp Robert Price—that he was out, wasn't given reason. He has nearly 3 years to go on contract, reportedly has been offered executive spot with Control Data. He had been ARB pres. since June 1966.

Shaker spent 10 years with CBS, starting in 1950. He joined ABC in 1961 as first pres. of Spot Sales, later became pres. of ABC-owned TV stations and, in 1966, group vp over stations, ABC Films & ABC International. He left ABC in 1970, has since been consultant to Ted Bates Agency.

■ ■ ■

**Sale of WREC-TV Memphis** by Cowles to N. Y. Times depends on outcome of several unrelated suits against Cowles—not Times—as FCC had indicated earlier (Vol. 11:34 p5). Commission, tentatively approving sale, said that state & federal proceedings against Cowles regarding magazine subscriptions were being "considered" in connection with renewals for Cowles' WESH-TV Daytona Beach-Orlando, KRNT-TV-AM-FM Des Moines, and that it "may desire to consider further" Cowles' participation on Times' board. Cowles would receive 562,380 shares of Times stock.

**WRDU-TV** Durham-Raleigh, N. C. has become full-time NBC-TV affiliate.

**CPB & Administration** are apparently at loggerheads over Corporation's role in public broadcasting. This "fundamental disagreement," as one knowledgeable source put it, is becoming more apparent as talks over long-term financing plan between high ranking OTP & CPB officials drag on. Ever since OTP first suggested financing plan last Feb., then withdrew it last month (Vol. 11:33 p2), there has been bickering over how money appropriated by Congress should be distributed to public stations. (This does not include facilities funds, distributed by HEW.) OTP thinks Corporation is becoming more centralized, drifting away from plan envisioned by Carnegie Commission, and that money should be funneled by govt. directly to stations. But CPB emphatically rejects that approach, says it should handle purse strings, claims OTP is attempting to narrow its scope and curb its decision-making responsibilities. Last week, CPB directors met in N. Y., were told by Chmn. Frank Pace & Pres. John Macy that discussions remain stalled on that point. Both sides had hoped to have differences ironed out in time for Sept. 17 Board meeting. Instead, Board backed Pace & Macy, ordered talks to continue at least another month. If nothing jells by then, CPB will submit one-year extension to Congress—and that's bound to receive rebuke from House Communications Subcommittee Chmn. Macdonald (D-Mass.), strong advocate of permanent financing. OTP, on other hand, remains optimistic. "We feel we can have a bill this Congress," spokesman said.

**Prominent Washington regulators**—FCC Chmn. Burch (tentative) and House Communications Subcommittee Chmn. Macdonald (D-Mass.)—will be featured at NAB's Las Vegas fall conference Nov. 12. Commissioner or top staffer will appear at each conference. Set for opening in Atlanta Oct. 15—where Senate Commerce Committee member Hollings (D-S.C.) is luncheon speaker—is Bst. Bureau Chief Wallace Johnson. Gen. Counsel Richard Wiley is down for Chicago Oct. 18. Other spots haven't been filled.

**Renting sets to CATV subscribers** in Greensburg, Pa., Philco enters controversial field with special receiver. (For details, see p. 7.)

**WHITEHEAD—CHANGE TV VIA CATV:** Strong pitch for pay TV plus strong hint for some kind of common-carrier status for CATV were made by OTP Dir. Clay T. Whitehead last week. Speaking before United Church of Christ seminar on cable in N.Y. Sept. 13, he said conventional TV does many things well, and many things poorly or not at all. Solution? Change the structure. Said he:

"Governmental regulation has created an industry structure which makes it almost inevitable that commercial TV will offer the kinds of programming it does—and will not offer the kinds of programming it doesn't... We have forced TV into an institutional structure designed some 40 years ago for radio broadcasting which requires the individual private licensee to exercise direct control over content. Recognizing the great power implicit in such an arrangement, together with the limited number of channels, there have been growing pressures in recent years to substitute for this private content control a countervailing power of federal content control. At this point, we are perilously in danger of jumping out of the frying pan into the fire..."

"I submit that the real importance of cable TV lies not in the innovative new services, but rather in the rare opportunity to structure a basic reform in our public policy... It is always easier to make such reforms in conjunction with a new technology than it is to disturb the status quo of an existing industry..."

"One of the things we can avoid is the creation of either private or public power to control content... We can remove the stultifying trend of implicit censorship & bureaucratic fairness, and we can reduce significantly the cost of access to the people.

"Another thing to avoid is the creation of an industry which is economically dependent on commercial sponsors. We can do this... by allowing, in addition to advertiser-supported programming, pay-by-channel and pay-by-program subscription both at the programming and the viewing end... The TV institutions of today will have to change over the 70's, and cable will be a major part of that change..."

Whitehead's comments will certainly intensify interest in work of Nixon's Cabinet-level CATV committee—and the OTP dir. last week advised Sen. Pastore (D-R.I.) that committee hopes to complete work by Oct. 15, will be ready to give Senate its views shortly thereafter. Meanwhile, NCTA is expected to appear before CATV committee's working group Sept. 24. NAB and copyright owners made presentations earlier.

FCC found no merit in charge by Rep. Harsha (R-O.) that NBC violated fairness doctrine when correspondent Edwin Newman cut off interview with comedian George Jessel (Vol. 11:32 p7). Chmn. Burch said interview didn't fall within no-censorship ban on political broadcasts, added that it was network's right to make "reasonable judgment." Comr. Johnson dissented.

Among speakers & features at RTNDA conference, Sept. 29-Oct. 1, Statler Hilton, Boston: NBC Pres. Julian Goodman; ABC Pres. Elton Rule; workshops on minorities, legal requirements, access.

**CBS NEWS SHAKEUP IN L.A.:** While House Investigations Subcommittee remains undecided about issuing report or holding public hearings on results of last month's probe into alleged network news fakery on West Coast (Vol. 11:32 p4), CBS has conducted its own investigation. Results: L.A. news correspondent Terry Drinkwater was suspended for 90 days without pay and bureau chief John Harris was shifted to producer.

CBS was tight-lipped about whole affair, told Time magazine which broke story that it was "internal matter" and refused further comment. "We operate under the belief that our men do not stage news," network spokesman told us. "If there is reasonable doubt that staging is involved we will take action. We will not tolerate it." New L.A. bureau chief is Dan Crossland, one-time acting bureau chief in London, more recently CBS Morning News dir. However, Harris claims his move to producer had nothing to do with either Drinkwater's suspension or Subcommittee investigation.

It's understood that Subcommittee investigator James Broder talked to network employees concerning several incidents involving CBS, in addition to Pop Wine documentary, which, according to Time, led to Drinkwater's suspension. Other incidents of alleged news staging involved Idaho forest fire, "Selling of the Pentagon," "Project Nassau." We're told CBS executives in N.Y. contacted every employee who had spoken with Broder.

FCC was upheld by 5th Circuit Appeals Court (New Orleans) in policy which prohibits phone companies from owning CATV systems in same market. Turning down challenge by Gen. Telephone, Judges Tuttle, Thornberry & Ingraham—in decision written by Tuttle—said Commission was reasonable in concluding that such joint phone-CATV ownership was anticompetitive. Court also termed reasonable FCC's decision requiring divestiture within 4 years of March 1970.

"A total mystery to me," FTC Chmn. Miles Kirkpatrick said of published reports that he is in line for federal judgeship or ambassadorship (Vol. 11:37 p5). He said he would refuse another job if offered by Administration and that he was speaking out now because of adverse effect reports had on FTC personnel. "When I accepted this job I felt I assumed an obligation," he said. "I don't think I've fulfilled it yet and I propose to fulfill it."

Unhappy with way Committee has functioned, 8 members have asked Chmn. Elliot Sanger, ex-WQXR-AM-FM N.Y., to call special meeting of All-Industry Radio Music Licensing Committee week of Oct. 4. Group reportedly feels that Committee hasn't adequately represented views of member stations and has allowed legal counsel (McGoldrick, Dannett, Horowitz & Golub) to run show.

NAB's renewal task force (Vol. 11:36 p1) holds first meeting Sept. 28, has distributed to members background material summarizing arguments, history, recommendations.

## Personals

**CBS Pres. Frank Stanton** receives RTNDA's 1971 Paul White Memorial Award during international conference Oct. 1, Boston's Statler Hilton Hotel; he's first to receive award twice (1957) given for most significant contribution to advancement of broadcast journalism.

**Ward White**, 31, now legislative asst. to Sen. Dole (R-Kan.), is expected to be named minority counsel to Senate Commerce Communications Subcommittee, new position. Graduate of Cornell Law School, he took undergraduate work at American U. & U. of Kan.

**Leonard Patricelli**, pres., WTIC-TV-AM-FM Hartford, installed Sept. 14 as Bcst. Pioneers pres., succeeding **Charles Tower**, Corinthian; **Carl Lee**, Fetzer, is first vp... **Robert Rice** promoted from CBS finance vp to finance & development senior vp... **Warren Schaub** elevated to ABC controller, succeeding **David Fulton**, resigned.

**Thomas B. Cookerly**, vp-managing dir., WBTV Charlotte, becomes WMAL-TV Washington mgr. Oct. 15, succeeding **Neal Edwards**, resigned... **George Resing**, ex-WLS-TV Chicago, named station mgr., WQXI-TV Atlanta, succeeding **Sid Pike**, resigned... **Tally Simpson** promoted to broadcast relations dir., Bahakel stations; **Warren Brill** advanced to station mgr., WCCB-TV Charlotte, succeeding Simpson; **Thomas Meacham** to WCCB-TV sales mgr.; **James Martinson** to radio div. dir.

**Mike Palmer** elevated to program dir., KOCO-TV Okla. City; **James Rankin**, to operations dir... **J. Marc Doyle** promoted to news dir., WLOS-TV Asheville, N.C.; **Walt Adams**, ex-WHAS-TV Louisville, named sports dir.; **Bill Stroupe** promoted to community affairs dir.; **Arthur Whiteside**, ex-WLOS-AM, named WLOS-TV editorial affairs dir... **Don Addington**, ex-U.S. Communications, named chief engineer, WJCL Savannah... **Marshall Black** elevated to local sales mgr., WFLD-TV Chicago.

FCC Comr. **Thomas Houser** receives going-away luncheon from fellow commissioners Oct. 1, International Club, Washington; **Carol Oughton**, ex-confidential asst. to Houser, joins Ford Foundation in Washington as CATV consultant to Urban Institute... **Anthony J. Sobczak**, ex-Review Board, named legal asst. to FCC Comr. H. R. Lee... **Kenneth Gordon**, ex-Air Force, appointed FCC procurement officer.

**Gordon Stulberg**, ex-pres., CBS Cinema Center Films, elected pres., 20th Century Fox Films, succeeding **Dennis Stanfill**, elevated to chmn. & chief exec. **Milton Goldstein**, senior vp, Cinema Center Films, replaces Stulberg. Stulberg's 3-year contract calls for salary of \$150,000. **William Gossett**, Fox chmn. since resignation earlier this year of **Darryl Zanuck**, returns to post of exec. committee chmn.; **Martin Grove**, ex-PR dir., Foote, Cone & Belding, appointed corporate & financial PR dir.

**John Serrao** resigns as pres., United Artists Bcstg... **J. Michael Donohew**, ex-CBS-TV, named senior vp, Winters/Rosen Productions... **Warren**

**Middleton**, ex-Broadcasting magazine sales mgr., named exec. dir., Institute of Bcstg. Financial Management, Chicago... **Richard Wartell**, Kan. State U. communications graduate, joins NAB field staff, will become midwest regional mgr. upon retirement of **Ernie Sanders** Jan. 1.

**Robert Lewis** elected pres., chief operating officer & a dir., Cablecom-General, succeeding **Robert Clark**, who remains consultant... **John Goddard** advanced to vp & gen. mgr., Viacom west coast CATV operations... Gov. **Milton Shapp** addresses Pa. CATV Assn. fall meeting Oct. 21, Lancaster.

