

WEEKLY

# Television Digest®

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The authoritative service for broadcasting, consumer electronics & allied fields

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**POLITICS IN PUBLIC TV FEUD:** Still far apart on financing plan, CPB & OTP will propose separate bills to Congress. White House 'furious' over Vanocur appointment to National Public Affairs Center. CPB seen funding 'liberals' who oppose Nixon. CPB calls it 'nonsense'. (P. 1)

**FCC, SUBPOENAS & PRESS:** Ervin begins Senate hearings on press freedom with spirited defense of First Amendment. Journalists urge freedom from 'dark shadow' of govt. Stanton & Cronkite claim FCC poses 'greatest threat' to broadcast news. (P. 2)

**FORD MONEY FOR CATV, CITIES:** Foundation expected to spend \$5 million in 5 years to help cities plan for cable. NAB attacks FCC plan in Senate through small-market stations. (P. 4)

**TV VIOLENCE REPORT** due in 2 months will be 'controversial', offer new evidence on how children are affected, Surgeon General tells Pastore Subcommittee. (P. 5)

**CHAPIN SEEKS FCC AID FOR RADIO:** 'Think radio on all things,' NAB chmn. urges of new FCC office he'd like formed to represent small stations. (P. 5)

**NO QUALITY TV SANS ADS,** NAB argues in pleading to FCC. Chmn. Burch expected to oppose Johnson ideas at Oct. 13 meeting. (P. 6)

**POLITICS HEATS PUBLIC TV FEUD:** That "fundamental disagreement" between Corp. for Public Bcstg. (CPB) and OTP over how funds should be distributed to stations (Vol. 11:38 p4) is nowhere near being settled, and acrimony is expected to surface soon when White House & CPB send separate, conflicting financing bills to Congress. At issue is CPB's autonomy over funds appropriated by Congress for stations. OTP thinks any long-range financing plan for CPB should tell Corporation how to allocate funds, while CPB insists that it should decide who gets what.

And right at time when relations between CPB & OTP are strained came word last week that White House is "furious" over hiring of "liberal" ex-NBC newsmen Sander Vanocur & Robert MacNeil as senior correspondents for National Public Affairs Center for TV (NPACT), formed at WETA-TV Washington to focus on "human aspects" of 1972 election (Vol. 11:39 p5). "The feeling is that CPB is financing a group of liberals strongly opposed to the Administration," knowledgeable govt. source told us.

CPB & Ford Foundation are contributing total of \$3 million to start NPACT, and at news conference announcing its formation, Vanocur commented that one objective of program will be

### Consumer Electronics

**SUPER COLOR TUBES**—new round coming as industry shoots at Chromacolor. Westinghouse is first to announce premium tube with improved brightness, contrast. (P. 7)

**JAPAN TV GLUT** threatens orderly U.S. marketing, with 800,000 Sept. shipments. Aug. TV imports off 37% from last year, with color down 15%, monochrome 42.5%. (P. 7)

**IT'S FOREIGN TRADE WEEK** in Washington, as Tariff Commission prepares to open hearings in industry-wide TV import-injury case. Unions set to launch anti-import march on Capitol. White House considers action in dock strikes. (P. 8)

**CANADA FINDS IMPORT INJURY** to domestic TV industry from sets dumped by Japan & Taiwan. Sets smaller than 11V" excluded from verdict, as are Sony & Sharp products. Ruling clears way for dumping duties. (P. 9)

**MAGNAVOX CUTS PRICES** of 19 color sets, 18 of them by \$51, in special anniversary promotion; 'competitive moves' cited. New sets introduced by RCA, Motorola. (P. 10)

**EIA FALL CONFERENCE** is transcontinental meeting as Consumer Electronics Group convenes in Washington, rest of association in Cal. (P. 10)



to "find out why the majority of Americans have lost confidence in their leaders." "The Vanocur hiring was the worst thing they could have done from the GOP side of the aisle," congressional source told us. Another govt. source: "What the hell's going on there... This is nothing but an attempt to become a 4th major network... a liberal base for an attack on this Administration. Public broadcasting is supposed to be objective... Someone has lost their political sense, and they've done it during a critical period." He predicted that this "significant reaction" from Administration would create "a whole new attitude" toward public broadcasting.

Govt. sources also questioned CPB policy of using govt. funds for news & public affairs programming. "I don't think the government ought to be in any way involved in news," said one official. "We agree," CPB spokesman replied, "and that's exactly why we want complete control of the funds so there won't be any government interference."

Just what Administration's "new attitude" will be toward public broadcasting is unclear, since President Nixon has voiced strong support for public system. Some clue may come from OTP Dir. Clay T. Whitehead's meeting last week with Ohio ETV leaders, such as former NAEB Pres. Richard Hull, now head of Ohio State Telecommunications Center, and Ohio ETV Affiliates Committee Chmn. Charles Vaughn. It's understood that during meeting Whitehead was told of widespread affiliate discontent with CPB and with method of distributing funds to stations. Some reportedly argued that NPACT program "was shoved down our throats."

"That's nonsense," CPB replied. "They knew this program was coming for a long time. They've been screaming for a nightly news program." He said OTP is making an end run around CPB, using same direct approach Administration is using on newspapers and commercial broadcasters, trying to talk directly to local groups, reaching "silent majority."

Meanwhile govt. sources—requesting anonymity and wishing not to be quoted as "Administration spokesman"—are becoming openly critical of CPB. "All the funds come from CPB at the discretion of CPB and it's a fact of life that with power flows money. There ought to be some balance. CPB is willing to make a lot of noises [about distributing money to stations] but they're not willing to do anything else. They want complete control and that's not good public policy... CPB is too much show biz, too much publicity. They're not keeping their eye on the ball. They are too busy becoming the 4th network... They crow so much about Sesame St. and the Forsyte Saga; they haven't done much solid programming."

CPB Pres. John Macy was out of town, but spokesman was flabbergasted at quotes, expressed disbelief they represented actual views of White House. "We are not going to get into a... contest with an unknown government assailant," he said. "I can't conceive of anyone in authority making these comments. Just when public broadcasting is starting to roll. It's incredible."

**FCC, SUBPOENAS & PRESS FREEDOM:** News media must be freed from "the dark shadow of govt. surveillance" and an FCC trend toward "microscopic investigations," broadcast & print journalists urged last week, testifying before Sen. Sam Ervin's (D-N.C.) Constitutional Rights Subcommittee. Hearing opened Sept. 28 with spirited defense by Ervin of media's right to put forth even "thoughts & ideas which we hate & despise," will continue later this month.

FCC, subpoenas & Vice President Agnew were common targets for newsmen during first 2 days of hearing. "Broadcast journalism is jeopardized by attempts to regulate its content or its methods, including unreasonable application of the FCC's fairness doctrine," CBS Vice Chmn. Stanton testified. "We have been able to live with it up until this time. As long as it was a statement of principle we found it acceptable... But when you start counting lines... you impede the free flow of information... I have seen increasing involvement by the bureaucracy in the FCC into the freedoms of the First Amendment. Overregulation in the field of ideas is dangerous to the future of the Republic."

Stanton's earlier refusal to comply with House Commerce Committee subpoena over documentary "Selling of the Pentagon" was praised by Ervin. "I think you struck a great blow for the preservation of freedom of the press when you declined to produce those documents," Ervin said, "and I rejoiced in the House vote which upheld that action." Not referring to CBS, Ervin said "the First Amendment means that the press can be absurd, misleading & vindictive... in-



complete, unfair and even vicious... Most Americans have come to understand that the irritating excesses of the press are a small price to pay for a press independent of government control."

Stanton pointed to paradox in which govt. regulates TV-radio, doesn't regulate print media—despite fact there are 4-5 times as many stations as daily newspapers. And, he noted, cable will make possible the availability of 40-50 or more channels to each home, "creating a whole different set of conditions than exist" under use of spectrum alone. He also spoke of coming impact of videocassettes, said that public has had alternatives to radio in form of records and audio tapes, but, until videocassettes come along, depends primarily on TV. VTRs, he said, "have opened a whole new field of information."

Sen. Kennedy (D-Mass.) asked whether newsmen's morale has suffered because of govt. attacks. Stanton said it hasn't, "but it takes a lot of time of key personnel" to answer attacks and contend with subpoenas. However, he said: "It's a small price to pay if we have continued freedom of the press." Kennedy asked if newsmen are having trouble with confidential sources. Stanton said it hadn't come to his attention, added that newsmen "should have an adversary relationship to government," should dig, not be content with handouts.

CBS correspondent Walter Cronkite went further than Stanton, urged Congress abolish FCC control over TV & radio except to assign frequencies and monitor technical functions. He called govt. licensing "the greatest threat to freedom of information... Broadcast news today is not free. Because it is operated by an industry that is beholden to the government for its right to exist, its freedom has been curtailed by fiat, by assumption and by intimidation & harassment... The power to make us conform is too great to forever lie dormant. The axe lies there temptingly for the use of any enraged Administration... We are at the mercy of the whim of politicians & bureaucrats and whether they choose to chop us down or not, the mere existence of their power is an intimidating & constraining threat in being."

Right after Cronkite testified, George Washington U. Law School Prof. Jerome Barron urged greater restraints on broadcasters & newspapers. He urged legislation requiring media to accept paid ads supporting views he thinks receive little coverage. "Censorship is no less censorship if it is in private hands," he said, adding it was possible to establish "a procedure for dialog" without govt. meddling or controlling news. But Ervin disagreed: "There wouldn't be much freedom in forcing a man to say what he doesn't want to say."

Both Cronkite & Stanton cited "chilling effect" of Vice President Agnew on broadcasters. "Our morale hasn't suffered. It has not changed our dedication," Stanton said. But Cronkite maintained that smaller stations have been intimidated. "This sort of Executive Department pressure inspires ancillary pressure," he said. "Government bureaucrats, friends of the Administration, Congressmen and the general public pick up the cue... The news is being intimidated... There is a new feeling of awareness. By bending over to avoid being intimidated, I am intimidated." While Stanton noted that number of subpoenas from Attorney General have decreased since Justice Dept. issued new guidelines, he said other subpoenas are pouring in, added that NBC & CBS received 121 subpoenas in last 30 months.

White House reacted sharply to Senate hearing, said Agnew had "every right" to express his views. "There has been too much sensitivity by the press," News Secy. Ziegler said. "In the last 2 years, people have been suggesting the Administration has an intent to intimidate the press. That is not our intent. We respect the free press. But just as government should be criticized and should be self-critical, criticism of the press in itself does not suggest intimidation."

Administration attempts to suppress publication of Pentagon papers also came under attack from Ervin & newsmen. "Although the Supreme Court ultimately denied the government's request for a prior restraint," testified N.Y. Times Exec. Vp Harding Bancroft, "the hard fact remains that for the first time in the history of our nation the government sought & obtained a direct suppression of news... An extremely unfortunate precedent, we submit, has been established... It is of first importance that this threat not result in journalistic timidity or unwarranted self-censorship." Norman Isaacs of Columbia U. School of Journalism said: "This Administration's pressure on journalism has been so persistent and covered so much territory that I am afraid much of our traditional forthrightness has been eroded."



Bancroft parted company with most other witnesses who urged enactment of Newsmen's Privilege Act. "In general," Bancroft said, "we believe that judicial resolution is more desirable. There is the danger that legislative attempts to define rights under the First Amendment may raise more problems than are put to rest." Bill pending in Congress protects newsmen from being forced to disclose source of confidential information. Exceptions include defamation cases, classified information and protection against loss of life, espionage or foreign aggression. Bill's chief House sponsor Rep. Whalen (R-O.) suggested exceptions be narrowed or eliminated. Ervin also agreed with Stanton that Act be expanded to protect all information, confidential or not.