New CBS Washington Vp **Richard Jencks** doesn't think there's any "grand conspiracy in Congress against broadcasters... nor has CBS been singled out for persecution of any kind" following recent contempt battle in House over network's controversial documentary "Selling of the Pentagon." Jencks, first "Wavemaker Luncheon" speaker at National Broadcasters Club last week, discussed 3 problem areas facing industry. (1) Access: "Is the broadcaster or the court going to determine the [programming] of stations? If the D.C. Court of Appeals is to be editor-in-chief of broadcasting, then I think you're going to have an entirely different broadcast structure. And I think the FCC realizes this." (2) Consumerism: "Will advertisers find broadcasting so non-beneficial that they will, like tobacco advertisers, decide to go elsewhere? Somehow we have got to find a solution if we want to preserve TV as an advertising supported medium." (3) Legislation: Bills regulating news & documentaries or placing networks under FCC control result from "increased tensions in society" on which broadcasters regularly report. On proposal that NAB establish political action committee to make financial contributions to congressional candidates (Vol. 11:36 p2): "I think [contributions] should be left up to the individual broadcaster... I don't think this industry or any industry can buy its way out of its problems... I would particularly hate to see contributions tied into specific legislation." **Daniel Manelli**, acting chief counsel of House Investigations Subcommittee, will be second "wavemaker" at Sept. 30 luncheon.

**International Digisonics Corp.** (IDC) coding system has been set for rulemaking by FCC, as anticipated (Vol. 11:36 p4). Meanwhile, standards have been relaxed to allow use of 6 lines at top and at bottom of picture. Comments are due Dec. 8, replies Jan. 7.

FCC's new recorded phone service lists all news releases, public notices, etc. available at Information Office. Recording, with multiple lines, will be updated twice daily; phone 632-0002.

## Obituary

**Leo J. Fitzpatrick**, 77, NAB pres. in 1935-36, died Sept. 15 in Detroit. A prominent figure in early-day radio, he was appointed to old Federal Radio Conference in 1923, and at one time owned WJR Detroit, WGAR Cleveland, WGR Buffalo. Wife, son, daughter survive.

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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Sept. 3 (35th week of 1971):

	Aug. 28- Sept. 3	1970 week	% change	Aug. 21-27	1971 to date	1970 to date	% change
Total TV . . . . .	211,920	166,532	27.3	260,227	6,435,371	5,496,880	17.1
color . . . . .	122,947	87,919	39.8	144,093	3,450,832	2,739,314	26.0
monochrome . . . . .	88,973	78,613	13.2	116,134	2,984,539	2,757,566	8.2
Total radio . . . . .	331,942	340,181	- 2.4	491,033	12,114,008	10,607,405	14.2
home, portable . . . . .	110,460	155,344	-28.9	275,607	5,274,220	4,794,079	10.0
AM-only . . . . .	54,485	102,938	-47.1	140,123	2,978,414	2,949,293	-1.0
FM & FM-AM . . . . .	55,975	52,406	- 6.8	135,484	2,295,806	1,844,786	24.4
auto . . . . .	221,482	184,837	19.8	215,426	6,839,788	5,813,326	17.7
Total phono . . . . .	57,115	63,202	- 9.6	174,261	2,500,164	2,199,331	13.7
portable-table . . . . .	36,673	43,008	-14.7	151,211	1,928,401	1,550,190	24.4
console . . . . .	20,442	20,194	1.2	23,050	571,763	649,141	-11.9

Color TV 5-week moving average: 1971—122,142; 1970—86,876 (up 29.1%)

**PHILCO TESTS CATV SET-LEASING PLAN:** Stepping into previously taboo area, Philco-Ford embarks this week on major test of new method of TV set distribution geared to cable age—with explosive possibilities.

Pilot operation, which opens Sept. 22 in Greensburg, Pa. area, will offer CATV subscribers direct factory leasing—and servicing—of special cable-TV color set. Operation is called "Rentertainment," will be administered by Philco's Tele-Sound., specialists in leasing & sales of TV sets to hotels, motels & institutions.

Project will be carried out "in cooperation with" WHJB Cable Vision, 10,000-subscriber CATV system serving Greensburg, Jeanette, Irwin & Latrobe near Pittsburgh. Although WHJB will help promote Rentertainment, there's no business relationship between the 2—supplying & servicing of sets is barred by WHJB's franchise.

Rentertainment will offer cable subscribers deluxe 19V" color set—modified version of Philco hotel-motel receiver—at flat \$15 per month. Nominal \$10 installation charge will be waived during introductory period. Subscriber makes no long-term commitment. "It's like a telephone," said Philco spokesman. "It can be taken out whenever the subscriber requests it." Rental fee includes service, and Rentertainment pledges to keep set in repair, generally substituting loaner if same-day service can't be provided. Sets will be replaced after 3-4 years at discretion of company.

Receiver isn't designed for off-air reception, won't be offered to homes not on cable, although anyone with little technical knowledge could hook it up to outside antenna if there were reason to do so. It has standard vhf-uhf tuners but with modifications to improve vhf adjacent-channel rejection. It uses 75-ohm input with special connector. Channel converter is separate and provided by cable operator, although Philco hasn't ruled out models with special built-in "cable channels" in future. Other models may be offered later to give subscribers choice of screen size & cabinets, at different prices.

Why was Greensburg system picked? "It's a good place for our first test, because it has a

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mature cable system of 10,000 subscribers—about half of whom have color sets—and a potential of some 30,000 homes. And it's fairly close to our hq in Philadelphia. Later we hope to try a city with a newly established CATV system." WHJB charges subscribers about \$4.75 per month; control is now being sold to unidentified purchaser by Shapp Corp., headed by Pa. Gov. Milton Shapp, founder of Jerrold Electronics, who is selling out his CATV holdings.

Philco's local dealers currently aren't involved in Rentertainment, but they've been informed they'll "participate" later in undisclosed way. Regular Philco TV line is distributed in that area by factory branch. Philco spokesman said he expected program would hypo color sales by stimulating general interest in color.

Greensburg clearly isn't only Rentertainment test planned by Philco. Others may involve joint ventures by cable operators & Philco, where local laws or cable franchises permit. If tests succeed, Philco may establish nationwide Rentertainment franchise operation, with franchised Philco retailers probably getting first crack at local set-leasing franchise. Heading Greensburg Rentertainment operation is Sal Ricci, ex-midwest regional mgr., Philco Parts & Service.

News of Philco's experimental operation, which wasn't yet public knowledge at presstime, is certain to create major controversy in all phases of TV trade and broadcasting & cable industries—particularly among retailers & independent servicers. It's also certain to be followed extremely closely by Philco's competitors, each eager to find own position in cable's new ball-game but hesitant to bypass distributor-dealer structure.

TV set leasing is common in United Kingdom, has been tried here sporadically, but rarely by major TV manufacturers (exception: Early N.Y. test by Hertz Corp. after its acquisition by RCA). Some early cable systems in U.S. experimented with supplying receivers. In U.K., Rediffusion supplies special non-RF TV sets to its wired-TV subscribers.

All major set makers are giving CATV situation closest scrutiny. Magnavox has developed special cable-TV receiver with 31 vhf channels (plus uhf tuner), but will sell it through regular dealers, starting early next year (Vol. 11:28 p9). RCA Consumer Electronics, which recently produced 1,750 special non-RF color receiver-monitors for Disney World hotels (Vol. 11:28 p9), has just established CATV operation to look into all aspects of cable TV as it applies to receiver design & marketing, we've learned. It's headed by Gordon Bricker, former mgr. of RCA Professional Electronic Systems, Burbank, Cal., which developed single-tube color camera and other closed-circuit & ETV gear.

**NEW SHOCKS FELT BY IMPORTERS:** Another series of shock waves bounced importers last week: (1) Treasury launched new Japan color TV picture-tube dumping probe. (2) Tougher stand on unfair import competition & free-world trade was urged in White House-ordered study. (3) President Nixon indicated 10% import duty surcharge was long-term move. (4) Threat of East & Gulf port shutdown Oct. 1 grew more menacing.

Acting for unnamed principals, Washington attorney Eugene Stewart filed color picture-tube dumping complaint, leading to opening of new inquiry. In directive to examiners, Customs said importers should be notified, but that, for time being, appraisement should not be withheld. Tubes imported prior to appraisement withholding are normally not subject to retroactive dumping duties.

Actual complainant in case is believed to be group of companies, most probably members of EIA Tube Div. Imports Committee. Stewart represents Tube & Parts Divs. in foreign trade sphere, but they're not involved in proceeding. Belief is that firms involved don't want to antagonize their own foreign suppliers or their U.S. customers who also buy from overseas. There are indications that new tube case may be first of several reopenings, as manufacturers move to take advantage of Treasury's more restrictive attitude toward dumping and Tariff Commission's more liberal interpretation of "injury." Both dumping—sales at less than fair, or home-market, value—and injury to domestic industry must be found before dumping penalties can be levied.

Complaint filed with Treasury emphasizes that price, rather than quantity, of Japanese tubes sold here, is causing injury. Pricing practices of Japanese are market-disruptive,

Stewart says. While imports from Japan in first half totaled only some 54,000 tubes (against 3.3 million U.S. factory sales in same period), Stewart noted that average price has steadily declined. Commerce Dept. figures show average in 1971 period was \$36.16, down from \$44.70 in same 1970 months, \$56.71 in 1969. Trade sources indicate that about 20% of Japanese tubes are used as replacements for Japanese sets sold here, remainder divided about evenly between 18V" and 16V"-&-under. Stewart said 2 major U.S. OEMs have contracted to buy Japan's tubes (Magnavox & Curtis Mathes are only known customers), citing Hitachi, Matsushita, Nippon Electric & Toshiba as suppliers.

For success in case, complainants are counting heavily on: (1) Treasury's policy of no longer accepting price assurances from exporters as grounds for closing out cases. (2) Tariff Commission ruling in ferrite dumping case (Vol. 11:5 p8) that price disruption can cause injury even when market penetration is less than 1%. EIA Tube Div. filed color tube dumping complaint, along with host of others, against Japanese in 1968, but Treasury found no grounds for opening public inquiry, though all other cases were started. Dumping was found for TV, TV tuners, ferrites & capacitors—latter overturned by Tariff non-injury finding. Speaker & transformer cases were dismissed. At last EIA Spring Conference, some Tube & Parts Div. representatives expressed view that dumping findings could do little to help U.S. industry, and favored push for higher duties & import quotas (Vol. 11:11 p9).

Stricter enforcement of anti-dumping rules & countervailing-duty statutes, to offset subsidies to exporters by foreign govts., was urged in report by Commission on International Trade & Investment Policy. Group was named by President Nixon last year and charged with developing long & short-term trade policies. Among other recommendations: (1) Simplify granting of import adjustment aid to workers & industries, and relief under escape-clause petitions by eliminating need to tie increase in imports to tariff-rate concessions. (2) Impose "orderly market" (voluntary export quota) agreements to help industries injured by imports from 2 or more countries. (3) Renegotiate present trade agreements to force elimination of foreign non-tariff barriers & export subsidies, most tariffs over next 10 years, all tariffs over next 25 years. Commission also called for preferential treatment for developing countries and freer trade with Communist countries.

Nixon statement linked removal of 10% surcharge to world-wide monetary reform, sharing of defense spending and lowering of trade barriers. He said U.S. was not seeking temporary solution. Sentiments were repeated in London by Treasury Secy. Connally who told 10-nation currency reform meeting that U.S. isn't "changing its attitude by one iota." In Geneva, GATT council said surcharge should be dropped as "inappropriate" to U.S. economic problems and in violation of trade agreements.

Importers' hopes for settlement, or at least postponement, in East & Gulf port labor dispute, hit snag when shippers refused to extend work contract beyond Sept. 30 expiration, as longshoremen had suggested. Meanwhile, no progress toward settlement of West Coast strike is reported.

**RCA EXPANDING THROWAWAY TV CIRCUITS:** Working toward goal of putting 80% of its color TV circuitry on automatically produced disposable ceramic circuits, RCA opened doors of its module facility in Indianapolis to outsiders for first time last week. It revealed it has made more than million disposable circuits, hopes to be at annual rate of 2-3 million by year's end.

The \$5-million operation gives strong clue to RCA's TV production plans for future—building end products from basic raw materials as much as possible, with as much automation as state of art permits. New plant is operated by RCA Consumer Electronics, which, in effect, now is heavily in component production business, but only for own products.