Hearing continues Oct. 12 with NBC Pres. Goodman scheduled. FCC Chmn. Burch is scheduled Oct. 20. Other possible witnesses include Justice Dept. spokesman and columnist James Kilpatrick. Rep. Staggers (D-W.Va.) has been invited to testify, probably will decline.

\* \* \* \*

American Civil Liberties Union report entitled "The Nixon Administration and the Press: The Engineering of Restraint" by freelance writer Fred Powledge comments: "Those who run commercial TV, with some notable exceptions, have become accustomed to working in a chilly atmosphere. They have devised ways of accommodating themselves to their environment, and that is an infinitely more tragic state of affairs than a speech made by a Vice President or a contempt citation sought by a congressman."

**FORD MONEY FOR CATV IN CITIES:** Soon to be announced is major Ford Foundation project to help cities determine how to use CATV. It will be bankrolled at about \$1 million annually for 5 years, and is expected to be contracted out through Urban Institute, with Washington hq. Exec. dir. will be announced shortly, and staff of 25-30 is planned. Already on board is Carol Oughton, ex-confidential asst. to FCC Comr. Houser (Vol. 11:38 p6). Ford Foundation's Stewart Sucherman is project officer. Among subjects to be tested are computerized uses of cable, non-programming services, ghetto uses, etc.

Meanwhile, NAB has launched all-out attack within Senate on FCC plans for CATV (Vol. 11:32 p1)—now awaiting congressional reaction. NAB Secondary Market Committee Chmn. William Patton has written all stations in markets under 100 asking that they contact senators immediately. He noted that Communications Subcommittee Chmn. Pastore (D-R.I.) asked other senators for their comments, urged that broadcasters influence those ideas.

NAB has allocated \$2,500 to National Translator Assn., anti-CATV group, on premise there are "sound political reasons" to keep NTA viable. NAB also donated \$1,500 to Rocky Mountain Bcstrs. Assn. to help defray cost of study of CATV impact on radio.

In apparent preview of speech for Oct. 6 IRTS luncheon, OTP Dir. Clay T. Whitehead encouraged broadcasters in discussion of renewals & fairness doctrine before Ohio Assn. of Bcstrs. Sept. 29. Said he: "I question the appropriateness of the court second-guessing the Commission on its so-called 'substantial performance' standard... The problem is caused by the 1934 Act and it should be solved in the Act. We should have a direct approach which will go to the heart of that problem." Re fairness: "We in government have let you down by not doing our job of setting the metes & bounds... If the renewal policy of the 1934 Act is its Sword of Damocles, then the fairness doctrine is its revolver in a game of Russian roulette." Re attacks on renewals: "We've got to go back and work out a new relationship between the licensee and the public before this goes much further." Re CATV: "You probably will not like all that you will hear" about OTP recommendations. "Does this mean that OTP is pro-cable? Of course we are. Does it follow that we're anti-broadcasting? Definitely not; although sometimes you make it

harder for us to support you... A system of regulation that requires government intervention in program content can't be our model for the future." Re radio: "The whole rationale of radio regulation started changing in the early 1950's. It's going to change more as CATV systems start offering more & more audio services... Maybe we should think about the deregulation of radio, instead of pulling it along as TV regulation is expanded in a policy vacuum."

**Ex-U.N. Ambassador Charles W. Yost** has been named chmn. of National Advertising Review Board—newly-formed self-regulatory arm of advertising. William H. Ewen, ex-Borden ad dir., appointed NARB exec. dir. Among public members of Board: Ex-NAB Pres. LeRoy Collins, ex-FCC Comr. Kenneth Cox, Sat. Review Editor Norman Cousins, Washington lawyer Benny Kass, N.Y. lawyer Arnold Elkin, ex-chmn. of National Product Safety Council. NARB will work under auspices of National Advertising Review Council—consisting of pres. & chmn. of AAF, AAAA, ANA & Council of Better Business Bureaus.



**REPORT DUE ON TV VIOLENCE:** "Controversial report" offering "new evaluations & conclusions" about relationships between TV & social behavior will be made public in about 2 months by Surgeon General's Advisory Committee, Senate Communications Subcommittee was told last week. However, while Surgeon Gen. Jesse Steinfeld spoke of "new evidence" from wealth of information compiled by Committee, he said more data is needed, noted that private studies commissioned by networks were still out.

"It is just because this work has been so productive in this short period of time that I believe it should serve to stimulate more research on an even broader basis," Steinfeld said. "As comprehensive as our program has been... we still have not been able to pursue a number of important additional kinds of research. We have lost the opportunity here in the U.S. to study large communities before & after the introduction of TV."

But Steinfeld cautioned: "The issue of social behavior & mental health makes the problem even more complex [than problems faced by former Committee on Smoking & Health]. The precision of the data and the conclusions are therefore even more difficult to establish. I say this because there may well be some controversy about the conclusions of the Committee. In a field such as this, completely unequivocal conclusions are extremely rare."

Pastore also put FCC & FTC on notice that he expects both to work out detailed agreement on separate & joint procedures to be followed right after report is completed. "If there is such an agreement, the Committee would appreciate knowing about it and what its particulars are," Pastore said.

FCC Chmn. Burch said Commission would look to report for "authoritative guidance," reiterated same note of "cautious optimism" he outlined in Sept. 14 IRTS speech (Vol. 11:38 p2) concerning new children's programs. "What is called for is responsible action by the broadcasters and their associated industries," he said. "A minimal, grudging response is simply inconsistent with the public interest and the public demands."

**FCC fiscal-1973 budget** of \$36.7 million, up \$4 million, has been submitted to White House for approval. Among major items, budget includes \$700,000 increase for Broadcast Bureau, to \$7.4 million; \$300,000 increase for Cable Bureau, to \$1.3 million; \$1.6 million increase for research & planning, to \$5.6 million; \$400,000 increase for Common Carrier Bureau, to \$3.8 million; \$300,000 increase for Safety & Special Bureau, to \$3.4 million.

**NFL Players Assn.** has threatened to strike over plans of Denver & Washington to put home games on closed-circuit TV. Exec. Dir. Ed Garvey said players had been assured that closed-circuit was prohibited by league's network contract and that such telecasts violate players' rights.

**New TIO sponsors:** WOAI-TV San Antonio; WLWC Columbus, O.; KELP-TV El Paso; KIVE El Dorado, Ark.; WHNT-TV Huntsville, Ala.

**CHAPIN SEEKS NEW FCC 'SERVICE':** A small office within FCC—headed by experienced broadcaster—to "think radio on all things" was proposed last week by NAB Chmn. Richard Chapin. Speaking to Neb. Bcstrs. Assn. in Lincoln, he said it's time that small radio stations got "some service for that money [FCC fees]. Most radio stations don't have the resources to get a legal opinion...every time the FCC issues a new document."

Chapin said new office should be formed through "a reallocation of people & money" to perform 3 functions: (1) To assist radio operators in dealing with Commission on all matters. "A place where he could inquire without prejudice, where he could inquire and reveal information without fear his license would be endangered." (2) To "scrutinize & simplify procedures as they apply to radio. Often radio procedures & paperwork are an afterthought, sort of automatically applied to us when they are applied to TV." (3) To represent radio in all proceedings before Commission "with a skepticism as to whether it is really needed...I don't think it would cost any more money [or] take any more people than now work there. I think it would be an improved allocation of the money & the people they now have."

NAB chmn. stressed that he wasn't proposing separation of radio & TV—within Commission or industry. "That would be impossible & unwise," he said. "Impossible because on the really major issues we all have the same interests...Unwise because we would dilute our strength" at a time "when we need to maximize our strength" on such issues as license renewals, which he said is top priority item.

NAB Renewal Task Force—meeting for first time in Washington last week—is seeking legislation along lines of Pastore bill of 2 years ago to put stability in renewal process. Chapin predicted that "we can win the fight...because I think right is on our side. I think the wholesale turnover of radio & TV licenses to challengers would create chaos & public resentment that would drive politicians who supported such a thing from office...And while we are at it, I would like to see the license period extended as part of the package. Seven years has a nice biblical ring about it."

Task Force, after session with about 20 Washington lawyers on various legislative proposals, directed NAB staff to explore administrative remedies to onerous court decision overturning FCC's renewal policy. Chmn. Mark Evans has written all stations—including non-NAB members—seeking "personal commitment to help."

Sen. Tower (R-Tex.) has introduced bill to govern challenges of renewals, providing mandatory hearings solely on issue of programming. Bill would put burden of proof on challenger, "it being incumbent upon the new applicant to demonstrate by the greater degree of credible testimony that he will provide better program service."

**Newhouse's acquisition** of 50% (giving it 100%) of KOIN-TV-AM-FM Portland, for \$8.1 million, has been approved by FCC, Comrs. Johnson & H. R. Lee dissenting.



**NAB—NO QUALITY TV SANS ADS:** "The elimination of advertising from children's programs would sound the death knell for quality children's programs," NAB told FCC last week in exceptionally strong attack on claims of ACT & NCCB in Commission inquiry on kid TV. "These parties have painted a picture of American TV which is both unfair & inaccurate and cannot go unchallenged if any useful or honest resolution of the issues...is to emerge."

ACT & NCCB proposals to ban advertising in kid TV and to require 14 hours per week of such programming "evidence a total disregard for the fact that American TV is a privately owned commercial medium," NAB said. "If there is genuine interest in converting that medium into a state managed & subsidized operation...then we should no longer pretend that we are trying to preserve" present system.

Commission meets Oct. 13 on ACT proposals and restrictions on kid TV & advertising proposed by Comr. Johnson (Vol. 11:36 p4). It's understood that NAB has picked up powerful ally in Chmn. Burch—himself highly critical of children TV efforts of past. Burch reportedly will oppose Johnson proposals to limit advertising directed toward children to institutional appeals, to prohibit more than 2 commercial breaks per hour, to limit commercial time to 8 min. per hour, to require that TV spots be limited to factual & informative claims, and to require announcements that public may face adverse consequences from using products advertised on TV. FCC chmn., however, is understood to favor public notice requiring licensees to inform young audience of ads found to be false & misleading, and to warn licensees of responsibilities in this area.

**Journalism faces more dangers** from within than without, according to James Bormann, WCCO-TV Minneapolis, former RTNDA pres. Speaking at Association's convention in Boston, he said: "The so-called new journalism—described variously as the journalism of involvement, advocacy journalism, or activist journalism," is one of primary reasons for "what has gone wrong in our craft." He said one well-known newsman claimed that "a good reporter in the modern milieu should not be afraid while covering a riot to throw a few bricks himself." Commented Bormann: "It is simply outrageous to think that we as modern practitioners have any rights or duties or privileges to deal more lightly with the truth than the journalist of another age may have had. That kind of advice should be challenged." ABC Pres. Elton Rule, speaking to same group, stated: "The enemies to freedom of speech, or expression, of the free flow of information exist and have always existed. If they whisper, they are also ready to shout. If they tiptoe, they are ready to goose-step. If they throw snowballs, they are ready to throw home-made bombs. It is not paranoid to be sensitized to their presence. It would be masochistic to ignore the distant sound of their anthem—a dark song of censorship & fear."

**N. Y. Port Authority protested** vigorously to FCC about campaign of WXTV (Ch. 41) N. Y. urging viewers to call PA and complain about interference, which station attributes to World Trade Center. PA said station is trying to "harass & intimidate" PA, may also jam switchboard, endangering public safety.

## WEEKLY Television Digest

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## Personals

Swearing-in of Rep. **Charlotte Reid** (R-Ill.) as FCC member, succeeding Comr. **Thomas Houser**, has been postponed until latter part of this week. Ceremony is expected to take place at White House... **Alexander Heard**, Vanderbilt U. chancellor, elected chmn., Ford Foundation, succeeding **Jullius Stratton**, president emeritus, MIT, effective Jan. 1... **Sen. J. Glenn Beall** (R-Md.) takes seat on Senate Commerce Committee left vacant by death of **Sen. Winston L. Prouty** (R-Vt.).