Facility manufactures ceramic wafers from alumina powder and other ingredients, coats them with conductive circuitry & printed resistors, attaches components and encapsulates the modules—much of process automated and with computer testing all along line. One new device uses computer-directed laser beam to trim printed resistors down to proper value, automatically.

Each of RCA's solid-state color sets uses 12 circuit modules. When announced in June 1970, 3 of the 12 were ceramic throwaways (identical red, blue & green drive circuits). Fourth has now been added (sound), and some 15-20% of circuitry is now on disposable modules. Con-

sumer Electronics Exec. Vp Barton Kreuzer said goal is 8 ceramic modules by end of next year.

Last year's announcement of ceramic modules was keyed to introduction of RCA's Argosy 18V" color portable with 110-degree short tube (Vol. 10:26 p10). Next week, company will introduce Argosy II, 19V" version, probably first 19V" 110-degree color set to be sold in U.S. Price is expected to be around \$500, or some \$50 higher than 18V".

RCA has been working toward from-the-ground-up production of sets via computer-controlled modular circuit output since 1964. According to company officials, goals are greater reliability, lower costs. How close are they? As to 2nd goal: "The modules now are unquestionably more reliable," said Chief Engineer Mike Glauberman.

First goal hasn't yet been reached—during shakedown period, module production was more expensive than conventional methods. But, according to Kreuzer, "as we go out of this year, we will be competitive with Oriental [solid-state color sets], considering the surcharge. Next year we'll be able to beat the cost." Objective, as outlined by Operations Vp R. A. Schieber, is to "make ceramic circuits comparable in costs to conventional hybrid circuits in Japan." Ceramics are used currently only in solid-state color TV and some stereo applications, but RCA intends to apply them to monochrome sets as well.

"We'd like to close out our Taiwan plant if we could be competitive here," said Schieber. Does this mean RCA has decided not to make color sets in Taiwan? "We have no present plans," said Kreuzer, but conceded "we're analyzing the situation by the month, considering such factors as currencies, surcharge and so forth."

The circuits and their production methods are becoming increasingly sophisticated. Plant is currently in process of changing over from use of conventional packaged transistors on the modules to nearly microscopic "flip chips," which will be inserted automatically. IC chips will be used in future modules.

The 4 ceramic modules now in use carry list price of around \$8 each. Discrete modules, using conventional components—yet to be converted to ceramics—run as high as \$30. 15 (for IC strip). They include power supply, horizontal oscillator, video sync, vertical, chroma (2 modules). More than 10,000 module caddies (complete sets) are now on service trucks, at about \$100 each. Changing modules, after simple trouble-shooting test, is as simple as replacing receiving tube. Module facility is managed by Ceramic Circuits Mgr. Don Fisher.

**RCA's decision to quit general-purpose computer business, approved at week's end by special board meeting, will result in "one-time charge for 1971 that could reach \$250 million after tax," placing firm in "substantial loss position for this year," according to Chmn. Robert Sarnoff, who said no adverse effects are expected in future years. Decision to quit main frame business, he said, was dictated by studies showing industry will grow at lower rate than expected, with intensified pressures by "uniquely entrenched competition." To continue in race, RCA would require "massive infusion of capital"—probably more than \$500 million in next 5 years. RCA will concentrate computer efforts in areas of specialized data communications systems and computer maintenance.**

**Radio Shack**, consumer electronics mail order & retail store subsidiary of Tandy Corp., plans network TV ad campaign. Bloom Advtg., Dallas, will handle account.

### **Obituary**

**Jordan Listick**, 32, who was named Admiral secy.-treas. last June, died Sept. 12 of apparent heart attack. Widow, 2 sons survive.

**Ad campaigns:** Zenith's fall push is largest seasonal drive in its history, starting with 2 weeks of commercials during 16 premiere shows on all 3 networks. Prime-time TV & magazine ads will continue through fall. Initial emphasis will be on 16V" portable & console color sets...**GE** is using "historic firsts in TV"—actual films, including company's first public TV demonstration in 1928, first remote telecast (Al Smith accepting presidential nomination), etc.—as theme for ABC-TV saturation campaign, coordinated with local advertising.

**First licensee** announced by Columbia Records (in conjunction with CBS/Sony of Japan) for SQ quadraphonic audio playback equipment has been taken out by Lafayette Radio. Lafayette equipment is scheduled to be sold in its retail stores and by catalog this fall when Columbia SQ discs become available.

**At long last**—HEW last week publicly issued its anticipated statement that X-radiation from TV sets isn't "significant health hazard," that there was no evidence that TV set radiation had ever resulted in human injury and rescinding warning to sit 6-10 ft. away. HEW's turnaround was reported in our Aug. 30 issue (Vol. 11:35 p10).

**JULY IMPORTS PLUMMET:** Impact of West Coast dock strike, which began July 1, was shown by sharp decline in month's imports of TV (Vol. 11:37 p8) and all other major consumer electronics items from Far East, while record changers—imported mainly from Europe—posted major (85%) increase, compared with July 1970.

Commerce Dept. figures for month show total radio imports off 29% to 1.79 million, home transistor radios down 30% to 1.7 million, total audio tape units off 21% to 897,000, phonos & radio-phonos down

16% to 125,000, transceivers off 1.7%. Steepest declines were recorded by import categories in which West Coast firms are major national marketers, such as open-reel stereo recorders (off 85%), auto tape players (off 50%) & radio-recorder combinations (down 40%). Over-all, tape recorder imports were down 33% to 443,000, with imports of cassette types off 16.6% to 465,000. Tape player imports fell just 4.5%, as non-auto & combination types posted respective increases of 18% & 56%. Also up, by 16%, were auto radio imports. In following table, where no source country is indicated, Japan is major supplier.

## U. S. IMPORTS

	July 1971			July 1970		
	Units	\$ Value		Units	\$ Value	
Color TV, over 17V" . . .	21,442	3,819,926		41,373	7,533,889	
Japan. . . . .	18,404	3,243,403		40,103	7,222,823	
Taiwan. . . . .	2,864	500,145		—	—	
Color TV, 11-17V" . . . . .	24,155	3,427,652		36,609	5,033,442	
Japan. . . . .	20,754	3,106,353		34,567	4,887,268	
Taiwan. . . . .	3,400	321,013		2,040	145,671	
Color, 10V" & under. . . . .	1,314	202,973		7,052	1,057,550	
Japan. . . . .	1,314	202,973		7,052	1,057,550	
B&w, over 17V" . . . . .	75,166	4,321,112		55,743	3,292,151	
Japan. . . . .	30,591	1,841,054		25,799	1,517,113	
Taiwan. . . . .	12,021	434,748		1,976	57,976	
Mexico. . . . .	31,875	1,961,908		26,755	1,568,197	
B&w, 11-17V" . . . . .	148,962	6,805,931		154,892	7,127,483	
Japan. . . . .	81,533	3,853,579		107,757	5,188,612	
Taiwan. . . . .	63,409	2,784,976		46,523	1,899,929	
S. Korea. . . . .	4,000	164,000		—	—	
B&w, 10V" & under . . . . .	75,010	3,524,989		87,446	4,259,930	
Japan. . . . .	52,565	2,596,153		77,531	3,838,610	
Taiwan. . . . .	22,394	917,134		9,912	418,593	
Clock radio. . . . .	251,216	2,394,039		416,361	4,795,919	
Japan. . . . .	126,093	1,370,608		263,475	3,477,664	
Taiwan. . . . .	32,377	311,636		50,058	487,563	
Hong Kong. . . . .	85,242	674,183		68,015	569,221	
Tr. rad., AM, AC. . . . .	53,299	205,014		57,633	287,513	
Japan. . . . .	9,127	97,183		40,539	184,881	
Taiwan. . . . .	19,308	49,142		3,610	34,036	
Hong Kong. . . . .	23,660	55,109		7,260	41,051	
Tr. rad., AC, other. . . . .	204,640	5,227,559		332,380	7,311,565	
Japan. . . . .	161,597	4,561,581		247,825	6,241,990	
Taiwan. . . . .	12,868	344,169		41,197	618,943	
Hong Kong. . . . .	15,736	98,939		—	—	

	July 1971			July 1970		
	Units	\$ Value		Units	\$ Value	
Tr. rad., AM, batt. . . . .	555,707	2,061,307		783,007	2,429,337	
Japan. . . . .	201,542	1,066,934		148,329	838,420	
Taiwan. . . . .	74,404	236,227		81,776	246,033	
Hong Kong. . . . .	267,088	706,697		490,470	1,153,241	
Tr. rad., batt., other. . . . .	636,296	6,625,452		866,369	8,899,417	
Japan. . . . .	243,709	3,935,296		361,994	5,853,047	
Taiwan. . . . .	42,651	375,266		116,395	775,250	
Hong Kong. . . . .	332,453	2,127,153		280,381	1,595,298	
Auto radio. . . . .	89,969	1,467,683		77,331	1,387,515	
Transceiver. . . . .	220,781	2,221,824		224,559	2,177,527	
Radio-phonos. . . . .	113,460	3,962,292		131,841	3,690,138	
Phono, stereo. . . . .	5,886	218,797		9,944	334,894	
Phono, mono. . . . .	5,952	101,843		7,374	162,279	
Record changers. . . . .	453,959	4,754,564		293,588	3,262,134	
United Kingdom. . . . .	425,894	4,145,810		241,365	2,380,378	
West Germany. . . . .	21,555	539,666		51,499	879,104	
Recorder, AC, stereo, cart. . . . .	26,561	1,121,747		29,524	1,072,609	
Recorder, AC, stereo, reel. . . . .	7,246	682,570		47,584	2,612,163	
Recorder, AC, mono, cart. . . . .	84,159	1,534,518		70,061	1,434,162	
Recorder, AC, mono, reel. . . . .	19,538	347,751		15,261	724,385	
Rcrdr., batt., cart. . . . .	287,007	4,756,011		342,632	6,094,604	
Rcrdr., batt., reel. . . . .	18,619	369,454		48,358	554,328	
Radio-recorder. . . . .	67,469	2,561,226		111,720	4,042,317	
Tp. player, auto. . . . .	100,010	2,055,512		201,279	4,324,481	
Tp. player, other. . . . .	228,616	4,444,189		193,534	4,934,136	
Tp. player, comb. . . . .	125,078	5,434,807		80,251	4,062,020	
Video recorder. . . . .	1,716	511,704		2,601	879,092	

**OTP FEARS FCC VTR CONTROLS:** Clay T. Whitehead, dir. of Nixon's Office of Telecommunications Policy (OTP), is worried lest FCC's rules on radiation from VTRs, etc., is mere camel's nose under industry's tent. He expressed that in almost so many words in Sept. 9 letter to FCC Chmn. Burch, hasn't received response yet. Whitehead's letter should warm cockles of Motorola, Sony, et al., which ran into problems with Commission's rules. OTP dir. wrote:

"While I recognize the need to assure that such equipment does not leak radiation which would cause harmful interference, it is not at all apparent that this goal is best achieved by detailed federal intervention in the design of equipment through mandatory type acceptance. Could not the same result be obtained by creating appropriate definitions of harmful interference, supplemented by voluntary type acceptance or review in private laboratories?

"As you know, we generally favor giving new technologies the maximum feasible freedom to develop before imposing regulations that might reduce the vigor of innovative activity and rapidity with which new applications of technology are marketed and costs reduced... I fully recognize that this is initially a

relatively limited technical regulation, but it seems unnecessary and provides a preliminary step on the road we have walked so many times in the past—namely, from limited technical oversight to increasingly detailed regulation of applications and economics.

"Perhaps it is appropriate to undertake a comprehensive review of the over-all type acceptance policy & procedures, as they apply to equipment of all kinds. But in the meantime, it seems desirable to avoid further extension of govt. type acceptance to devices whose primary function is not radiation..."

Mapping industry stand on FCC's proposed rules, meanwhile, were representatives of 17 companies—EIA members & non-members—meeting last week in Chicago under aegis of EIA's Consumer Electronics Group Video Playback Systems Engineering Committee, headed by Motorola's Albert (Bud) Massman.