**George Dessart** advanced at WCBS-TV N. Y. from head of station relations to exec. asst. to Vp-Gen. Mgr. **Robert Hosking**... **Phil Nye** elevated to news dir., WXYZ-TV Detroit, succeeding **William Fyffe**, now news dir., KABC-TV L. A. ... **Richard Pehuso**, ex-WRBL-TV Columbus, Ga., named operations mgr., WJCL Savannah, succeeding **William Bodway**, now account exec. ... **Robert Metz** promoted to local sales mgr., WOW-TV Omaha, succeeding **William McNamara**, resigned.

**Jack McQueen** elevated to media & broadcast dir., FC&B... **Raleigh Fitzpatrick**, ex-ABC-TV, joins Katz TV sales, L. A. ... **Steve Gallen**, ex-BBD&O, joins Metro TV Sales, N. Y.

**Richard Readdy**, ex-Allied Chemical, named personnel & plant services mgr., CBS EVR cassette processing facility, Rockleigh, N. J. ... **Floyd McNicol** advanced to professional electronic systems mgr., RCA Bcst. Systems... **Bud Wolfstie**, ex-CBS Labs, appointed mktg. services mgr., Videorecord Corp. of America.

**Johnny Caldwell**, ex-General Telephone of Southeast, appointed mktg. services dir., Continental System Supply.

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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Sept. 17 (37th week of 1971):

	Sept. 11-17	1970 week	% change	Sept. 4-10	1971 to date	1970 to date	% change
Total TV.....	246,692	206,300	19.6	198,556	6,880,619	5,853,491	17.5
color .....	135,410	109,423	23.7	111,860	3,698,102	2,926,805	26.4
monochrome .....	111,282	96,877	14.9	86,696	3,182,517	2,926,686	8.7
Total radio .....	354,140	289,912	22.2	327,799	12,795,947	11,206,891	14.2
home, portable ...	146,997	166,267	-11.6	128,024	5,549,241	5,089,419	9.0
AM-only .....	76,986	101,639	-24.3	54,948	3,110,348	3,127,890	-0.6
FM & FM-AM ...	70,011	64,628	8.3	73,076	2,438,893	1,961,529	24.3
auto .....	207,143	123,645	67.5	199,775	7,246,706	6,117,472	18.5
Total phono .....	88,259	91,371	-3.4	67,383	2,655,806	2,354,464	12.8
portable-table ....	70,188	68,043	3.2	48,207	2,046,796	1,661,812	23.2
console .....	18,071	23,328	-22.5	19,176	609,010	692,652	-12.1

Color TV 5-week moving average: 1971-120,761; 1970-90,753 (up 33.1%)

**NEW ROUND OF SUPER COLOR TUBES:** It's been open secret for some time that rest of industry has been shooting for product directly competitive with Zenith's Chromacolor picture tube. First bid was announced last weekend by Westinghouse—and it's understood that RCA, Sylvania & Philco-Ford also have super-bright super-contrast tubes in works.

Westinghouse announced "new method of color tube manufacture" which improves present black-surround technique. Westinghouse development—"negative guard-band"—is claimed to differ radically from previous methods, permitting "application of an optimum black area," enhancing brightness & contrast achieved by black-matrix process. Westinghouse plans to sample 19V" & 25V" versions to manufacturers within month. Price will be 5-7% above standard black-matrix tube. No further details were obtainable.

Meager description available seems to indicate Westinghouse is duplicating Zenith results through different process. Chromacolor differs from other black-matrix tubes in that phosphor dots are smaller and are completely surrounded by black material. Zenith's process is extremely complex, requiring etching of every shadow-mask twice, was developed at cost of nearly \$5 million, according to company (Vol. 9:23 p8).

**JAPAN TV GLUT THREATENS U.S. MARKET:** Surcharge or no surcharge, potentially dangerous situation confronts U.S. TV market unless dock strike situation takes dramatic turn for the better: There are indications that massive logjam is developing in Japan-to-U.S. TV pipeline.

Some 800,000 Japanese TVs are bulging import channels—full 2-month supply—as Aug. imports show 2nd sharp drop from 1970 levels, despite record TV shipments leaving Japan for U.S. in both July & Aug. With Japan-to-U.S. shipping time some 25-30 days, one month's Japanese exports are usually comparable with following month's U.S. imports—making some allowances for bonded & transshipped goods. In June & July, Japan exported 238,000 color & 537,000 monochrome TVs to U.S.—or 129,000 more color and 233,000 more b&w than arrived

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in U.S. in July-Aug. In contrast, last year's July-Aug. 1970 color imports were larger and b&w imports about same as Japan's June-July exports. This year, with some 360,000 TVs already piled up, largely due to West Coast dock strike, Japan pumped record 440,000 TV exports into U.S. pipeline in Aug. (see p. 11).

Huge buildup doesn't include shipments which left Japan in Sept., for which figures aren't yet available. Dock strike affected entire month of Sept., and there's no indication yet that Japan was able to turn off TV tap in that month in response to either strike or surcharge, so it's safe to conclude that backlog increased. How situation will be resolved depends on host of "if's."

If East & Gulf port workers go back on job; if West Coast strike is settled relatively soon; if waiting ships can be unloaded and TVs put into marketing channels quickly; if Japan is able to cut back sharply on Oct. exports—then there may be no major problem. But if something goes wrong, importers will miss much or all of Christmas selling season, find themselves strapped for cash with nearly a million unneeded TVs on their hands—and U.S. manufacturers will really find out what import price competition means.

Commerce Dept.'s Aug. import figures show 310,600 TVs entered U.S., down 37% from Aug. 1970, with color off 14.8% at 75,596 and b&w down 42.5% to 235,000. Year-to-date imports moved over 3.1 million, up 14%. Color imports for 8-month period were up 34.7% from 1970 period to 740,122, while b&w increased just 9.6% to 2.4 million. Commerce Dept. data show air freight wasn't important factor in Aug. TV imports.

Suffering most from port stoppage were imports from Japan & Taiwan, while, not surprisingly, TV imports from Mexico were unhindered. Total of 207,971 TVs entered from Japan in Aug., off 40.7%. Japanese color imports fell 15% to 68,683, while b&w sank whopping 48% to 139,288. B&w from Taiwan slumped 41% to 64,826, while Mexican monochrome sets increased 13% to 26,671.

Two-month import slowdown has eroded sizeable increases TV importers logged in first half. With 2 months of 3rd quarter gone, color TV imports from Japan (109,155) are off 33% from July-Aug. 1970; b&w (304,000) nearly 37%. B&w imports from Taiwan held at about year-earlier levels in July-Aug., but Zenith wasn't producing last year and RCA's output was small then. For first 8 months, total TV imports from Japan were 2.2 million, up just 9.7%, with color at 686,230 (up 32.9%), b&w at 1.5 million (up only 1.7%). Taiwan b&w totaled 637,281 (up 24.4%), Taiwan color up 97% to 50,244. Monochrome sets from Mexico were up 53% to 224,319 for the year.

Unless there's action soon to bring in sets waiting to be unloaded, pile-up could cause massive disruption of a domestic market already suffering from price instability.

**FOREIGN TRADE WEEK IN WASHINGTON:** Though many industry leaders will be in Cal. at EIA meeting next week (see p. 10), much of their attention will be on Washington where: (1) Tariff Commission opens hearing on TV industry import-injury probe. (2) AFL-CIO Industrial Union Dept. will hold anti-import rally. (3) White House mulls whether to intervene in nationwide dock strike.

Delayed from Aug. 24, Tariff hearings start Oct. 6, with witnesses representing unions (IUE, IBEW, IAM) which filed original complaint that imports have injured entire domestic TV industry (Vol. 11:24 p9). Supporting injury position will be EIA Consumer Products Group—with individual appearances by Magnavox, Sylvania & Zenith—and EIA Tube & Parts Divs. Appearing against injury finding will be EIA-Japan, Taiwan Electric Appliance Mfrs. Assn., American Importers Assn., American Retail Assn., American Federation of Retailers.

At issue is whether duty rate reductions negotiated by U.S. are major cause of increased TV imports, which have injured domestic producers & workers. Positive finding by Tariff would give President right to increase duty from current 6% to as much as 52.5% (50% above statutory 35%) or force source countries to enter into orderly marketing (quota) agreements. Tariff has to report findings by Nov. 20. President must act within 60 days. He can order restrictions implemented or ask for more detail. If he doesn't act, Congress can impose restrictions.



Industry injury from imports isn't really issue—just whether trade concessions generated import increase. In past cases (TV dumping, RCA & Emerson worker adjustment assistance), Commission found existence of injury. Teledyne Packard Bell's newly announced plan for Mexican plant (see p. 10) provides added evidence. On all-important concession issue, Comrs. Leonard & Sutton have always voted in negative, noting that real increases in electronics imports started years after most important rate cuts were negotiated in 1937-48. Comr. Moore, supported by ex-Comr. Clubb, always voted in positive. Of 3 new Commission members, Young tends to side with Leonard & Sutton, while Chmn. Bedell & Vice Chmn. Parker are too new to have track records. So hearing starts with 2, possibly 3, votes already in "no-injury" column. In event of tie vote, President has right to make final decision.

Some 5,000 or more workers & union officials will gather at Shoreham Hotel Oct. 4 for mass rally & speeches, followed by march—if permit is obtained—on Capitol and visits with congressmen, including special meeting with House Ways & Means Chmn. Mills (D-Ark.) CEG chose not to attend L.A. conference because of conflict with Tariff hearings, will send delegates to EIA Board of Governors session Oct. 7.

With most East & Gulf port workers joining West Coast longshoremen in strike, importers are caught in squeeze between big order backlog & low inventories (see p. 7). Only rays of hope are word that West Coast strike is nearing settlement, and President Nixon's promise to invoke 80-day Taft-Hartley injunction if talks bog down again. One other bright spot for importers last week was apparent softening of U.S. position on repeal of 10% import duty surcharge. Treasury Secy. Connally said surcharge would be rolled back if other countries "make tangible progress" in removing barriers to U.S. exports and take significant steps toward monetary policy reform. In past, U.S. indicated surcharge would stick until foreign reforms were complete.

**CANADA FINDS TV IMPORT INJURY:** Japanese TV manufacturers lost 2nd dumping case of year last week—only this time they had Taiwan producers for company—as Canada's Antidumping Tribunal ruled that undervalued TV imports from Far East injured domestic producers. Finding opens way for National Revenue Dept. (NRD) to issue final dumping determination and order assessment of dumping duties.

Tribunal softened impact of original dumping verdict. NRD, in preliminary finding, said color & b&w TVs with screens having over-all diagonal of 8" or more were being dumped (Vol. 11:28 p7). Tribunal found that injury could be attributed only to sets with screens 12" (11V") or more. Smaller sets, therefore, won't be subject to extra tariffs. Tribunal also excluded all sets produced by Sharp & Sony from injury determination. Matsushita Canada has claimed only a few of its b&w models are involved.

Dumping of Japanese & Taiwan TVs "has resulted in lost sales, lost profits & lost employment to the producers in Canada of like goods," Tribunal said in report. Extent of injury is "indeterminate, but in our view significant." Tribunal also commented that injury data submitted by Canadian manufacturers was "not notably enlightening." In first half, Canada imported 88,000 Japanese & 24,000 Taiwan TVs, most of which would fall into 11V"-&-over classification.

Reaction from Canadian industry was quick & predictable. EIA-Canada called Tribunal action "a vindication of everything the Canadian producers have been complaining about for the past 2 years." Philips Industries said ruling would "put our sets on a more equal footing" with imports, "and result in fairer competition." Electrohome said findings should provide long-term benefit to domestic producers of small & portable sets, and that it "would encourage us to look more closely at the small sizes, where the market growth seems to be."

On U.S. TV dumping front last week, N.Y. Customs Court Judge Rao reserved decision on govt. motion to dismiss Matsushita's suit charging firm's Constitutional rights were violated during Treasury Dept. & Tariff Commission TV dumping probes. Govt. attorneys argued that dumping investigation procedures can't be challenged in Customs Court and that Matsushita should wait until after dumping duties are actually levied before seeking court relief. Still pending is U.S. Supreme Court decision on whether it will accept appeal involving similar issues from J.C. Penney.



**SPECIAL MAGNAVOX PRICES:** To meet "competitive moves," Magnavox has reduced prices of 19 color sets—18 of them by \$51—in 60th Anniversary Promotion, which runs through Nov. 17. Promotion also features group of 3 special compact 23V" color consoles at \$549, stereo consoles at \$379 & \$399.

Series of 10 single-ended 25V" color TV consoles which had been reduced by \$50 in Aug. (Vol. 11:33 p7) was cut another \$51 to \$598 & \$618. Remote versions, previously reduced \$75, also come down \$51 to \$724. Other sets reduced \$51 are 8 furniture-styled 19V" table models, now \$418 & \$429, remote versions \$498 & \$508. Step-up 12V" color portable was cut \$21 to \$278.

RCA made expected introduction of 19V" Argosy II color portable, featuring 110-degree picture tube & plug-in ceramic modules, priced at about \$500 (Vol. 11:38 p10). RCA has come up with new designation for hybrid color sets, AccuColor 60 series, indicating at least 60% solid state content. Dropped in to 60 series was open listed 19V" remote control (3 function) portable, to sell at around \$500, and open list 20V" table model, intended as fall selling special. Also open listed were 14V" color portable (to sell at about \$280) and a 22V" b&w console (about \$250). The 19V" remote & 14V" portables set new low price points for RCA. Other additions were FM-AM clock radios, \$39.95 to \$59.95; FM-AM table radios, \$29.95 & \$34.95; AM-battery portable, \$19.95.

Motorola is "pre-introducing" 3 color sets originally scheduled for Dec. debut: 16V" hybrid Quasar portable with Insta-Matic at \$349.95; 19V" hybrid with Insta-Matic, including cart, open list; company's first remote color portable, 19V" Insta-Matic solid-state at \$499.95.

**Major plant moves:** Teledyne Packard Bell will build Mexico facility and Zenith will shut down one Chicago plant. TPB's 80,000-sq.-ft. plant in Nogales border zone will double company's ability to produce assemblies for stereo & color TV. Pres. Gus Grant said new plant will help company establish capacity to obtain national identity and "is essential to continued growth," helping company build "product at competitive cost." Zenith is phasing out Kostner Ave. plant in Chicago over next 10-16 months, moving assembly production to other U.S. plants, particularly those in Springfield, Mo. & Sioux City, Ia. Gen. Plant Mgr. Carl Petersen said move is "intended to help make Zenith's U.S. production more efficient, protect its competitive position and maintain the highest level of domestic employment."

**Hitachi combined** Nippon Columbia's electronic calculator research staff with own as part of continuing consolidation move. Next step may be combination of production facilities. Since acquiring control of Shiba Electric & Nippon Columbia, Hitachi has been eliminating duplicate operations.

**Distribution notes:** Teledyne Packard Bell appoints Bill Edwards Distributing, Tucson, replacing Elliott Distributing. William Edwards is former Elliott Distributing gen. mgr. . . Milovac International names Marketing East as N.Y.C. area rep.

**EIA COAST-TO-COAST:** EIA's Fall Conference this week will be unique transcontinental affair. Board of Directors and most divisions and committees will meet Oct. 4-7 at Beverly Hilton Hotel, Beverly Hills, Cal., while Consumer Electronics Group will convene Oct. 4-5 at EIA hq in Washington, site chosen because many CEG members plan to attend Tariff Commission hearings on TV industry starting Oct. 6 (see p. 8).

Foreign trade and President's economic policies will dominate meetings, both on agenda and in corridor talk. EIA divisions at both meetings will continue discussions on possible over-all association position on foreign trade and on developing working relationship with NEMA which could—but won't necessarily—lead to merger. Among other agenda items: (1) Rescheduling of conference on Electronics 1985 from Feb. to May or Sept. because of conflict with similar White House conference. (2) Report to Board by special committee studying technology manpower needs for future. Luncheon speaker at Cal. meeting will be Murray L. Weidenbaum, ex-asst. Treas. secy. for economic policy, who is expected to criticize govt.'s support of R&D as inadequate.

Washington CEG session is expected to draw record 150 attendees and include, for first time at any conference, meetings of all CEG committees—engineering, consumer affairs, marketing services, service, Consumer Electronics Show. Speaker Aug. 4 will be George Mitchell, governor of FRB, who will discuss President's economic policy.

**"Variable Speech Control" (VSC)**, which permits listener to speed up or slow down recorded speech from phono or tape player without changing pitch, was demonstrated in N.Y. last week by Cambridge Research & Development Group, Westport, Conn. Electronics for system are contained in tiny IC module, to be manufactured by Philips in Holland and sold to OEMs for about \$5. Full OEM cost of equipping tape player with VSC was given as \$10. Speech playback can be varied at will by user from less than 90 words per min. to more than 500 without losing intelligibility. Potential uses cited were talking books for blind, audio trade journals, dictation machines, students' notes, etc. American Foundation for the Blind and American Printing House for the Blind have signed licensing agreements, and "serious negotiations" are being conducted with 3M, Bell & Howell & Electro-Voice. Any recorded material may be used—no special preparation needed. Developers said Philips has approved use of system with cassette players, since no change is required in cassette itself. In addition to IC module, playback system requires only potentiometer to control speed of tape or disc.

**Consumer electronics prices** rose in June, according to Labor Dept. Consumer Price Index. With index of 100 representing 1967 level, TV set average price went to 100.1 up 0.1% from May 1971 & 0.5% from June 1970; radios 98.5, up 0.1% from May but down 0.6% from June 1970; tape recorders 94.3, down 0.4% & 0.3%; TV replacement tubes 122.2, up 0.2% & 5%.



**JAPAN'S AUG. EXPORTS:** It's not just the TV tap Japan is having trouble closing. Despite fact that U.S. West Coast dock strike is causing pile-up of imports (see p. 7), Japanese Aug. TV exports to U.S. set new record and other classifications also posted sizeable increases, Finance Ministry totals show.

Aug. exports of audio tape instruments to U.S. topped 1.2-million mark—excluding categories reported for first time this year—up 22% from Aug. 1970. Cassette recorders posted 22% increase, radio-recorders were up 31%, auto tape players up 46%. Home transistor radio exports were up 3% to just over million, phonos more than doubled and auto radios posted 93% increase. Declines were in radio-phonos, off 16% to 134,864, and open reel recorders, which dropped by half.

Following are Japanese Aug. exports to U.S. of selected consumer electronics, with Aug. 1970 results for comparison, as obtained from Finance Ministry:

TRADE B REG 3:jec EXPORT TAB

#### JAPANESE EXPORTS TO U.S.

	August 1971		August 1970	
	Units	Value (\$)	Units	Value (\$)
Total TV. ....	439,760	39,614,328	368,172	78,290,031
color. ....	155,680	25,399,411	94,260	14,791,828
b&w. ....	282,780	14,169,417	273,912	13,392,583
b&w chassis, kits. ....	1,300	45,500	—	—
Rad.-phono, stereo. ....	53,941	3,574,789	160,259	4,723,361
Rad.-phono, mono*. ....	80,923	901,283	—	—
Rad.-recrdrs. & other				
comb. ....	399,217	16,485,181	304,235	12,690,578
Clock-rads. ....	249,802	4,032,650	—	—
Tr. rads. w/FM. ....	493,304	14,021,017	669,798	15,189,375
Tr. rads., other. ....	289,488	1,624,936	332,158	2,257,841
Auto radios. ....	159,063	2,601,878	82,582	1,510,206
Trcvrs., under 100 mw. ....	289,873	999,369	276,947	932,939
Trcvrs., other. ....	43,400	1,325,619	27,716	1,057,058
Phonos. ....	30,983	578,953	14,118	198,597
Tape players, auto. ....	265,378	4,715,336	181,249	3,746,381
Tape recrdrs., reel. ....	45,280	1,317,356	92,483	2,279,289
Tape recrdrs., cass. ....	547,289	9,869,047	449,724	8,250,531
Other cart., recrdrs.				
& players*. ....	180,135	4,244,011	—	—
Tape decks*. ....	226,778	7,001,203	—	—

\*Not reported separately in 1970

**Warranty legislation** before House (HR-4809) could cause higher prices and do disservice to consumer, EIA Consumer Electronics Group Counsel J. Edward Day told House Commerce Subcommittee last week. He attacked provision requiring use of terms "full" or "partial" warranty as putting unjustified pressure on companies to add labor to warranties, thereby increasing prices. He expressed concern about "broad power" given to FTC to determine how warranty is expressed as well as its power to "devise detailed substantive warranty provisions" and section of bill permitting class actions, which he said could lead to "harassment" of business. Once again he proposed that bill's Title II, strengthening FTC powers, be removed and introduced as separate bill.

**Extension of TV export floor price agreement** to year-end has been approved by Japanese manufacturers. MITI is expected to concur with move. Pact was slated to expire Oct. 1. In Aug., MITI called for 5% increase in floor prices, rescinded order when U.S. imposed 10% import duty surcharge (Vol. 11:32 p8).

**SONY BACK IN COURTS:** After 20 months of peace, Sony took Superscope back to court last week. Sony also found itself taken to court, in Holland, where Dutch Philips charged color TV patent violation.

In action against Superscope, its U.S. audio tape equipment distributor, Sony of Japan is asking Cal. Federal Court clarification of contract. Sony wants to know whether Superscope subsidiary Marantz has right to distribute audio recorders here and whether any Superscope expression of intent to sell Marantz recorders gives Sony right to sell recorders to other firms (including Sony of America). Under terms of contract, renegotiated at end of 1970 following another court clarification suit (Vol. 9:48 p11), Superscope has exclusive U.S. distribution rights for Sony recorders—excluding radio-recorders & VTRs—through Dec. 31, 1974, so long as it doesn't market competing product.

Obvious loophole, of course is Marantz line. Superscope is having part of line made in Japan by Standard Radio, under contract which expires in July 1973. Last year, about \$3 million worth of Marantz gear was purchased from Standard, and there have been persistent reports that a Marantz audio recorder was being prepared for sale in non-U.S. markets. Superscope says it is now negotiating to have Marantz acquire 50% interest in Standard. Sony America finds itself in odd position, and one it would like to see modified. It is only major consumer electronics marketer in U.S. without an audio tape line. Sony line accounted for 83% of Superscope's \$12.5 million sales in first quarter, 85% for all of 1970.

In Holland, Philips obtained court order blocking importation of PAL-compatible Trinitron color TVs. Philips said Sony sets infringed its patent.

**Motorola is recalling** some 3,000 portable 19V" color sets (model WP581HW) for inspection & modification because of potential shock hazard. About 3,000 units are involved, most believed to be in distributor & dealer inventory. Possible hazard was discovered by field service technician, involves one of 4 springs which hold magnetic shield for picture tube. Under some circumstances, tip of one spring may penetrate insulation of degaussing coil, causing hot chassis. In modification, Motorola will move spring to another location. Just one year ago, Motorola recalled 1,500 digital radios because of possible shock hazard (Vol. 10:40 p11). ITT's Royal Electric Div., meanwhile, announced recall of some rubber-jacketed black electric cord manufactured between April 1, 1970 & Sept. 1, 1971 because of possibility of shorting through insulating material.