**Distribution notes:** Plymouth Electric, North Haven, Conn. (Zenith), appoints Paul Reed as ad dept. mgr. Reed is former Zenith New England region mgr... Seacoast Appliance, Miami (RCA), names Bernie O'Steen exec. vp. O'Steen is former vp of Cain & Bultman, Zenith Fla. distributor.

## Trade Personals

Walter Bjorseth, who resigned as Admiral vp-treas. for health reasons last June, returns to post on interim basis, following death of Secy.-Treas. Jordan Listick (see p10); **Larry Williams** resigns as ad mgr.; **Patrick McNamara**, former appliance sales promotion mgr., advanced to new post of mdsg. mgr., which includes ad mgr. duties... **Joseph Cooper**, ex-Acorn Sheet Metal, National Video & RCA, joins Zenith's Rauland Div. as mfg. vp, succeeding **Joseph Fiore**, now vp-gen. mgr., TV Picture Tube Mfg. Div.

**Raymond Anderson** advanced at Sylvania from pres. of W.M. Chace subsidiary, to pres. of Wilbur B. Driver Co., succeeding **Gordon Fullerton**, now Electronic Components Group senior vp; **Donald Karaffa**, former Electronic Tube Div. customer services supervisor, advanced at Sylvania to mgr. of Williamsport, Pa. tube plant, replacing **Willis Toner**, retired; **Roger Gould**, ex-Control Logic Inc., returns to Sylvania as Product Support Operation planning mgr.

**Chris Demas** advanced at Motorola Automotive Products Div. to asst. controller; **Roland Griepl** appointed mgr. of Motorola Semiconductor Nogales, Mex. plant, replacing **James Fulling**, reassigned; **Alan McIlvaine**, ex-Philco-Ford Audio-Video Div. supply dir., succeeds Griepl as purchasing mgr. in Phoenix; **Jerome Orloff** promoted from PR mgr. to mktg. services mgr., Motorola Communications Div., replacing **James Bernhart**, who shifts to San Francisco office; **Robert Walz**, former liaison mgr. in Washington, succeeds Orloff.

**Russ Molloy** resigns as Telex Consumer Products Organization product development dir., to become Koss Electronics product planning dir... **Robert Cohen** shifts at Bell & Howell from ad & sales promotion mgr., Audio-Visual Products Div., to ad & sales promotion dir., Consumer Products Group, succeeding **Warren Smith**, now with Litton Industries... **Donald Luby**, ex-Memorex, joins Wabash Tape as vp-gen. mgr., succeeding **William Dague**, resigned... **Bob March**, ex-VIDCA (international videocassette conference), named mktg. development mgr., Sony Videocassettes.

**Austin Embree**, former Philco Distributors Dallas zone mgr., named to new post as southern region audio account exec., responsible for sale of stereo components; other region execs. appointed: **G. Richard Mohr**, former Chicago district mgr., Midwest; **Charles Steele**, ex-San Francisco zone mgr., West; **Max Zagoren**, former East region mdsg. mgr., East... **Ronald DePinto**, ex-Recording Center & Ampex, joins IVC as national distributor sales mgr.

**Charles Clough** promoted from Texas Instrument field sales mgr. to U.S. mktg. mgr. for Components Group, replacing **Edward Gelbach**, now with Intel.

**Sept. started** with strong color week—nearly 113,000 domestic-label sets sold to dealers, up almost 40% from year earlier, according to EIA data—maintaining much of momentum of hot final week of Aug. (Vol. 11:37 p7). Monochrome TV sales were up healthy 13%, while radio & phono sales were listless (See State of the Industry).

## 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 Aug. 31	17,890,070,000	2,224,159,000	4.03
1970-year to Aug. 31	16,607,406,000	2,177,978,000	3.97
1971-qtr. to Aug. 31	4,647,599,000	531,863,000	.95
1970-qtr. to Aug. 31	4,283,573,000	526,247,000	.96
Collins Radio			
1971-year to July 30	287,500,000	(46,643,000)	--
1970-year to July 31	349,000,000	432,000	.15
Columbia Pictures			
1971-year to June 26	233,273,000	(28,772,000)	--
1970-year to June 27	242,051,000	6,217,000	.99
Communications Properties			
1971-9 mo. to July 31	5,349,909	303,783 <sup>a</sup>	.08
1970-9 mo. to July 31	4,762,100	546,320 <sup>a</sup>	.23
Doyle Dane Bernbach			
1971-9 mo. to July 31	200,849,000 <sup>b</sup>	2,664,000 <sup>c</sup>	1.38
1970-9 mo. to July 31	209,294,000	3,139,000	1.64
Harvey Group			
1971-6 mo. to July 31	15,013,000	4,000	--
1970-6 mo. to July 31	15,374,000	3,000	--
Lafayette Radio			
1971-year to June 30	66,373,666	3,379,200	1.38
1970-year to June 30	64,492,507	3,645,720 <sup>d</sup>	1.49
Movielab			
1971-6 mo. to July 3	10,315,528 <sup>d</sup>	(920,047)	--
1970-6 mo. to July 4	13,785,288	(1,423,917)	--
MPO Videotronics			
1971-9 mo. to July 31	10,821,894	(300,682)	--
1970-9 mo. to July 31	12,417,304	97,828	.17
Outlet			
1971-6 mo. to July 31	32,278,045	353,412	.22
1970-6 mo. to July 31	29,717,916	541,435	.36
1971-qtr. to July 31	17,135,008	178,212	.11
1970-qtr. to July 31	14,877,234	268,754	.18
Sharp (Japan)			
1971-year to March 31	438,256,000	14,825,000	.64 <sup>e</sup>
1970-year to March 31	359,019,000	14,569,000	.63
Tenna			
1971-year to June 30	30,728,447	675,919 <sup>a</sup>	.23
1970-year to June 30	35,634,132	1,653,064	.56
1971-qtr. to June 30	6,926,698	(130,463) <sup>a</sup>	--
1970-qtr. to June 30	8,425,549	351,996	.12

Notes: <sup>a</sup>After special credit. <sup>b</sup>Billings. <sup>c</sup>After extraordinary items.

<sup>d</sup>Corrected by company. <sup>e</sup>Per American Depository Share (ADS).

**Group of college students**, dubbed "Reavey's Raiders," has been hired by Motorola in expansion of direct customer contact program. Named for Consumer Products Div. Vp-Gen. Mgr. Ed Reavey, students telephone Quasar color TV purchasers to see if they're happy with sets. Addressing American Management Assn. meeting in N.Y. last week, Reavey said public's "growing concern over no service or poor service" was most important factor in consumer movement today. Trouble with American businessmen is "we have been so busy building new & better products that we simply have not learned how to service the consumer," he said, predicting that "the success & even the survival" of a company in coming decade "will depend upon how well that company serves the consumer."

WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**CONFUSION IN ROCKY MOUNTAINS:** Reaction to alleged FRMS-HEW satellite plans range from outright denial to guarded confirmation. HEW stresses only \$35,000 has been appropriated for feasibility study; \$27 million sought. Governor's position conflicts with HEW. (P. 1)

**FCC NEEDLED ON DRUGS:** Burch on hot seat again as Senate Subcommittee pushes for action on drug ads, accuses FCC of being passive, wants more cooperation between FCC, FDA & FTC. Johnson urges total ban on drug ads. Burch defends commercial system, rejects govt. clearance. (P. 2)

**RADIO CODE DRIVE LAUNCHED** as membership is down to 36% of commercial stations. Code Board votes to accept off-track betting spots. (P. 3)

**GOP WANTS HIGHER CAMPAIGN LIMITS:** With few Democrats present, House Commerce Committee votes to double spending limits in general elections. Macdonald claims 'no damn point' to bill now, hopes to reverse vote. House Administration Committee bill sets limits on contribution & spending. (P. 4)

**NCTA ANSWERS OTP QUERY:** Reiterates position on ownership, access, copyright, impact on stations, etc., favors 'short-term' restrictions on cross-ownership. (P. 5)

**CONFUSION & ROCKY MOUNTAIN SATELLITE:** Washington reaction to statement by Federation of Rocky Mountain States (FRMS) that it will cooperate on year-long satellite TV experiment with several govt. agencies (Vol. 11:38 p1) ranged from angry denials to guarded confirmation. Officially, HEW sources—few of whom were willing to be quoted—stressed that no final decision has been made to put NASA ATS-F satellite over Rocky Mountains—Appalachia also is under consideration—and that only \$35,000 has been appropriated to FRMS for feasibility study.

"They took that \$35,000 and came up with a grandiose plan that'll cost \$27 million," HEW official said. "Once the bird is up, they can spend all they want to program or receive the signals, but we haven't given them a nickel for that purpose." He said joint HEW & CPB plans are very modest—to program with Sesame St., etc., spending about \$100,000 during experiment.

However, Burton Lamkin, chief of HEW's Bureau of Libraries & Educational Technology, confirmed that FRMS has \$27 million program proposal pending before HEW. He said no action will be taken for at least 2 weeks, expressed opinion that Federation "is just lobbying to get it approved." Nobody at HEW would say whether that much money is available for such a project.

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Our original article was taken from a 4 1/2-page statement from FRMS headed "Satellite Educational Broadcast Experiment...Background Information." It reportedly was prepared by William Rapp, Federation planning vp and "project director." (Strangely, HEW, CPB & White House hadn't seen Federation's paper; officials at all 3 received their first copies from Television Digest.) Commented a White House official: "The story wasn't completely accurate, but it was accurate enough to print...Much of the problem that has resulted has been a premature disclosure of plans that aren't yet final."

Added an HEW executive: "We are going to be jointly involved in the project with CPB, NASA and the Federation. But the dimensions of the program haven't been decided. These proposals do not represent HEW's position. We are not committed to any funds at this time... The story in the Digest is not what we had explained to the people at the White House & OTP. This is not what we led them to believe would happen." A CPB official said the report is "a total fabrication," and later in same conversation exclaimed that advance publicity "probably has killed the entire experiment." As best we can determine, here's history behind project:

(1) HEW fought for, and got, 2,500 MHz reserved at WARC conference for very low-power, satellite-to-community-center use. "The U.S. tried hard to get 2,500 MHz reserved for high-power, satellite-to-home use but had to compromise," according to participant in Geneva. "It's obvious HEW had plans—during Geneva talks—to get the experiment going as soon as possible." (NASA ATS-F satellite is due for launch May 1973.) "The Rocky Mountain project wasn't talked about officially in Geneva, but it sure was a subject during coffee-cup conversations."

(2) On June 28, HEW, NASA & CPB jointly announced "a unique satellite experiment designed to provide educational & health communications by radio to remote, often poverty-stricken Alaskan villages [using existing ATS-1 satellite]... This experiment will contribute to an appraisal of the use of future NASA satellites to reach such remote areas of the U.S. as the Rocky Mountains and the Appalachian states with educational & health programming. The larger effort is being planned jointly by HEW, NASA & CPB."

(3) Shortly after this release, Utah Gov. Calvin Rampton (also FRMS chmn.) announced "the Federation's role in planning for a 1973-74 year-long satellite educational experiment for the Rocky Mountain States... The Federation has been given the contract to provide the planning for the...experiment." Rampton disclosed that 5 Rocky Mountain governors met with HEW Secy. Elliot Richardson and Commissioner of Education Sidney Marland in late June "to discuss the principles of the satellite project. [They] expressed great interest in...its potentials for helping to reshape the delivery of educational & health services in the Rocky Mountains and to evaluate the impact of satellite programming for other areas of the nation." At same time, Rampton named chmn. of several committees to carry out experiment, which includes special programs for preschoolers, public schools, higher education & general public. Rapp was appointed over-all project director; Dr. Wayne Bundy, exec. dir. of Rocky Mountain Corp. for Public Bcstg., is in charge of program planning.

"I think one reason why we were selected for this project is that all the groundwork has already been done," Bundy told us last week. Rapp said Federation didn't know how much financial backing it would receive from govt., but that NASA & HEW agreed "that whenever a satellite became available, the Rocky Mountain Federation would be first on the list." He added HEW is emphasizing "early childhood programs." Federation Pres. Jack Campbell said that project cost is about \$26 million, that HEW will be "the primary sponsor but they haven't yet decided how much they will be involved."