**Four-channel matrix systems** are being adopted by major manufacturers. Zenith has introduced matrix adaptor-decoder, 2-channel amplifier, 2 speakers—at about \$159.95. Motorola in March will show several matrix units, which it describes as "interim" measure. At same time it will expand line of discrete 4-channel stereo 8 units. Motorola's matrix system will be sold by Consumer Products Div. only, not Automotive Products Div., which will stick exclusively to tape systems.



## Trade Personals

**Irwin Tarr** resigns as RCA Records planning vp for personal reasons. He pioneered RCA's entry into 8-track & Q8 tape business. Of leading antag-onists in tape cartridge standards battle of 1960s, only Motorola's **Oscar Kusisto** remains. Others, **William Lear** (8-track), **Earl Muntz** (4-track) **Wybo Semmelink** (Norelco cassette) & **Frank Stanton** (Play-Tape) have left industry.

**James Miller**, ex-mgr. of Ford's Ypsilanti, Mich. parts plant, appointed Philco-Ford Taiwan gen. mgr., succeeding **W.A. McCracken**, who returns to Philco Philadelphia hq; **Arthur (Bud) Liebler**, ex-Ford car publicity mgr., shifts to Philco-Ford as Audio-Video Div. PR mgr., succeeding **James Hirsh**, now in charge of international PR... **G. William Tunnell**, ex-RCA (Canada) Service Div. vp-gen. mgr., appointed RCA Service Co. (U.S.) technical products service vp.

**Robert Wuellner** elected Cartridge TV Inc. con-troller... **Bertram Franzblau** appointed Bell & Howell Consumer Products Group physical distribution vp... **Peter Keane** resigns mkt. development post with Sony Videocassettes, plans unannounced... **Peter Gold-mark**, CBS Labs, to receive SMPTE Journal Award for paper on EVR.

**Robert Anfanger** promoted to mktg. & product planning mgr. for Westinghouse Consumer Products Development Center... **Anthony Calderone**, ex-Pan-asonic, appointed MGA (Mitsubishi) Northeast states district mgr... **Daniell Dailey**, EIA Mktg. Services dir., named business science & planning dir., Man-agement Sciences Assoc., Glenside, Pa. manage-ment & mktg. consulting & research firm serving electronics manufacturers.

**Eugene Selven**, ex-Fairchild Semiconductor busi-ness development dir., joins Raytheon Semiconductor as mktg. mgr... **Tom Devlin** advanced from national field sales mgr. to sales dir., Mepco/Electra.

**Comments on 4-channel rulemaking** may be filed until Nov. 25, in extension of time granted at re-quest of CBS. Network said rulemaking is premature, particularly in light of "definitive trend" in recording industry toward matrix system as the "only mode of achieving high-quality 4-channel reproduction" com-patible with existing stereo records. Matsushita also filed, endorsing 4-channel technique proposed by Pacifica, which had filed original petition for rule-making.

**Robert Galvin**, Motorola Chmn., will be speaker at IEEE Awards Luncheon at Chicago Fall Conference on Bst. & TV Receivers Dec. 6-7 at Sheraton-O'Hare Motor Inn. Among technical papers: "Prob-able impact of video recorders & players on TV re-ceiver circuit design" by Siemens' M. F. Koubek; "printed-circuit vhf tuners" by Motorola Semicon-ductor's J. R. Hopkins; "AM-FM radio computer tuning" by Warwick's D. A. Wilson.

**Dutch Philips** is closing down Algerian TV-radio assembly operation, citing inability to obtain import licenses for parts.

## 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
Avco			
1971-9 mo. to Aug. 31	522,803,000 <sup>a</sup>	19,965,000	.65
1970-9 mo. to Aug. 31	537,390,000 <sup>a</sup>	15,239,000	.24
1971-qtr. to Aug. 31	163,125,000 <sup>a</sup>	8,094,000	.34
1970-qtr. to Aug. 31	161,074,000 <sup>a</sup>	4,293,000	.01
International Rectifier			
1971-year to June 27	34,521,500	(2,719,572)	--
1970-year to June 28	41,228,536	810,972	.30
LVO Cable			
1971-qtr. to Aug. 31	1,474,000	68,000	.05
1970-qtr. to Aug. 31	1,296,000	29,000	.03
Varo			
1971-qtr. to July 31 <sup>b</sup>	7,694,038	(531,236)	--

Notes: <sup>a</sup>Sales. <sup>b</sup>No comparable figures available.

**HITACHI'S SURCHARGES:** Hitachi Sales Corp. has sent customers complete rundown of its more than 150 consumer electronic & appliance products giving amount of surcharge on each. Wherever possible, customers were told, "Hitachi has absorbed part" of surcharge. Company will ship all pre-surcharge merchandise under old prices, of course.

On many holdover products not introduced this year, Hitachi is adding no surcharge. Examples: Open-reel tape deck listing at \$189.95, 8-track sys-tems at \$69.95 & \$129.95 and 14V" color TV at \$329.95.

Here are some typical surcharges on Hitachi products introduced this year (suggested list price in parentheses): Monochrome TV—12V", \$4.25 (\$89.95), \$5.60 (\$99.95) & \$5.65 (\$109.95); 13V", \$6.30 (\$149.95); 16V", \$5.30 (\$119.95 & \$129.95). Color TV—12V", \$13.50 (\$279.95); 14V", \$14.90 (\$319.95); & \$15.60 (\$339.95); 16V", \$15.80 (\$349.95) & \$16.70 (\$369.95); 18V", \$17 (\$379.95), \$17.95 (\$399.95), consolette \$18.95 (\$419.95).

Radios—AM portable, 35¢ (\$9.95); FM-AM portable, 80¢ (\$24.95) & 1.60 (\$44.95); 6-band, \$3.20 (\$99.95). Recorders—cassette portable, \$1.75 (\$44.95), \$2.60 (\$79.95) & \$3.35 (\$99.95), with FM-AM, \$3 (\$79.95). Compact stereo—FM-AM system, \$4 (\$119.95); with phono, \$6.10 (\$189.95); 8-track tape system, \$6.20 (\$199.95); cassette system, \$7.60 (\$239.95).

Hitachi currently is adding surcharge to 5 items, principally radios shipped to U.S. by air, according to Mktg. Dir. Morton Schwartz.

**Flat-screen laser TV** system for home is goal of new Laser Video Inc., Corona Del Mar, Cal., which plans to introduce military-industrial-educational model in about year. Pres. is Chet Menkes, ex-York Capital and Quindar Electronics; Ted Mainan, ex-Hughes Aircraft & laser pioneer, and Errol Payne, ex-Peripheral Data Machines, are vps.



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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**WHITEHEAD'S 'BREATH OF FRESH AIR'** thrills broadcasters with proposals to get rid of fairness doctrine, 'get govt. out of programming' in renewal process, 'de-regulate' radio to point of near-nonregulation. (P. 1)

**REID AT FCC, WILEY CHOICE** as Wells successor expected in next 10 days. President views swearing in of 2nd woman commissioner, will make commitment to appoint a black to June vacancy. Houser returns to Minow law firm. (P. 3)

**SPENDING BILL CLOUDED** by veto threats, as House Commerce & Administration committees approve conflicting bills, override GOP opposition. Republicans oppose limits on TV-radio & contributions, will back Senate bill instead. (P. 3)

**TV CODE MOVES ON CLUTTER:** Subcommittee would tighten definition of integrated spots. SRA wants ban of more than one product in less than 60 sec. Prep H leading station poll by 2-1. (P. 4)

**BURCH TALKS WITH CATV COMBATANTS:** Seeks to smooth way for policy implementation. NAB disappointed with discussions. Staggers tells OTP not to usurp FCC functions. (P. 5)

**MANY COOL TOWARD NAB DRIVE** for legislation on renewals. Little chance of passage seen. Networks hold back support. (P. 5)

**WHITEHEAD'S 'BREATH OF FRESH AIR':** To delight of broadcasters, OTP Dir. Clay T. Whitehead uncorked some blockbusters before IRTS last week, calling for legislation to: (1) Eliminate fairness doctrine. (2) "Change the license renewal process to get the government out of programming." (3) "De-regulate" radio to point of virtually no govt. regulation. Whitehead said he had no draft of legislation to accomplish foregoing, admitted he was putting ideas forth for discussion. Asked whether his suggestions reflect Nixon's ideas, Whitehead told reporters: "They reflect the broad view of the Administration, but I don't want to tie the President to any specific proposal."

Though broadcasters cheered quickly & lustily, there will of course be vigorous opposition from "access" groups and their champions in Congress. Some cynics profess to find Whitehead speech part of Administration effort to cultivate broadcasters as 1972 elections approach. Whatever his objectives, Whitehead has again displayed willingness to propound strong medicine. In a way, it reflects fact he worked for a time at Rand Corp.—"think tank" where exploration of innovations is way of life. Among first reactions to speech:

### Consumer Electronics

**COLOR BREAKS THROUGH** to 9-month record of 4,074,500 domestic-label sets, with 199,000 sold in final Sept. week, 3rd best week in history. Signs point to color's first 6-million-set year. (P. 7)

**TV INDUSTRY INJURY HEARING** before Tariff Commission in Washington sheds little new light, as testimony concentrates on legal points. Magnavox pledges return to all-U.S. production if duty rate is raised; Zenith claims serious injury. IUE loses \$67 million suit against Japan TV makers. Japan bows to U.S. pressure on textile quotas. (P. 7)

**HOTEL-MOTEL TV**—another off year seen, with sales declining for 3rd consecutive time—but Philco's Tele-sound, claiming No. 2 spot, cites gains. Rentertainment consumer leasing program may move into Pittsburgh with large-dealer participation. (P. 9)

**VTR & 'MYSTERY PRODUCT'** on Magnavox sales agenda for 1972. Platt claims increased color market share, with record company sales, increased profit in 3rd quarter. (P. 10)

**EIA EXAMINES COLOR** set standardization to improve reception uniformity, names new consumer affairs coordinator, opposes FCC type acceptance for videoplayers. Unified foreign trade position postponed. (P. 11)



NAB Pres. Vincent Wasilewski: "NAB applauds Dr. Whitehead's creative & positive approach to these issues. His speech certainly contains suggestions which deserve implementation." CBS Washington Vp Richard Jencks: "I was particularly impressed with his critique of what is happening in the free speech area with regard to both the fairness doctrine and the idea of judicially-compelled access. He's fundamentally right that judicially-required access is inconsistent with the fairness doctrine. I'm not sure about the remedies proposed. I'm not sure what he has in mind because he didn't supply the details. It's eminently worthwhile to start a discussion of these basics." An NBC spokesman: "Whitehead's proposals are bold, innovative and like a breath of fresh air. We would support most of them, although they include some points that need further study and clarification." ABC spokesman: "We share his stated objectives of preserving a free broadcasting system and minimizing government control and we will carefully consider the proposals."

Rep. Tiernan (D-R.I.) termed proposed abolition of fairness doctrine "one of the worst proposals I have heard in the 4 years I have been in Congress." But he favored extending licenses from 3 to 5 years, and he was willing to support experiment with "de-regulation" of radio. A Washington attorney: "He's a complete idiot to talk about wiping out the fairness doctrine. The Red Lion decision made the doctrine part of the First Amendment." Here's what Whitehead had to say about each of his major topics:

(1) Fairness doctrine & access—"The fairness doctrine and the new judicially contrived access rights are simply more government control masquerading as an expansion of the public's right of free expression. Only the literary imagination can reflect such developments adequately—Kafka sits on the Court of Appeals and Orwell works in the FCC's Office of Opinions & Review...TV time set aside for sale should be available on a first-come, first-served basis at nondiscriminatory rates—but there must be no rate regulation. The individual would have a right to speak on any matter, whether it's to sell razor blades or urge an end to the war. The licensee should not be held responsible for the content of ads, beyond the need to guard against illegal material. Deceptive product ads should be controlled at the source by the FTC. This private right of access should be enforced—as most private rights are enforced—through the courts and not through the FCC."