Knowledgeable broadcast engineers shot at FRMS's "background information"—most particularly statement that ground antennas would cost only \$150-\$250. "The minimum would be \$2,500 because of the low power of the signal and the necessity for intricate electronic converters," we were told. FRMS meets Oct. 6 in Salt Lake City, and Education Commissioner Marland had been invited to speak on project. He turned invitation down before dispute over project, according to HEW.

**FCC NEEDLED ON DRUGS:** FCC Chmn. Dean Burch found himself on hot seat again last week before another congressional subcommittee demanding to know what Commission is doing about

deceptive advertising. This time it was Sen. Gaylord Nelson's (D-Wis.) Small Business Subcommittee probing drug ads on TV, asking why FCC isn't working closely with FDA & FTC to squelch ads that "foster a drug culture." It's same question raised last June by Rep. Dingell's (D-Mich.) subcommittee during TV code hearings (Vol. 11:25 p5), and in both instances Burch's response was same: Commission has neither expertise nor facilities to rule a particular ad deceptive.

"The Commission has been too passive," Sen. McIntyre (D-N.H.) responded. "Why is it that if the FDA can positively say what a mood drug is, haven't you in the name of heaven sat down with the chairman of the FDA so a stream of information can flow from the FDA & FTC to the FCC? A lot more could be done if you just pick up your bag and walk over to the FDA."

Comr. Johnson said FCC should ban all drug ads, or at least require prior clearance by FDA or FTC. "The advertising is positively harmful, and serves no useful purpose," said Johnson. All 7 commissioners appeared before Subcommittee, but only Burch, Johnson & Houser spoke. "The tube is a virtual electronic hypochondriac," Houser added, saying that 3 drug firms spent nearly \$19 million in 1970 just advertising children's medicine—mostly on kid's programs.

Senate Subcommittee had heard previous testimony that more than \$110 million was spent last year in all media advertising over-the-counter drugs, and scientific claims that ads are generally misleading and promote idea that 'the answers to life's problems can be found in taking a pill.' Nelson suggested advertisers be required to make available scientific proof of claims to broadcaster and if FDA or FTC found them false, advertiser would have to admit it on air. "Why isn't it the responsibility of the FCC to say you may not make misleading claims on drugs on TV?" Nelson asked Burch. "I don't think any prior clearance [with FTC or FDA] is necessary. Put it on the broadcaster that the ad must have supporting scientific evidence."

"The FTC has across-the-board leadership," Burch replied. "Because the Congress has never given the FTC the [injunctive] powers it needs in this field, then you turn to us as a public interest body... It seems a little inconsistent to me... I am not here to suggest that false or misleading ads should be nurtured on TV, nor to suggest that all ads be taken off the air... When an ad is placed, the station owner assumes the advertiser is making an accurate claim. Under your system, the FDA or the govt. would have to first approve the ad, and that is a substantial change from the present system."

"We could ban this [drug] advertising and a week later Comr. Johnson could ask for a ban on cereal ads. You start cutting off arms & legs and pretty soon there's nothing left... So I think you at least ought to look down the road and see the direction you're heading... Do we want the commercial system, or do we want some other system?"

**RADIO CODE MEMBERSHIP DRIVE:** Embarrassed because only 36% of commercial stations belong to NAB Radio Code, plan of special task force to increase subscribers was approved last week by Code Board at Denver meeting. Chmn. Ray Johnson said "all-out drive" will be spearheaded by 9 regional directors who will work closely with state associations.

Radio Code has 2,368 subscribers (including some educational stations). According to Television Digest's AM-FM Addenda, there were 6,607 commercial and 496 educational stations on air as of Sept. 16. To assist in subscriber drive, Code Board ordered that drop-outs be published monthly in Code News. In other actions, Code Board:

- (1) Voted 7-4 to accept advertising for off-track betting in states where it's legal. Action must be ratified by parent Radio Board at Jan. meeting.
- (2) Refused hardship plea from Honolulu asking that Hawaiian stations be permitted to subscribe to Code at reduced rates.
- (3) Appointed 3-man subcommittee to review Code Authority procedures.

NAB fall conference in Chicago's Pick Congress Hotel Oct. 18 will be facing stiff competition just few blocks away. While Mark Evans, chmn. of task force on license renewals, is delivering luncheon speech to broadcasters, FCC Comr. Nick Johnson will be addressing National Symposium on Children & TV at Palmer House. Symposium—sponsored by Action for Children's TV and American Academy of Pediatrics—also features FTC Chmn. Miles Kirkpatrick, Boston U. Prof. Hyman Goldin, ACT Pres. Evelyn Sarson.

Featured speakers at Oct. 17-20 NAEB convention, Fontainebleau Hotel and Miami Beach Convention Center, include FCC Chmn. Dean Burch & Comr. H. R. Lee, OTP Dir. Clay T. Whitehead, Comr. of Education Sidney Marland, Rep. William Clay (D-Mo.), CPB Pres. John Macy, among others. Prominent on agenda are minority affairs, CATV, "telecommunications centers," regulatory & legal issues, public TV financing, access & community responsibilities. Some 70 manufacturers will participate in largest exhibit in NAEB history.

**GOP WANTS HIGHER CAMPAIGN LIMITS:** Taking advantage of Democratic absentees, Republicans handed Administration surprising victory last week when House Commerce Committee voted 16-8 to double amount of money federal candidates may spend in general elections. Amendment, offered by Rep. Frye (R-Fla.), killed a provision in bill Committee was considering—of 10¢ per eligible voter limit on media advertising, of which only half could be spent on broadcasting.

"There's just no damn point to the bill now," said its chief sponsor, Communications Subcommittee Chmn. Macdonald (D-Mass.). "I was really surprised by that vote. We beat it in the Subcommittee but now we are taking a step backwards." After 8 Republicans and 6 Democrats teamed to push amendment through, Macdonald & Rep. Jarman (D-Okla.) voted with majority so they can force reconsideration at next full Committee meeting. "I don't know when that will be," said Macdonald. Later he was more confident Committee action would be reversed. "They [GOP] still don't have it all together."

Frye said Committee wouldn't be called back until Democrats had enough votes to defeat his amendment. "They are going to be out twisting arms," he said. "We are going to fight this on the floor if we lose it on reconsideration in the Committee." He accused Democrats of "making this a political thing. They are looking solely at the Presidency."

Under original Subcommittee bill, each set of national candidates would have been limited in 1972 to about \$6.9 million for TV & radio. Frye's amendment increases that to about \$13.9 million. Senate has already passed its own reform bill (Vol. 11:32 p6) with 10¢ limit, but not more than 6¢ for broadcasting. That amounts to about \$8.34 million for each Presidential & Vice Presidential team.

Republican efforts to amend Sec. 315 were not as successful, however. Presently, House version repeals equal time provision for Presidential & Vice Presidential candidates only, while Senate version repeals it for all federal candidates. Frye's amendment to bring House bill into line with Senate's was defeated 20-11, Rep. Brown's (R-O.) to repeal Sec. 315 entirely died 21-9, while Rep. Collins' (R-Tex.) move to leave Sec. 315 alone was defeated 16-12. Another amendment by Rep. Thompson (R-Ga.) to extend equal time provision to candidates whose parties received less than 5% of vote in last election was defeated on voice vote.

Committee accepted amendment by Rep. Pickle (D-Tex.) abolishing provision that all media sell political ads at lowest unit rates (as Senate bill provides). House bill now leaves law pretty much alone, stipulates that media can't sell ads at rates higher than regular commercial advertisers.

House Administration Committee, meanwhile, is making progress with its own bill, voted \$35,000 limit on individual contributions to Presidential candidates, \$5,000 for congressional races. It placed \$50,000 spending limit for House candidates, 6¢ per person in state for Senate races, 6¢ times national population for Presidential elections.

**Proposed Consumer Protection Agency (CPA)—** minus some teeth & Administration backing—cleared House Govt. Operations Subcommittee last week with supporters of tougher legislation ready to offer amendments when full Committee considers measure Sept. 27. As approved in Subcommittee, CPA would have power to investigate consumer complaints, publish information, intervene only in formal rule-making & adjudicative proceedings before various govt. agencies & courts. In these proceedings, CPA would have full legal rights including appeal and cross-examination. Amendments offered by Rep. Rosenthal (D-N. Y.) to give CPA indirect subpoena power by asking other federal agencies to issue subpoenas in its behalf was defeated 9-3, while another amendment allowing Agency to intervene in all aspects of govt. procedure—formal & informal—died 8-3. Another amendment, offered by Rep. Fuqua (D-Fla.), permitting CPA to intervene only in advisory capacity, was also defeated. "That would have gutted the bill," said Chmn. Holifield (D-Cal.) who also chairs full Committee. Of Rosenthal's strengthening amendments, he said: "It would be impossible to get a bill like that through the House and I'm smart enough to know it." President Nixon and his Office of Consumer Affairs oppose bill, favor strengthening FTC instead.

**TelePrompTer's first annual report to FCC on program origination** shows TPT had 11 systems originating last Sept., now has 70 at cost of about \$4.3 million. Of total figure, \$2.3 million was for system & syndication equipment, \$1.6 million for system origination, \$280,000 for independent program acquisition, \$158,000 for syndication production cost. Color programming is offered by 22 systems; 10 will be added next year. Each system must carry daily local news, not wire service reports, offer one hour of community programming weekly. Systems employ about 80 full-time employees, 50 part-time; additional 40 full-time employees are being recruited. TPT anticipates deficit of origination costs over income & subscriber fees during initial 5-year period at \$5.7 million. First year income was listed at \$1.9 million, expenses \$2.7 million; 2nd year, \$3.7 million income, \$4.5 million expenses; 3rd year, \$5.4 million income, \$6.6 million expenses. Advertising income for first year totaled \$52,000, 2nd year budget is \$460,000, 3rd year estimate \$875,000. Subscriber income for first year totaled \$1.8 million, 2nd year budget \$3 million, 3rd year estimate \$4.2 million.

**CBS-TelePrompTer** copyright infringement trial began Sept. 22 in N. Y. Dist. Court, before Judge Constance Baker Motley. Judge astonished participants at outset by stating that testimony on technology wouldn't be accepted, that case deals with copyright. Testimony in previous similar case, *Fortnightly*—which ultimately went to U. S. Supreme Court—was almost entirely technical. Judge Motley also will preside in trial starting Oct. 4, of case in which TPT Chmn. Irving Kahn is charged with bribery to keep franchise in Johnstown, Pa. Kahn claims that payment was extorted.

**Moline Ch. 8 case**, in which WQAD-TV was granted renewal (Vol. 11:34 p5), has been challenged by Community Telecasting in D. C. Appeals Court.

**NCTA ANSWERS OTP QUERY:** Comments on 6 cable issues were given by NCTA to OTP last week, in response to request by Asst. Dir. Walter Hinchman, who had made similar request to NAB, et al. (Vol. 11:33 p4). Stating that "unless further govt. delay is eliminated, enormous social & economic advances will be forestalled," NCTA commented on topics:

- (1) **Public Impact**—"Nothing less than revolutionary." Some govt. regulation of non-broadcast channels is necessary, such as minimum channel capacity.
- (2) **Industry Structure**—Don't treat cable "as a total common carrier." Put some limits of number of systems owned by one entity, and place some short-term restrictions on cross-ownership of media in same market. Opposes municipal ownership.
- (3) **Access**—Should be open to "all responsible persons & groups"—but legislation should limit liability of system owner.
- (4) **Copyright**—New law should provide "blanket copyright solution" and "compulsory licensing plan scheme."
- (5) **Impact on Existing Media**—"Minimal, if any, adverse" impact on networks or affiliates. "Failing stations doctrine could be instituted to rescue any station so affected where the public interest could be served."
- (6) **Regulatory Framework**—Federal preemption is needed, except that local communities should pick franchisees. Oppose state regulation of cable as a utility as "burdensome & unnecessary."

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**Freedom-of-press hearings** before Sen. Sam Ervin's (D-N. C.) Constitutional Rights Subcommittee open Sept. 28, witnesses include Sen. Pearson (R-Kan.); Harding Bancroft, exec. vp, N. Y. Times; Earl Caldwell, N. Y. Times correspondent; Norman Isacs, Columbia Journalism Review. Sept. 29, CBS Vice Chmn. Frank Stanton; Sept. 30, columnist James Kilpatrick and CBS newsman Walter Cronkite. Oct. 12, NBC Pres. Julian Goodman; Oct. 20, FCC Chmn. Dean Burch. Other witnesses scheduled to testify at unspecified dates include House Commerce Committee Chmn. Harley Staggers (D-W. Va.) and Atty. Gen. John Mitchell.

**Feature House** is new program syndication company formed by ex-Warner Bros.-7 Arts executives. In addition to movies (44 in first package), Feature House will provide "unique programming & marketing services," according to Pres. Donald Klauber. Other officers: Chmn. Eliot Hyman, Exec. Vp George Mitchell, Senior Vp Norman Solomon, TV Sales Vp Lloyd Krause, Ad & Publicity Vp Harvey Chertok. N. Y. hq: 625 Madison Ave. 10022; phone 212-593-2120. Mitchell will head office at 14724 Ventura Blvd., Sherman Oaks, Cal. 91403; phone 213-788-7877.

**Columbia Pictures** is buying Basic Communications—WWVA-AM-FM Wheeling, WYDE(AM) Birmingham, WIGO(AM) Atlanta—for \$5.7 million. Basic Pres. Emil Mogul will continue to run stations under new owner.

**Alaska pipeline dispute** which spilled over into 3 Esso commercials on NBC-TV and brought ruling from FCC that such ads were subject to fairness doctrine (Vol. 11:27 p6) has left Chmn. Burch with "a sense of frustration & disenchantment." FCC ruled 6-1 last week that NBC fulfilled its obligation to present both sides of issue, but rejected network's petition for reconsideration of initial ruling and also denied pleas from environmental groups for more air time to give anti-pipeline views. Burch said case points up great difficulties Commission faces trying to accommodate advertising to fairness doctrine while at same time not stifling open debate. "Bluntly, the situation we face is a chaotic mess," he said. But Comr. Johnson dissented, said programming can't balance commercials. "When the proponent... purchases spot advertisement he shares many of the powerful aspects of the Presidential address—his position of broadcast completely intact, without interruptions, cuts, commercial insertions or delays; and the proponent is asked no questions... either before, during or after his spot."

"**Humanism**" in news & public affairs programs is goal of newly formed National Public Affairs Center for TV (NPACT) at WETA-TV Washington (Vol. 11:35 p5). NPACT Vp & Gen. Mgr. Jim Karayn announced signing of veteran NBC newsman Sander Vanocur and BBC correspondent Robert MacNeil. With \$3 million budget for first year, Center hopes to start programming first week in Jan., specializing in "human aspects" of 1972 election year. Eventually, NPACT will employ staff of 55-60, Karayn said. "The computers have taken over" at other networks, MacNeil said. "I think people would like to have politics humanized again in this country," Vanocur said, adding that programming will be "very informal, a little fresh and we'll be flying by the seat of our pants... We have a lot of freedom and we're just going to have a try at it, which is a little refreshing for TV."

**Amendment of exclusivity rules** has been proposed by FCC to give nationally syndicated programs same treatment given prime-time network programs which are carried outside prime time. Rules provide that CATV systems needn't delete 6-11 p. m. network programs broadcast outside prime time by station requesting deletion. Stating that argument of KTXL-TV Sacramento is "quite persuasive," Commission started rulemaking to apply same rules to nationally syndicated programs which are released on same-day basis. Comments are due Nov. 8, replies Nov. 18.

**Advertisers** spent \$103.9 million in network TV during Aug., down 1.8% from 1970, according to Tvb-BAR figures released Sept. 27. For Jan.-Aug., spending on networks was down 8.1%—from \$1.1 billion in 1970 to \$989.5 million this year—ABC getting \$275 million, CBS \$373.3 million, NBC \$344.3 million.

**Address by OTP Dir.** Clay T. Whitehead to IRTS Oct. 6, Waldorf-Astoria, N. Y., is billed by IRTS as his "most important statement to date" on broadcasting. He'll cover license renewals, fairness, program-content control, may discuss CATV legislation.

## Personals

**Rep. Charlotte Reid** (R-Ill.), who will be sworn in Oct. 1 as successor to FCC Comr. Houser, has picked assistants: Legal—**Roscoe Long** of Gen. Counsel's office, on loan to Comr. Wells; engineering—**Arlin Van Doorn** from Exec. Dir. office. Mrs. Reid plans to re-do Houser offices completely in 'baby blue,' same color scheme used in her House office.

**Sen. Marlow Cook** (R-Ky.) added as luncheon speaker at NAB conference in Boston Statler Hilton Oct. 22; Comr. **Robert Wells** joins FCC panel there... FCC Comr. **R. E. Lee** reports on Geneva satellite conference Nov. 18, at fall meeting of Radio Technical Commission for Aeronautics, Washington.

**Joe Sands** promoted to broadcasting dir., KNXT L. A... **Gerald Ruggen**, pres., Home Life, elected a dir. of Metromedia... Elected Kaiser Bcstg. dirs.: **Rober Heyns**, U. of Mich.; **Donald Browne**, Kaiser Industries; **Edgar Kaiser Jr.**, Kaiser Resources Ltd.

**George Kapel**, ex-WKBG-TV Boston, appointed gen. sales mgr., WKBD-TV Detroit... **E. C. Stiker**, ex-Blair Radio, named broadcast services mgr., Meredith Bcstg... **Squire Rushnell** advanced to program dir., WLS-TV Chicago, succeeding **George Resing**, now WQXI-TV Atlanta mgr.

**Pat Throne**, ex-Metromedia Program Sales, named publicity dir., WOR-TV N. Y... **Thomas Stanford**, ex-KDKA-TV Pittsburgh, named promotion dir., KIRO-TV Seattle... **Nancy Dempsey** (widow of ex-Pres. William Dempsey) joins WZZM-TV-FM Grand Rapids as PR exec. succeeding **George Staudt**, now promotion mgr., WGR-TV Buffalo... **Robert Adams**, ex-WCBS-TV N. Y. & former head of Adams Bcst. Services (consultant), joins Advertising Contractors as consultant & special asst. to Pres. A. E. Staley. Adams is founder & former exec. secy of ACTS.

**Elliott Abrams**, ex-Walter Reade Organization, appointed vp, Viacom Enterprises... **Don Shuler**, pres., Cypress Cable TV of Ohio, named vp, parent Cypress Communications... **David Howe**, **Joseph DiGirolamo** and **Robert Scott** elected dirs., CTS Corp... **Ferris Peery**, ex-Pruzan Co., named central sales mgr., Theta-Com; **George Henderson**, ex-Nation Wide Cablevision, appointed chief CATV field engineer, Theta-Com.

**Andrew Tressness** advanced to product administrator, Jerrold Electronics... **Jack Flynn** and **William Ebell** advanced to sales engineers, Ampex video products... **William F. Asip**, ex-CATV financial consultant, named mktg. dir., Network Analysis Corp., Glen Cove, L. I., N. Y.

Returning to industry scene as new General Instrument exec. vp is **Kenneth Davis Jr.**, one-time IBM executive recently Commerce Dept. asst. secy. for domestic & international business. It was Davis who read now famous "unfair import competition" letter from Zenith Chmn. Joseph Wright at March 1970 EIA meeting (Vol. 10:11 p9). Davis left Commerce 3 months later after his unauthorized speech urging textile import quotas threatened success of

U. S.-Japan negotiations. Since then, he's been international trade consultant. At GI, Davis' responsibilities will include CATV and Defense & Engineering Products Group activities.

**Lynn Raymond** (USN-ret.) joins Television Digest Inc. as circulation mgr... **Ralph Batt**, WGN-TV Chicago, named chmn., NAB 1972 Engineering Conference Committee... **Lincoln Pratt**, WEAN(AM) Providence, elected pres., R. I. Bcstrs. Assn.; **Edwin Pfeiffer**, WPRI-TV, vp... **Thomas Powell**, WDAU-TV Scranton, re-elected pres., AP Bcstrs. Assn.; **Frank Balch**, WJOY(AM-FM) Burlington, Vt., first vp.

**James Kelley**, ex-Leo Burnett, named vp & national sales mgr., Blair TV Station Div... **Joseph O'Hara**, ex-Harrington, Righter & Parsons, joins Avery-Knodel N. Y. TV sales... **Osvaldo Barzelatto** promoted to gen. mgr., Screen Gems de Mexico... **Joseph Taritero** elevated to children's feature films dir., ABC-TV.

"**Current Developments in CATV**" seminar is offered Nov. 18-19, Barbizon Plaza Hotel, N. Y., by Practising Law Institute. Topics include equipping & financing systems, govt. regulation, local & distant signals, franchising, copyright. Harry Olsson, CBS, is chmn.; Gary Christensen, NCTA, co-chmn. Other participants: Robert Beisswenger, Jerrold; Robert Coll, McKenna & Wilkinson; Kenneth Cox, MCI; Bruce Lovett, ATC; Jay Ricks, Hogan & Hartson; Monroe Rifkin, ATC; Barbara Ringer, Asst. Register of Copyrights; Alfred Stern, TVC; Richard Wiley, FCC; Charles Woodard, TelePrompTer. Fee is \$225.

**Supreme Court**, which starts fall term next month, has postponed indefinitely argument on 3 First Amendment cases involving rights of newsmen to maintain confidentiality of news sources. Case was one of several taken off calendar because of resignations of Justices Black & Harlan. Meanwhile, networks filed friend-of-court brief last week in which CBS & NBC pointed out their news operations had received combined 122 subpoenas last year.

**NCTA presidential selection** committee isn't near choice, despite reports to contrary, according to Chmn. R. H. Symons, TelePrompTer, who said: "We're still lining up people for interviews. We're not serious about any single candidate yet." He said no target date for selection has been established—except "as soon as possible." Next meeting is on or near Oct. 8.

**Ameico** reports contract for first phase (30 miles) of 20-channel DISCADE system construction in Salt Lake City, with franchise-holder **Globe Inc.**, which has rights to area of city involving potential of 800 miles of plant and 67,000 connections. **Globe** is oil-gas company headed by **William Hesterman**.

**NAB** is seeking nominees for 1972 Distinguished Service Award. All who have made "significant & lasting contribution" to broadcasting are eligible. NAB also is seeking papers for April 9-12 engineering conference. Send suggested topics, with 100-word summary, to Engineering Vp **George Bartlett**.

# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Sept. 10 (36th week of 1971):

	Sept. 4-10	1970 week	% change	Aug. 28- Sept. 3	1971 to date	1970 to date	% change
Total TV . . . . .	198,556	150,311	32.1	211,920	6,633,927	5,647,191	17.5
color . . . . .	111,860	78,068	43.3	122,947	3,562,692	2,817,382	26.5
monochrome . . . . .	86,696	72,243	20.0	88,973	3,071,235	2,829,809	8.5
Total radio . . . . .	327,799	309,574	5.9	331,942	12,441,807	10,916,979	14.0
home, portable . . . . .	128,024	129,073	- 0.8	110,460	5,402,244	4,923,152	9.7
AM-only . . . . .	54,948	76,958	-28.6	54,485	3,033,362	3,026,251	0.2
FM & FM-AM . . . . .	73,076	52,115	40.2	55,975	2,368,882	1,896,901	24.9
auto . . . . .	199,775	180,501	10.7	221,482	7,039,563	5,993,827	17.4
Total phono . . . . .	67,383	63,762	5.7	57,115	2,567,547	2,263,093	13.5
portable-table . . . . .	48,207	43,579	10.6	36,673	1,976,608	1,593,769	24.0
console . . . . .	19,176	20,183	- 5.0	20,442	590,939	669,324	-11.7

Color TV 5-week moving average: 1971—112,780; 1970—84,730 (up 33.1%)

**THE HOME STRETCH—COLOR HEADS FOR RECORD:** With fingers crossed as first Sept. figures indicate quickening sales pace, domestic manufacturers are applying full head of promotional & selling steam to push 1971 color TV sales to all-time record.

Whether new yearly high is hit depends largely on circumstances beyond industry's control—principally Phase 2 of President Nixon's economic plan, which will go into effect just before Christmas shopping rush, and its psychological effect on consumers.