(2) License renewals—"The criterion for renewal would be whether the broadcaster has, over the term of his license, made a good faith effort to ascertain local needs and interests and to meet them in his programming. There would be no place for government-conceived program categories, percentages and formats, or any value judgment on specific program content. There should be a longer TV license period with the license revocable for cause and the FCC would invite or entertain competing applications only when a license is not renewed or is revoked."

(3) Radio de-regulation—"We propose that one or more large cities be selected as de-regulatory test markets in which radio assignments & transfers would be pro forma. Renewals would not be reviewed for programming and commercial practices. And the fairness doctrine would be suspended. The experiment should be only a first step. For most purposes, we should ultimately treat radio as we now treat magazines."

Whitehead also discussed Administration-vs.-media controversy: "Some people suggest that this Administration is trying to use the great power of government licensing and regulation to intimidate the press. Some even claim to see a malicious conspiracy designed to achieve that end. They must ascribe to us a great deal of maliciousness, indeed—and a great deal of stupidity—in the attempt to reconcile their theory to the facts. It is not this Administration that is pushing legal and regulatory controls on TV, in order to gain an active role in determining content. It is not this Administration that is urging an extension of the fairness doctrine into the details of TV news—or into the print media. There is a world of difference between the professional responsibility of a free press and the legal responsibility of a regulated press. This is the same difference between the theme of my proposals today and the current drift of broadcasting regulation. Which will you be—private business or government agent?—a responsible free press or a regulated press? You cannot have it both ways—neither can government nor your critics."



**REID AT FCC, WILEY NOD EXPECTED SOON:** In brief ceremony at White House with President Nixon present, Charlotte T. Reid was sworn in Oct. 8 to replace Thomas Houser on FCC. And White House source confirmed unofficially that name of FCC Gen. Counsel Richard E. Wiley will be sent to Senate—probably within next 10 days—as replacement for soon-to-resign Comr. Robert Wells. At same time, President will make public his commitment to name a black to succeed Comr. Robert Bartley next June.

Mrs. Reid moves to Commission after 9 years in Congress as GOP representative from Ill. 15th District; she succeeded her late husband as nominee in 1962. "We'll miss you in Congress, but I'm glad to have you at the FCC," President told her. "You're not a lawyer, are you?" he asked. She isn't, and is known primarily as NBC Radio singer in 1930's-40's under professional name Annette King. Mrs. Reid is 58, has 4 grown children—3 of whom, along with her parents and FCC Chmn. Burch (only Commission representative), were present for swearing in. Doing honors—on new bible provided by White House and autographed by Nixon—was D.C. Appeals Court Judge Frank Nebeker.

She becomes 2nd woman commissioner—late Frieda Hennock served from 1948-55—says she goes to FCC with no biases or pre-conceived ideas. Her congressional voting record was conservative, and most expect her to maintain that outlook at FCC. Comr. Reid said she's been "flooded" by industry groups wanting her to make speeches, that she hasn't accepted any, won't for some time. She'll be honored Oct. 13 with reception by AWRT, again Oct. 20 by National Bcstrs. Club.

Ex-broadcaster Well's resignation as commissioner is "imminent," we were told last week. He plans to return to native Kan., is considering running for gov. next year. Term for which Wiley will be nominated runs until June 1977. He apparently has overcome efforts—with strong support of Chmn. Burch and several senators—of John Powell, black gen. counsel of U.S. Commission on Civil Rights, to get Republican vacancy. Powell's major backing came from 2 GOP senators from N. Y. and black groups.

Nixon isn't expected to name the black who will succeed Bartley at same time he sends Wiley's name to Senate. Said to be front-runner right now—with support of BEST and other black groups—is Theodore Ledbetter, pres. of Urban Communications Group. Another major contender is Revis O. Ortique, New Orleans attorney and ex-member of White House Commission on Campus Unrest.

Comr. Houser—who served only 9 months on FCC—will return to Chicago law firm of Leibman, Williams, Bennett, Baird & (ex-FCC Chmn. Newton) Minow. He was active in Sen. Percy's (R-Ill.) 1966 race and Nixon campaign for Presidency, is expected to work for Administration in 1972 election. He was deputy dir. of Peace Corp before going to FCC in Jan.

**VETO THREATS AGAIN CLOUD SPENDING BILL:** After months of wrangling in both Senate & House, campaign spending legislation appears to be right back where it was last year—immersed in political feuding and threatened with another Presidential veto. House Commerce and Administration committees completed work on conflicting bills last week, with strenuous Republican opposition their only common factor. As result, GOP has apparently decided against blocking legislation, will favor Senate bill instead.

With unusual 100% attendance last week, House Commerce Committee gave final approval to legislation sponsored by Communications Subcommittee Chmn. Macdonald (D-Mass.). It sets over-all 10¢ per voter limit on all media but allows only 5¢ for TV-radio spending. Week earlier, Republicans knocked out 5¢ limit (Vol. 11:39 p4) and managed to sustain amendment again last week 21-19 with help from Democrats Jarman (Okla.), Satterfield (Va.) & Preyer (N.C.).

But following day, Oct. 6, with all members present, Committee voted 23-20 to substitute Macdonald's original bill. "Everything we did for the last 3 days has been erased," said Rep. Brown (R-O.) after vote. He claimed bill was unacceptable to White House, that it protects incumbents, discriminates against broadcasters, repeals Sec. 315 for Presidential & Vice Presidential candidates only. Senate bill also sets 10¢ over-all limit, but no more than 6¢ for either broadcast or print. It also repeals Sec. 315 for all federal candidates.



With equal tenacity, Republicans opposed Administration Committee bill. It limits individual contributions (annually) to \$35,000 for Presidential candidates, \$5,000 for House or Senate races. There are no such limits in Senate or Commerce Committee bills. Over-all spending limits on all media include 6¢ per resident of state for Presidential or Senate candidates, flat \$50,000 for House candidates. But most of bill is aimed at reporting & disclosure. Before final passage, Republicans lost on 15-8 party line vote to substitute Senate bill. "I believe it's a Democratic bill designed to protect incumbents in Congress," said Rep. Harvey (R-Mich.). "I think it will severely restrict the Republican effort to ever get control of Congress... The White House has said this [contribution limit] is clearly unconstitutional." He predicted it would be vetoed. "They don't want any bill," countered Chmn. Hays (D-O.). "Nixon doesn't want a bill either, so let him veto this one."

Fate of both House bills remained uncertain. Commerce Committee Chmn. Staggers (D-W. Va.) said he didn't see how 2 bills could be merged on floor, while Hays asserted that he'd never agree to tampering with Sec. 315. So, following recent White House meeting, House GOP leader Ford (Mich.) said Republicans would support Senate bill "to get some bona fide spending reforms."

**TV CODE MOVES ON CLUTTER:** Responding to demands of SRA and powerful group owners (Vol. 11:38 p3), Time Standards Subcommittee of NAB TV Code has recommended tougher restrictions on use of multiple product announcements (MPA). Move is effort to stop spread of practice of advertising 2 products in 30 sec. or less and to cut down on clutter. But it may not be strong enough for SRA—which 2 days before Oct. 7 Subcommittee meeting recommended much stiffer action.

Subcommittee proposed that MPAs be prohibited in time units of less than 60 sec. "except where integrated so as to appear to the viewer as a single announcement. A MPA shall be considered integrated... if the same voice(s), setting, background & continuity are used consistently throughout so as to appear to the viewer as a single announcement." Parent TV Code Board will act on change at Dec. meeting, and final ratification must come from NAB TV Board in Jan.

SRA asked Code to ban outright more than one product in less than 60-sec. spot, more than 2 in min. "When more than [one or 2] products have appeared in 60-or 30-sec. commercials, even when properly integrated... the impression of over-commercialization has been made. It seems unrealistic to believe that a new definition of an integrated commercial could eliminate this impression." SRA said if legal problem exists, waiver should be sought from Justice Dept.

On 2nd controversial issue, Code subscribers are voting better than 2-1 to accept hemorrhoid product advertising. Well over half of 400 stations have voted, and Code Authority has asked remaining subscribers to cast ballots. Such ads have been rejected several times by NAB TV Board—overturning recommendations of Code Board (Vol. 11:26 p4). Following last vote, ABC-TV alleged that NAB directors weren't voting sentiments of majority of Code subscribers and demanded poll of stations (Vol. 11:34 p4).

"The News Twisters," by Edith Efron, is new book claiming that network reporters distort news with Democratic & liberal bias. She arrived at conclusion by taping network coverage last 7 weeks of 1968 campaign, then counting words she believed to

favor each candidate and major issue. Miss Efron believes FCC should be required to "analyze the bias patterns" of network news and "announce to the nation that it is receiving 3 Democratic-liberal news services with identical editorial philosophies." She also believes networks should be required to present "spectrum commentary" featuring commentators of all political leanings. Miss Efron is writer for TV Guide. Book was underwritten by conservative Historical Research Foundation. CBS News Pres. Richard Salant was first to attack book, said "it examines only a limited part of the network coverage. It does so with a distinct bias which produces gross distortions of fact. It uses statistical procedures which are seriously flawed... In story after story, there is just no resemblance between the story as broadcast and Miss Efron's description of that story." He presented 10-page list of examples, and said CBS has retained 2 independent research organizations to analyze her methodology and to review all network coverage for the 7 weeks.

**NAB Exec. Committee "tabled"** proposal by Govt. Relations Vp Roy Elson that political action committee be set up outside NAB to funnel campaign contributions to congressional candidates (Vol. 11:36 p1). Plan was opposed strongly by Elson's boss—Exec. Vp Paul Comstock—on grounds that broadcasting, as regulated industry, is different from other professions and that adverse public & congressional reaction would hurt. Exec. Committee was very upset when word it had discussed Elson proposal was published, and particularly when couple of publications tied it into license renewal drive (see p. 5). One called it proposal for \$3 million slush fund to buy congressional votes. Despite this, most broadcasters believe political action fund is good idea, but it's expected to be set aside for several months, resurrected outside NAB.

**Networks should police** each other's performance, Sen. Brooke (R-Mass.) told Mass. Bcstrs. Assn. last week. "Why doesn't NBC criticize how CBS & ABC are doing their job, and vice versa?... The Vice President and I drastically differ on what is wrong with the communications industry in this country. My objection is to blandness, sameness, homogenization of the news..."



**BURCH TALKS WITH CATV COMBATANTS:** No one is saying much about it, but FCC Chmn. Burch is very quietly trying to clear the way so that CATV policy can be implemented without interminable delays in Congress, White House and/or courts.

Burch has been talking to representatives of NAB, NCTA & copyright owners, seeking areas of agreement—with exclusivity said to be major topic. OTP Dir. Clay T. Whitehead, who failed at similar attempt to iron out differences, is understood to be aware of Burch's efforts (they confer frequently), evidently wishes him lotsa luck. NAB representatives emerged from Oct. 5 meeting depressed, feeling Burch wasn't going to be much help in persuading NCTA to negotiate.