Meanwhile, we're seeing fantastic jockeying for market position in color, hypoed by extra measure of advertising & promotional deals. Infighting is particularly rough between RCA & Zenith, but with almost everyone else getting into act. Pricing is extremely sharp in intense scrap for market share—not only for that held by domestic competitors, but for share of import brands now feeling impact of dock strike and upcoming surcharge plus yen differential.

Dock strike cuts 2 ways. Some domestic manufacturers are painfully short of imported end products. Imported monochrome shortages may interfere with some manufacturers' color sales; if they're unable to supply full lines, their dealers could turn to those who can—particularly those offering better deals in color for their full-line retailers.

Some manufacturers are also fighting shortages of domestic color sets, resulting from almost universal underestimation of 1971's sales strength. Motorola, for example, says its color sales are running 50% ahead of year ago and that it's having major problem keeping up with demand. Admiral is "delivering off the end of the line" and sold out for balance of year, according to Electronics Div. Mktg. Vp Joseph Casale. "Our 'Real Sale' has been a tremendous success," he said. "Our share-of-market is up and Sept. will be a record month for us." Dock strike has hurt, he conceded, but company is flying in parts & chassis.

Domestic-label TV sales to dealers, running 26.5% ahead of 1970 for first 36 weeks (see State of the Industry), will have to stay 14% over sales of last year's good final 4 months to set new record. However, sales are very close to record right now. In 1971's first 8 months,

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they were 10.6% above same period of all-time record year of 1968—but 2.5% behind 1969, which set record in first 8 months, then tailed off in final period. Soaring final-4-month sales made 1968 all-time record year.

Domestic industry's 2 best color TV sales years thus were 1968 (5,827,000 sets) & 1969 (5,524,000)—with sharp drop to 4,822,000 in 1970. Therefore, 1971-to-1970 comparisons often can be misleading. To find out how 1971 sales really stack up, we worked up comparison of this year's monthly sales against composite (average) sales figures for color's 2 best years. They show interesting trend:

#### 1971 MONTH VS. 1968-69

Jan.....	-11.1%	June.....	15.5%
Feb.....	- 8.9%	July.....	2.8%
March .....	- 1.7%	Aug.....	-23.3%
April .....	17.2%	Sept.(2 wks.).....	- 0.2%
May.....	15.9%	8 months.....	1.9%

As compared with record years, 1971 sales increased steadily in winter & spring, peaking in April, May & June (all of which were all-time record months), then tailed off sharply in Aug., but may have begun recovery in Sept. If sales for rest of year just equal those of 1968-69 average for same period, industry will eke out record of 5.85 million sets. To determine whether new record is in the cards, keep your eye on 5-week moving average in our State of the Industry box—color TV's percentage increase over 1970 week must average at least 14% for rest of year.

**JAPAN MULLS TV EXPORT QUOTAS:** Desperately trying to blunt thrust of growing protectionism in U.S. industry, Japanese officials last week started talking about imposition of quotas & taxes on exports of TV & other sensitive items to U.S. Statements followed Finance Ministry announcements showing Japan's favorable trade balance hit all-time high in Aug. and that month's color and b&w TV exports to U.S. set new records.

Color exports to U.S. in month of 155,680 sets were up 65% from Aug. 1970, exceeding 150,000 for first time in history. Jump pushed 8-month total to 881,330, up 59% from same 1970 month and just 3,000 short of total for all of 1970. At 282,780, b&w also set new monthly record, topping Aug. 1970 by just 3.2%, leaving cumulative total at 1.87 million, up 19%. EIA-Japan reported industry's Aug. color TV shipments at 649,000, up 41%, with export sales at nearly 182,000 (up 84%), domestic volume down nearly 6% to 467,000.

Strong Aug. showing probably was caused by rush to: (1) Get merchandise to U.S. before Oct. 1, when East & Gulf port workers may join striking West Coast longshoremen, and (2) push necessary export clearances through Japanese govt. channels before major upward yen revaluation. In Japan, some manufacturers are already basing new export contracts at rate of 320 yen to dollar, 12.5% increase in value, though present money markets have increased yen by only about 6.7%.

Possibility of export quota on color TVs was raised in speech by Kakuei Tanaka, head of Ministry of International Trade & Industry. There were indications that Commerce Secy. Stans requested establishment of TV quotas when pair met in Washington early this month. Tanaka said TV export controls would probably be necessary even if yen is revalued. If history is any guide, export quotas would be most restrictive on low-priced tube-type sets, interfere only moderately with shipments of deluxe & solid-state receivers. Japan would also be ready to ease or eliminate quotas if U.S.-owned plants in Taiwan & Mexico stepped up output significantly. Japan abandoned radio export quotas when U.S. customers switched to suppliers in Hong Kong & Taiwan.

Industry attention next week will shift briefly to Ottawa, where Antidumping Tribunal is expected to rule whether undervalued TV imports from Japan & Taiwan have injured Canadian manufacturers. Following week, all eyes will be on Washington for TV industry injury hearings before Tariff Commission, which open Oct. 6. At week's end, Commission released results of domestic TV employment study which show average total industry jobs dropped from 62,473 in 1966 to 42,703 last year, with production-worker total falling from 48,069 to 30,543 over same

period. In first half of this year, total employment was 40,511, down from 41,348 in same 1970 period, though production-worker total increased to 30,140 from 29,375. Man-hours worked also showed increase.

President Nixon repeated assurance last week that 10% import duty surcharge would remain until other nations corrected their monetary & trade policies. He indicated that Phase 2 of his economic plan may include some form of export subsidy program to make U.S. manufacturers more competitive in world markets. There were also new import pricing guidelines (see p10).

**'RENTERTAINMENT' STARTS AMID CONTROVERSY:** Under close & cynical observation by competitors, Philco-Ford last week launched test of its CATV color set-leasing "Rentertainment" program in Greensburg, Pa. (Vol. 11:38 p7). "Initial reaction was much better than we expected," said Philco spokesman. "We're very pleased."

Kickoff came in full-page & smaller newspaper ads, radio commercials and special program on WHJB Cable Vision, local CATV system with which Philco is cooperating. Ads plugged "great new idea in home entertainment—color TV, great new programs, clear sharp picture, and no service cost ever." Ads generously promoted CATV system's "11 big channels" of entertainment, and reply coupon gave potential customers opportunity to order cable service as well as rental TV set.

Ads hit hard on service theme: "Never a service charge—because you rent the set and if something goes wrong the set is replaced quickly—at no charge." Set illustrated was 19" table model on pedestal stand. Set rental is \$14.95 per month, with \$10 installation charge waived for "special introductory offer, this month only."

Sets are leased through Philco hotel-motel TV subsidiary Telesound Inc., which also handles servicing. Philco is giving its Greensburg area dealers opportunity to participate. Said Philco-Ford Exec. Vp Leo Beebe: "Some area retailers will set up Rentertainment leasing operations in their TV depts. [and] a customer will be able to make the decision of whether to lease or buy at the retail store." No details of how dealer will be rewarded were available.

Leasing program, said Beebe, doesn't indicate change in Philco's normal retail operations, but merely recognizes growth of leasing in many products, including automobiles, "and puts the company in a position to serve customers who wish to lease, as well as those who prefer to own their sets." If pilot operation is success, Philco may launch franchise Rentertainment programs in other areas, giving dealers first crack at franchises. Coordination & promotion of pilot project are being handled by Good Communications Inc., Philadelphia CATV promotion firm headed by Victor Klein, ex-Philco.

Philco's competitors—most of whom learned of Rentertainment in Television Digest's report last week—indicated they'll be watching closely, but those willing to comment doubted they'd enter similar programs for fear of damaging dealer structure. Two TV manufacturers compared new program with ill-fated "Instant Dividend" venture launched by pre-Ford Philco in 1961 (and killed by Ford in 1962) which let consumers purchase TVs & appliances at local supermarkets, pay off installments in full or part by presenting cash-register tapes showing food purchases (Vol. 1:13 p7 et seq.). One Philco competitor has already surveyed own dealers in area, found them unconcerned because of what they considered high price of leasing set vs. buying.

"There's nothing wrong with set leasing—by dealers," said Admiral Electronics Div. Mktg. Vp Joseph Casale. "We would never go into such a venture ourselves. This could just put the dealer out of business—and the dealer is the lifeblood of this business."

Other comments: "It's a gimmick. I can't believe people will rent sets on a long-term basis unless they're awfully short of cash."—Magnavox Consumer Electronics Pres. George Fezell. "We ran a survey on a similar venture a couple of years ago and concluded it wasn't for us."—Sylvania. "Anything in cable TV today is worth watching."—RCA. Most others declined quotable comment, but there was feeling Philco was putting own dealers in jeopardy. No comment was available from NARDA, which may have plenty to say later.

Philco plans to make first comprehensive evaluation of results in Jan., followup later next year, to determine whether, and how, it should be expanded into other areas.

**NEW SURCHARGE RULING:** Cost of Living Council last week reversed itself and ruled that retailers needn't specifically itemize surcharge on sales ticket or invoice if they comply with alternative procedure: (1) Mark price tag, or use distinctive colored tag, to indicate that price includes all or part of surcharge. (2) Post in prominent place at least one sign (30-x-40-in. minimum), plus sign at each cash register, explaining marking procedure and stating that amount of duty passed on to consumer is available on request. (3) When amount of pass-on is not readily available, form letter should be provided on request informing customer of amount of surcharge.

CLC also ruled specifically that increases in costs of imported goods resulting from fluctuations in exchange rates may be passed on in form of higher wholesale & retail prices, applying earlier rule governing changes in world market prices (Vol. 11:37 p9): Increase may be passed on unless product is physically "transformed" or incorporated as component of another product. This means that end-product manufacturers can't pass on increases in component prices resulting from increases in value of foreign currency. Amount passed on as result of such change in prices of products not "transformed" needn't be outboarded on sales ticket or invoice. Earlier rulings have stated that no markup may be taken on changes in world market prices—so, in effect, importer will probably find it necessary to inform customers of amount of such price changes so that they may be passed on unchanged. CLC stressed that "adequate records" of such price changes must be maintained and be provided to buyers on request.

Panasonic, meanwhile, announced first surcharges to its customers—on 2 new items which started to arrive after surcharge went into effect. They are 4-channel tape deck, which carries minimum resale price of \$99.95 plus \$4.25 surcharge, and pop-up monochrome TV with cassette deck at \$199.95 plus \$9.22. Until further notice, Panasonic told customers, "all other models will be shipped without surcharge, although it is anticipated that our company will be passing on the surcharge on many models in the near future."

Panasonic has special formula for handling surcharge in fair-trade states. In non-fair-trade states, dealer may either pass on or absorb surcharge, outboard or inboard it. But in states where Panasonic is fair-traded, retailers are required to "continue to maintain the minimum fair-trade retail prices previously established [and] in addition, the surcharge must be passed on by the retailer and is to be shown separately as an added amount to the minimum fair-trade prices." Panasonic asked its customers to sign form authorizing addition of surcharge to any items already on order.

**Mexico will be next major foreign production center for U.S. consumer electronics manufacturers,** Motorola Consumer Products Vp-Gen. Mgr. Edward Reavey is quoted in N. Y. Times. He forecast major expansions there by 1973. Motorola is looking at potential consumer electronics plant sites in Mexico.

**BSR TACKLES JAPAN:** BSR is out to challenge Japan on 2 fronts—both in U.S. and in Japan's home market—according to John Holland, BSR (U.S.) vp-gen. mgr., who says his firm will begin importing 8-track tape decks from British parent later this year, while at same time a BSR import-marketing company is being established in Japan.

Biggest gamble for BSR is attempt to crack 8-track market here. Virtually all home & auto units sold in U.S.—exclusive of OEM auto—are imported, and Japan has 98% stranglehold on the 3.8 million players imported in year's first 7 months. Holland said BSR hopes to duplicate marketing success of record changers. Imported 8-track transports, he indicated, would be offered to U.S. OEMs for installation in consoles & compact systems. Also, he said, BSR would mount decks in cabinets here for private-label customers. Industry sources indicate that BSR decks are priced below comparable Japanese units.