Whitehead, meanwhile, appears still on target with Oct. 15 estimate for completion of Cabinet-level CATV committee's work, should give Congress results within a few weeks thereafter. Rep. Staggers (D-W. Va.) wrote Whitehead recently, told him brusquely that "I expect to be provided with your evaluation of the FCC's cable plans and with any legislation formulated by you relating to CATV as soon as they are completed." And Staggers also quoted from a previous letter: "So long as I am chairman of the Committee, it will be my purpose to prevent any of the prerogatives or functions of the FCC from being taken away by Executive action." Among other cable activities:

(1) FCC has finally adopted CATV reporting forms—325 for general information, 326 for financial data (to be kept confidential). All operating systems will be required to file—325 due March 1, 326 April 1. Copies will be mailed to systems in early Nov. Forms cover the waterfront, seeking extensive details of operations. (2) FCC issued final decision in N. Y. Comtel case, as anticipated (Vol. 11:36 p2). Commission voted unanimously to block expansion of Comtel while permitting it to continue serving present subscribers, but it split 4-3 regarding Hyde Park & Brookhaven. Majority gave N. Y. Telephone Co. 180 days to quit providing service in those communities, saying Telco used its ownership of poles to frustrate outfit wishing to build its own system; it said Telco shouldn't "retain the fruits of its misconduct." Comrs. Burch, Wells & Houser said majority rested finding "on extremely thin grounds." (3) MST board holds special meeting on cable Oct. 28-29 in Nassau. (4) Sloan Commission on Cable said it will issue its report in early Dec. Chmn. is Edward S. Mason, ex-dean, Harvard graduate school of public administration.

**FCC lost bid for rehearing before full D. C.** Appeals Court of Court's decision reversing Commission fairness doctrine rulings regarding purchase of time by Business Executives Move for Peace and Democratic National Committee (Vol. 11:32 p1). Court's rejection was in the form of a brief order. Commission will now decide whether to seek Supreme Court review. In another case, challenge of FCC decision has been filed in D. C. Appeals Court by Alianza Federal De Pueblos Libres. Commission had rejected its request for financial reports of 3 Albuquerque TV stations.

**MANY COOL TOWARD RENEWAL DRIVE:** Networks and many Washington lawyers believe NAB is engaged in "exercise in futility"—as one prominent attorney put it—in all-out drive to get license renewal legislation through Congress. Networks are openly cool to NAB efforts to date—mostly because they believe chances of success are nil unless all can agree on single bill which will get support of the Pastores, Magnusons, Staggers & Macdonalds—not to mention FCC. "And such a bill will be very hard to come by, although many are working on their own versions," we were told.

NAB is moving full-throttle ahead, however, and believes that it will get network support once drive begins to show impact on Hill. NAB TV Vp William Carlisle—assigned as staff liaison to Task Force on Renewals—said NAB will settle on its legislative proposal within month. "It must be something different than the Pastore bill," he stressed—and on that point networks & lawyers agreed. Exec. Vp Paul Comstock recognized problem of getting all to agree to single plan, but expects it to be worked out.

Mark Evans, chmn. of NAB Task Force, will speak to some 20,000 businessmen in 10 cities early in Nov. on renewal problem. He will be part of "Air-cade," sponsored by U.S. Chamber of Commerce, which seeks to get businessmen "to take leadership in resolving the issues facing the business community." Evans also will meet with broadcasters at each stop.

Broadcasters must not "knuckle under to black-mailers or yield to the tyranny of unrepresentative splinter groups," NAB Exec. Vp Grover Cobb told Tenn. Assn. of Bcstrs. last week. Expressing concern over "the adequately financed, well-organized attempts to restructure broadcasting through the renewal process," he said licensees must take "immediate corrective steps... where there are instances of community needs not being met or downtrodden minorities not being heard." He pledged that NAB "will work as we have never worked before in order to restore stability to the renewal process."

**TelePrompter Chmn. Irving Kahn** faced additional charge in Johnstown CATV-franchise bribery case (Vol. 11:5 p2 et seq.) when "superseding indictment" was brought last week charging him with perjury before grand jury last Dec. & Jan. Latest indictment alleges Kahn committed perjury when questioned about method of payment to Johnstown Mayor Kenneth Tompkins and about details of his discussions with Tompkins. Kahn maintained that payment was extorted. Trial, originally due to start Oct. 4, is now set for Oct. 12, is likely to be delayed again because of latest change.

**"Common ground"** of press & university is "preservation of the people's right to know," CBS Vice Chmn. Frank Stanton told American Council on Education in Washington last week. "It is my belief that if this common ground is invaded or threatened with respect to one—whether the initial target is academic freedom or freedom of the press—it is only a question of time before the other will feel the same pressures... No freedom, however sacrosanct we may think it, is immune from threat, and each threat must be stoutly & vigorously defended."



## Personals

**Arthur Watson**, NBC exec. vp & Radio Div. pres., promoted to gen. mgr., WNBC-TV N.Y., succeeding **Theodore Walworth**, now TV stations Div. pres.; **Robert Stone**, vp & gen. mgr., NBC-TV, succeeds Watson as radio pres., also elected exec. vp and a dir. of NBC.

**Dr. John Malone** elected pres., Jerrold Corp., succeeding **Robert Beisswenger**, who continues as chmn. . . **Mel Ferber**, free-lance producer-dir., named TV & radio exec. producer, Democratic National Committee.

**James Bradley** promoted to gen. mgr., KWWL-TV Waterloo-Cedar Rapids, succeeding **Burns Nugent**, resigned. . . **Gordon Lawrence**, ex-WOUB-TV Athens, O., named station mgr., WGVC Grand Rapids.

**Chester D. Roberts** promoted to chief, Enforcement & Defense Div., FCC Gen. Counsel's Office. . . **Joseph Ryan**, legal aide to ex-Comr. Houser, returns to Bcst. Bureau; **Michael Faber**, another Houser aide, joins Washington law firm of Peabody, Rivlin, Gore, Cladouhos & Lambert.

**Leonard Giarraputo**, Post-Newsweek Stations national sales dir., promoted to sales vp; **Robert Bórdley**, to Atlanta sales office mgr.; **Harriet Ruch**, to standards & practices mgr., WTOP-TV-AM-FM Washington. . . **Dave Lane** promoted to national sales mgr., WFAA-TV Dallas-Ft. Worth; **Charles Strickland** advanced to local sales mgr., succeeding Lane.

**Melvin Harris** elevated to program mgr., WKBF-TV Cleveland. . . **Gary Franklin**, ex-WIND(AM) Chicago, appointed news dir., KYW-TV Philadelphia. . . **Carl Cederberg** promoted to news dir., WJBK-TV Detroit, succeeding **Robert McBride**, now with WBBM-TV Chicago. . . **C.E. Cooney**, gen. sales mgr., KRON-TV San Francisco, also becomes asst. to gen. mgr.; **George Davidson** elevated to asst. sales mgr.

**Herbert Kaufman**, ex-Brand Rating Index, re-joins ARB as operations & production vp & gen. mgr. . . **James Rouse**, WQXI-TV-AM-FM Atlanta, elected IBFM pres.; other officers: **Donald Shomburg**, KSD-TV-AM St. Louis, chmn.; **Paul Freas**, WMAL-TV-AM-FM Washington, vp; **C. Mack Murphy**, WSOC-TV-AM-FM Charlotte, secy.-treas.

**D.R. Beall**, ex-exec. vp, North American Rockwell's Electronics Group, joins Collins Radio as senior finance & administration vp; **R.C. Mullenale** elevated to senior mktg. vp; **R.L. Cattoi** to senior engineering vp. . . **Richard Kelly** promoted to national accounts sales mgr., TeleMation.

**Arnold Whitmore** promoted to operations mgr., Systems Wire & Cable, Rome, N.Y. . . **Larry Gay**, ex-Storer Cable, joins Anixter-Pruzan as CATV sales rep. . . **Donald Atchison**, ex-Times Wire & Cable, appointed sales engineer, Jerrold CATV Systems. . . **Joel Sacco** resigns as regional sales rep., AEL Communications.

**Timatha Pierce**, ex-WRC-AM-FM Washington, named advertising & promotion mgr., NBC Radio, N.Y. . . **Norman Livingston** elected chmn. & pres., Educating Systems, succeeding **James Gillis**.

**PBS DENIES FBI CENSORSHIP:** PBS & NET were at each other's throats last week following cancellation of 12-min. segment in "The Great American Dream Machine" that was highly critical of FBI activities. NET accused PBS of bowing to govt. censorship by ordering segment cut after FBI Dir. Hoover wrote letter labeling program "totally & absolutely false," and referred matter to Justice Dept. "We were not intimidated by the Hoover letter," responded PBS Pres. Hartford Gunn. "But to accuse people of murder or other crimes in 10 minutes without adequate documentation is irresponsible."

Congress has also joined act. House Communications Subcommittee Chmn. Macdonald (D-Mass.) announced "congressional inquiry" into PBS action. "If the news reports are true," he said, "it would seem that an oblique type of censorship has been exerted by an arm of the federal government." Macdonald didn't mention public hearing, but last year he did hold hearing into circumstances surrounding firing of WETA Washington news editor William Woestendiek (Vol. 10:18 p5). Sen. Ervin's (D-N.C.) Constitutional Rights Subcommittee is also studying PBS decision.

PBS & NET agree there was no threat by PBS never to run FBI segment at all. Only question was whether it would be included in Oct. 6 "American Dream Machine." Gunn said he told NET Oct. 1 that program could not be aired without additional documentation. FBI agents who were alleged contacts for student informers wrote letters which were received by NET Oct. 2. Hoover's letter came in Oct. 4. "The Hoover letter was sent to NET, not us," Gunn said. "I have never seen the Hoover letter and it had absolutely nothing to do with our decision."

WNET N.Y. planned to air program Oct. 8 with "updates" plus statements from FBI agents & Hoover. Following program, there was scheduled round table discussion by producers, journalists, editors, PBS & NET officials including Gunn. "There have been substantial editorial changes in our opinion," Gunn said.

NET, however, still stands by original documentary. NET Exec. Producer Al Perlmutter called PBS action "a terribly sad & unfortunate decision. I think the . . . piece stands up very well on its own. . . It's censorship, I believe, without question." NET Programming Vp William Kobin said NET never agreed to make changes because of inadequate documentation, that only FBI letters were added. "This raises a fundamental question," he said. "How much authority does PBS or the production center [NET] have in this system. There are no mechanisms to solve it. When PBS says 'we will not broadcast this story', what can be done?"

**Newsweek Bcst. Service** has begun distributing to TV stations news & features taken from magazine. Each weekly feed, featuring Newsweek reporters, will consist of 12-15 stories about 1-1/2 min. each. Newsweek said new service already has been bought in markets covering 70% of U.S. John Corporon, WTOP-TV Washington vp-gen. mgr., shifts to Bcst. Service as editor-exec. producer (no successor at WTOP-TV is planned for time being); Lee Weston, asst. to Newsweek publisher, is business mgr.



# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Sept. 24 (38th week of 1971):

	Sept. 18-24	1970 week	% change	Sept. 11-17	1971 to date	1970 to date	% change
Total TV. . . . .	317,576	319,265	- 0.5	246,692	7,198,195	6,172,756	16.6
color . . . . .	177,427	164,978	7.5	135,410	3,875,529	3,091,783	25.3
monochrome . . . .	140,149	154,287	- 9.2	111,282	3,322,666	3,080,973	7.8
Total radio . . . . .	553,102	405,495	36.4	354,140	13,349,049	11,612,386	15.0
home, portable . .	328,635	293,990	11.8	146,997	5,877,876	5,383,409	9.2
AM-only . . . . .	174,320	175,878	- 0.9	76,986	3,284,668	3,303,768	- 0.6
FM & FM-AM . .	154,315	118,112	30.7	70,011	2,593,208	2,079,641	24.7
auto . . . . .	224,467	111,505	101.3	207,143	7,471,173	6,228,977	19.9
Total phono . . . . .	177,526	146,342	21.3	88,259	2,833,332	2,500,806	13.3
portable-table . . .	146,865	107,970	36.0	70,188	2,193,661	1,769,782	24.0
console . . . . .	30,661	38,372	-20.1	18,071	639,671	731,024	-12.5

Color TV 5-week moving average: 1971-138,347; 1970-107,356 (up 28.9%)

**COLOR BREAKS THROUGH TO 9-MO. RECORD:** Final week in Sept. was 3rd best week in history of color in terms of domestic-label sales to dealers. With 199,000 sets sold in single week, it pushed color sales to record for first 9 months of any year and made it appear more than possible that 1971 would be color TV's first 6-million domestic-label set year.