At Japan Electronics Show in Osaka next month, BSR will introduce record-changer line to consumers. Japan has never been strong changer market, but BSR feels attitudes toward changers are shifting. Japanese consumer electronics manufacturers currently are good customers for BSR changers, but most of what they buy is for compact systems being assembled for export to U.S. Details of BSR's Japanese marketing plan weren't revealed, but assumption is firm will have to take in a local partner.

In other action on audio front, Ampex has become newest adherent to CBS' SQ 4-channel stereo disc system. Ampex expects to have 15 SQ LPs on market by year-end... Tenna is expanding out of auto-audio market & into home. Firm has started marketing compact systems, opened buying office in Japan.

**Tape topics:** New ITA members: Ampex, Robins Industries, GRT AM Records... **3M** is using bonus coupon offer to promote sale of new high-energy and extended-play blank cassette lines. Coupon is packed with each cartridge, and 5 coupons earn customer free cassette... **Hitachi** has purchased license to produce 8-track cartridge changer deck from Staar of Belgium. No Japanese firm is currently marketing 8-track changers here, though several cassette changers are available. Qatron is selling 8-track changer being produced by Telex... **TDK** says it will try to offset effect of import surcharge & yen revaluation through efficiency & expansion. Added to standard tape line were C-120 cassette at \$2.99, unpriced 5" reel. Super Dynamic offerings now include C-120 cassette at \$3.99, 10-1/2" professional reel at \$12.49. SDC-180 is slated for Nov. introduction

...**Copyright protection** for phono records & recorded tapes is provided in bill approved by House Judiciary Committee last week. Bill would make manufacture & sale of private copies a criminal offense.

**Benjamin Electronics** is doubling size of Farmingdale, L. I. location to 40,000 sq. ft., to make room for Concord Electronics Div. Concord was acquired earlier this year by Benjamin parent, Instrument Systems Corp. (Vol. 11:31 p8).

**AMPEX DELAYS VIDEOPLAYER:** Latest videoplayer postponement was announced last week by Ampex, which said pre-production engineering holdups had forced postponement of late-1971 delivery date for Instavideo to spring 1972 for U.S., later next year for other countries. In addition, said Educational & Industrial Products Div. Gen. Mgr. Richard Elkus Jr., Ampex is "assessing" proposed FCC regulations on videoplayers (Vol. 11:37 p9). Engineering work is under way, he said, to make several minor production changes and assure compliance with FCC regulations.

Postponement of debut dates of other announced videoplayers are expected, as result of uncertainty over final form of FCC rules. However, Sony spokesman said Jan. 1 target for its Videocassette player marketing still stands. Although FCC has offered to grant waivers, permitting marketing of video devices which can meet proposed rules, Commission spokesman said no more such devices have been submitted for testing, leaving Motorola's EVR as only "Class I TV device" approved for marketing.

Sony's color videocassette player is scheduled to go on domestic Japanese market Oct. 10 at about \$660. Company says Japan Federation of Employers' Assns. has placed advance order for 5,000 units to be produced this year. Recording version is scheduled for Japanese marketing in Jan. at about \$1,000. (Dollar prices based on former fixed exchange rates.)

Two new marketing schemes using videocassettes are scheduled: Optronics Library has established TV Cartridge Network to supply some 200 retail stores (including Alexander's, Korvette's, May's, Klein's, White Front, Zody's) with monthly videocassettes highlighting top record releases by 8 major record companies (Atlantic group, Warners, ABC, Buddah, others) to promote disc sales in stores. Optronics Pres. Irving Stimler says he'll use either EVR Teleplayers, Sony players or rear-projection film system. Universal Communications plans to publish weekly trade "magazine" on videocassettes for men's wear retailers. Retailers will receive cassettes and RCS programmed-film player (Vol. 11:9 p8), venture being supported by commercials.

**Mergers & acquisitions:** Japanese discount store chain **Daiei** acquired 1 million shares of **Crown Radio**, for undisclosed sum, making retailer Crown's largest shareholder. Plans for capital affiliation between firms were announced last year, after industry censure forced Crown to break contract to supply 15,000 12V" color TVs, which Daiei said it would retail for just \$166 (Vol. 10:50 p11)...**Krich**, N.J., distributor of RCA consumer electronics, sold parts wholesale business to **Nidisco**, Union City, N.J., for undisclosed sum. Krich is subsidiary of Bruno-N.Y., also an RCA distributor. Bruno sold its parts business last year...**U.S. Smelting, Refining & Mining** increased holdings in Cornell-Dubilier parent **Federal Pacific Electric** by 972,000 shares through tender offer. U.S. Smelting now owns some 2.4 million FPE shares, or 85% control...**Buckbee-Mears** has agreed to purchase some 214,000 of own shares, which it issued to acquire Vision-Ease Corp. in 1969. Price wasn't disclosed.

**X-RAY RULES REVISED:** With minor modifications, HEW approved proposed amendments to regulations under Radiation Control Act to tighten labeling & testing report requirements (Vol. 11:16 p11). No major objections were made by industry members to revisions, which become effective Oct. 18.

Labeling change requires that present mandatory standard compliance certification, manufacturer identification and production date & location information be "readily accessible to view" on assembled product. Private-label marketer's name may be substituted for actual manufacturer, and production date & site data may be coded, provided HEW is given advance information on such sales tie-ups & code key. Other significant change orders manufacturers to supply test results, in addition to now-required description of test & measurement procedures.

GE is "wide open" for additions to list of private-label color and b&w TV customers, and is seeking new business, Vice Chmn. William Dennler told security analyst meeting in N. Y. last week. Chmn. Fred Borch, noting that industry TV sales are increasing, indicated that GE's market share is rising. "We are fortunate in that we appear to be outperforming the industry as a whole," he said. Borch said effect of import duty surcharge & international money reform will depend on extent of revaluation of foreign currencies and how far other govt. will move to offset impact on their exports. He pointed out that while foreign production costs have been increasing as fast as those in U.S., prices on foreign exports have risen only half as fast as on U.S. exports. This, he said, shows effect of subsidies & tax advantages given foreign exporters. Commenting on new areas of import competition in consumer products, Dennler said foreign manufacturers do best here when they are exporting product for which they have strong home market. Pointing to Japan, he said, "this was true of TV, where they have a home market, then with the help of the govt., they can dump" in the U.S.

**Warranty legislation** comes up for first House hearing Sept. 28 before Commerce Consumer Subcommittee, with EIA Consumer Electronics Group (CEG) among those scheduled to appear, reiterating position expressed in Senate hearing last March (Vol. 11:12 p12). House Govt. Operations Subcommittee last week approved compromise bill establishing independent Consumer Protection Agency (CPA) to champion consumer interests. CEG had urged that such power be vested in HEW rather than new agency. Both warranty & consumer agency bills are expected to pass Congress this session.

RCA's lead over Zenith in color TV has grown "quite considerably" this year, RCA Sales Corp. Pres. William Anderson said at recent Indianapolis news conference following company's demonstration of ceramic module production (Vol. 11:38 p9). RCA Consumer Electronics Div. Exec. Vp Barton Kreuzer reiterated that RCA was No. 1 in color "last year and so far this year." He said company's Bloomington, Ind. color plant is currently producing 10,000 TV sets daily, of which about 8,000 are color.

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**Trade Personals**

**Henry Parks Jr.**, chmn. of H. G. Parks Inc. (Parks sausages), becomes first black member of Magnavox board... **Clifford Burgett** advanced from operations vp to exec. vp of Zenith's Springfield, Mo. manufacturing subsidiary and will assume same responsibilities for Sioux City, Ia. & Paris, Ill. subsidiaries... **Austin Delaney** advanced at Bell & Howell to pres. of Canadian subsidiary.

**Frank Calarita**, former CBS International administration & development vp, shifts to planning & development vp, CBS/Columbia Group... **Robert Pave** rejoins Superscope as counsel & liaison with outside legal firms... **Norman Miller**, former Fairchild Semiconductor Wiesbaden, Germany plant mgr., joins Signetics International as vp-Europe area mgr... **Tom Smith Jr.** appointed managing dir. of newly formed Monsanto Commercial Products Co., which includes Electronic Products Div. among operating activities.

**Oscar Kusisto**, Motorola, reelected ITA chmn. at annual meeting; **George Simkowski**, Bell & Howell, named pres., succeeding Kusisto. Other officers: **Jeff Berkowitz**, Panasonic, vp of new Audio Div.; **Gerry Citron**, North American Philips, Video Div. vp; **Tony Palms**, Time-Life Video, secy.; **George Saddler**, TDK, treas... **Allen Bayley**, GRT, Dan Denham, 3M & Don Hall, Ampex, added to board... **Walter Bruch**, AEG-Telefunken product planning dir. & developer of PAL color TV system, awarded SMPTE David Sarnoff Gold Medal.

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**Hitachi** tripled size of Taiwan consumer electronics facility, now turns out 10,000 color and 20,000 b&w TVs monthly, mainly for export to U.S. & Canada.

**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
Craig 1971-year to June 30 1970-year to June 30	56,670,000 58,366,000	(2,844,000) 630,000	.21
Cypress Communications 1971-year to June 30 1970-year to June 30	8,698,890 6,157,722	206,848 <sup>a</sup> (398,781) <sup>b</sup>	.10 .21
Griffiths Electronics 1971-qtr. to July 31 1970-qtr. to July 31	2,531,000 1,793,000	27,900 (4,200) <sup>a</sup>	.04 .21
General Instrument 1971-6 mo. to Aug. 31 1970-6 mo. to Aug. 31 1971-qtr. to Aug. 31 1970-qtr. to Aug. 31	132,979,932 131,888,629 67,579,536 66,895,282	2,561,324 2,956,853 1,384,150 1,494,155	.27 .33 .15 .17 <sup>c</sup>
Rust Craft Greeting Cards 1971-6 mo. to Aug. 31 1970-6 mo. to Aug. 31	22,662,000 22,250,000	572,000 471,000	.49 .41
Sony 1971-9 mo. to July 31 1970-9 mo. to July 31 1971-qtr. to July 31 1970-qtr. to July 31	399,356,000 294,208,000 149,925,000 99,719,000	27,845,000 20,407,000 11,936,000 6,041,000	.55 <sup>d</sup> .42 <sup>d</sup> .24 <sup>d</sup> .12 <sup>d</sup>
Subscription TV 1971-year to June 30 1970-year to June 30	12,557,000 <sup>e</sup> 10,318,000 <sup>e</sup>	(1,062,000) <sup>a</sup> (1,548,000) <sup>a</sup>	-- .21

Notes: <sup>a</sup>After special credit. <sup>b</sup>After special items. <sup>c</sup>Adjusted.

<sup>d</sup>Based on American Depository shares. <sup>e</sup>From continuing operations.

**Distribution notes:** Zenith N.Y. promotes Al Scavron to key accounts mgr... **Toshiba America** consumer electronics rep appointments: Electronic Mktg. Co., Plymouth, Mich.; Babcock & Johnson, Paoli, Pa.; Gordon Andrews & Assoc., San Francisco; Robert Hunter & Assoc., Pittsburgh; S.T.C. Sales, Chicago... **Teledyne Packard Bell** names R. Demp Johnston as mgr. of new Birmingham, Ala. factory; appoints Carl Esler, ex-Sylvania, as Upstate N.Y. rep... **S.S. Fretz Jr. Inc.** (Philadelphia) names Michael Doyle as Admiral Div. sales mgr... **Philco-Ford** advances Edward Burke from zone mgr. of new Springfield, Mass. sales office, replacing Roskin Distributors of Albany & Hartford.

**Sony's earnings** rose 98% over year earlier in quarter ended July 31 on 50% increase in sales (see financial table). Export sales increased 70% to \$82,846,000 from \$48,778,000 and domestic sales climbed 32% to \$67,078,000 from \$51,941,000. Sony's exports to U.S. during period were up 45% over same 1970 quarter, and total TV exports to all countries rose by 62.7%.

**Attrition continues** in magnetic tape business. Newest casualty is Stereodyne, manufacturer-duplicator of 8-track cartridges. Liquidation of Stereodyne's U.S. & Canadian operations has been ordered by parent U.S. Smelting. Within past month, Bell & Howell and Cassette Corp. of America have also left tape industry.