The 199,000-set week was year's 39th week, eclipsed only by 209,700 sets in 1967 and 202,500 in 1968—both marks also set in last Sept. week, traditionally best week of year in sales to dealers. It was 37% increase over 145,100 sets sold in comparable 1970 week, brought 9-month color sales to about 4,074,500, just passing previous 9-month record of 4,062,000, set in 1969.

Final Sept. week is often barometer of sales to come for rest of year. In 4 of last 5 years, it's been equivalent to about 10% of total sales in 4th quarter. Using this formula, unit sales of 6 million sets seems attainable this year.

One week earlier, in year's 38th week (see State of the Industry, above), all of EIA's listed product categories hit their highs for year to date, despite unusual decline from year-earlier in total TV sales and monochrome sales. With 177,400 color sets in 38th week, followed in 39th by 199,000, sales for last 2 weeks of Sept. alone exceeded 376,000 sets.

**TV INJURY HEARING OPENS IN WASHINGTON:** Though Tariff Commission probe into injury to U.S. industry from TV imports could be life or death matter for foreign producers, little of that urgency was transmitted during first 3 days of hearing in Washington last week. Testimony for most part bordered on dispassionate as most witnesses concentrated on interpretation of facts, rather than facts themselves. When recess came Oct. 8 only 7 of 13 slated witnesses had appeared, and Commission scheduled 2 more hearing days, Oct. 12-13.

At issue is whether increase in TV imports, with resulting injury to domestic industry, is result "in major part" of tariff concessions granted in past years by U.S. trade negotiators. Vital questions to be resolved by Commission are: (1) How serious is serious? (2) Does "ma-

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for part" mean main cause, significant or something less than that? Important difference between current case & TV dumping case, where Tariff Commission did find injury, is that dumping injury needn't be serious, just more than minimal. If Commission finds injury, higher duty rates or quotas can be imposed on TV imports.

What fire there was came from Magnavox Pres. Robert Platt & Zenith Chmn. Joseph Wright. Platt pledged Magnavox would stop buying & marketing imported TVs and would "manufacture domestically all TV receivers which we sell" if duty rate is pushed up from present 6% to statutory 35%. Magnavox, he implied, would abandon plan for Mexican export-assembly facility. "We invite all other American TV manufacturers to make a similar commitment," he said. Should there be no import relief, he said, "Magnavox will be forced to, and will go off shore for a substantially greater part of its TV receiver requirements." Firm's decision to switch from importing to manufacturing 12V" color & b&w portables has resulted in 156 new jobs at Tenn. facility, he said. Dumping duty bonds of 9% being posted by importers, combined with Magnavox's "willingness to sacrifice a portion of our profit margin," enabled start of such production, he said.

Also supporting restoration of 35% duty rate, Wright claimed Zenith has suffered "tremendous injury" from concession-generated increases in imports. He joined Platt in saying that production could be brought back from overseas if rates were higher, indicated Zenith's new Taiwan b&w facility would be used only to sell in 3rd country markets. Japanese export totals show 9% dumping bond is having no effect on TV shipments to U.S., Wright said. "One thing is quite clear—we can no longer wait for significant relief from the specific problems of our industry." Raising duty rates "during this period of emergency in our industry would have a meaningful & salutary effect... allowing us to develop new strategies for the future," he said.

EIA Consumer Electronics Group carefully avoided backing one form of relief over another, contented itself with presenting statistics to show market loss by domestic producers to imports, particularly those from Japan. Counsel J. Edward Day, under cross-examination, said he felt there had been slight, if any, injury from TV imports from Taiwan & Mexico—most plants there are U.S.-owned. Not all CEG Video Div. members lent support to presentation. Abstainers were Admiral, Philco-Ford, Motorola & RCA; all have, or are building, Taiwan TV plants.

Asking Commission to broaden scope of probe, Eugene Stewart, representing EIA Parts & Tube Divs., urged Commission to reverse previous stands and bring segments of components industry into case. He contended that foreign-made parts in foreign-made TVs injure components producers as much as importation of components themselves. If made here, he said, parts in imported TVs would have provided 56,000 jobs for U.S. workers in 1970. Notice of hearing limits investigation to TVs, subassemblies & tuners.

Surprisingly bloodless was presentation of unions (IUE, IAM & IBEW) which filed original request for import relief. They avoided any attempt to dramatize plight of displaced workers at closed plants, something done at most previous hearings. Instead, unions simply presented what they termed "step-by-step analysis of tariff reduction & increased imports."

Only spokesman for import-industry to take stand before weekend adjournment was William Tanaka, representing EIA-Japan. Accompanied by economist Robert Nathan, Tanaka detailed what he termed "the non-duty factors responsible for the growth of TV imports from Japan" including: (1) Refusal of U.S. makers to sell to private label customers. (2) Success of small-screen imports in U.S. market. (3) Purchase of Japanese sets by U.S. producers. (4) Shortage of domestically produced sets in market growth years of mid-1960's. Nathan's economic analysis of industry purported to show that these factors, plus higher productivity of Japanese were key factors in import growth, and that U.S. industry hasn't been seriously injured at all.

Still to come are presentations from Matsushita, Sanyo, Taiwan Electric Appliance Mfrs. Assn., American Retail Federation, National Retail Merchants Assn. and American Importers Assn. All will argue against an injury finding.

Though hearings opened Oct. 6, foreign trade activity started in Washington Oct. 4 with "Save Our Jobs" from imports rally sponsored by AFL-CIO Industrial Union Dept. Following



speeches, group gave endorsement to Foreign Trade & Investment Act (S. 2592), sponsored by Sen. Hartke (D-Ind.), which would limit overseas sales of U.S. technology, establish import quotas to protect threatened industries & eliminate duty-free treatment for U.S.-made content of articles assembled abroad and imported into U.S.

In other important developments, Japanese Govt. apparently agreed to establish voluntary quotas on textile exports to U.S., and N.Y. Federal District Court Judge McLean dismissed antitrust suit filed against Japanese TV industry by IUE. Action, asking for \$67.5 million in damages for former employees at Emerson plant in Jersey City (Vol. 11:9 p7), was dismissed on grounds that union had no standing as injured party. Decision doesn't affect similar \$360 million suit filed by Emerson parent NUE, now pending in Newark Dist. Court (Vol. 10:52 p8).

Significance of Japanese agreement to textile quota will depend on what, if any, concessions U.S. made in return. There is some feeling that Japan might have insisted that U.S. refrain from seeking quotas or imposing import restrictions on other products. If so, impact of positive injury finding in TV case would be considerably softened.

**HOTEL TV—ANOTHER OFF YEAR:** Consumers may be buying new TVs in near-record numbers this year, but nation's innkeepers aren't. Sales for 1971 are expected to turn out below 1970 levels—marking 2nd straight year of decline—and, for first time, color may be losing market share. That's word from Jerry Watner, pres. of Philco-Ford's institutional TV sales subsidiary Telesound, who says that Philco's volume is going up despite market slump.

Hotel-motel market will absorb only about 200,000 new TVs this year, says Watner. That's down from industry estimates of 250,000 in 1970 and 300,000 in 1969 (Vol. 10:46 p9). As for mix, Watner says color accounts for some 85% of unit sales, down from 90% last year. He adds, however, that most new contracts for b&w installations contain color-conversion options. With hotel-motel industry planning to add some 200,000 new rooms next year, Watner's outlook is optimistic. He sees 1972 set volume bouncing back to 300,000 mark. This figure conceivably could be aided in future by what appears to be coming boom in hotel-room closed-circuit movies.

Philco is No. 2 in hotel field and growing, says Watner. He adds that Telesound will sell more than 41,000 sets this year, up from 31,000 in 1970, looks for 46,000 next year. Helping boost totals are 1,000-set contracts just signed with Hyatt Regency (Houston) & Marriott (L. A. International Airport). Volume of field's leader, RCA, he says is more than 100,000. Ranking 3rd "and breathing heavily on our back" is Motorola. Another growing factor in industry is Sears. Watner estimates that 90-95% of country's more than 3 million guest rooms have TV, but only 40% have color—giving industry solid replacement market to shoot at.

Field is for specialists, Watner thinks, noting that no regular distributor or dealer has ever successfully cracked the business. "More sets are leased than bought," which means heavy financing and strong service effort. Telesound servicing is handled by factory-trained independents who work at Telesound rates. As measure of customer satisfaction, he notes that 80% of Telesound's lease contracts are renewed.

Consumers, too, may find leasing better than buying. That's what Philco expects to find out with its Greensburg, Pa. Rentertainment experiment (Vol. 11:38 p7, 11:39 p9). Combination of CATV & set leasing, Watner says, eliminates 3 major customer concerns about color-reception quality, service, size of investment. While Telesound is handling entire rental package in Greensburg, Watner says future, if any, lies in dealer participation through franchising. "We're opening a whole new marketplace, and we're not going to do away with dealers."

Place of dealer in Rentertainment picture is uncertain. While details haven't been worked out, pending results of Greensburg test, franchisees probably will be expected to buy sets from Telesound, get back investment through monthly rentals. But NARDA Exec. Vp Jules Steinberg wonders whether dealers—particularly small ones—can afford to participate. By his calculation, per-set profit would be small, perhaps as low as 15% of rental (at \$14.95 monthly) over 3-year period, taking into account high finance charges and service calls. While Rentertainment is experimental, NARDA is keeping open mind, "but we feel the implications are suffi-



ciently great to warrant consideration at our executive committee meeting Oct. 21," when Philco officials will be invited to discuss concept.

In all probability, Philco isn't looking for much help with Rentertainment from smaller dealers. In fact, franchising of regular Philco line, started last year, squeezed thousands of small outlets out of Philco family. If present test shows promise, indications are that next Rentertainment venture will be in major market—understood to be Pittsburgh, where 3 large retail operations, including Firestone Stores and Kelly & Cohen, are expected to participate.

**MAGNAVOX '72—VTR, 'MYSTERY PRODUCT':** Magnavox's spring 1972 line will feature at least one VTR, low-cost color camera and as-yet-undefined mystery device which "will introduce a new dimension to color TV."

That was part of message given to N.Y. security analysts last week by Pres. Robert Platt & Magnavox Consumer Electronics Pres. George Fezell. Other part was that 3rd-quarter earnings were up 19% from 1970, with record sales up 12% (see financial table) and prospects look good.

VTR will be shown to dealers next May, on market in fall, and will be aimed at educational-industrial & consumer markets. Platt declined to state which system would be used, but indicated it is not Magnavox's own development. "We will probably come in with 2 [VTR] products, but we're in active discussion with many." Initially, VTR "will not be inexpensive, and at its price range not a major consumer electronic product." He said complete VTR package will be more than \$1,000. Magnavox is known to have had discussions with Cartridge TV, Ampex, Philips, perhaps other VTR developers. "In the long run," said Platt, "Teldec [video disc] is a very interesting development. Our 1972 program doesn't encompass it. We are talking tape."

The mystery product? Fezell's teaser: "It will work with any make of color or b&w TV, but will be best with large-screen color. It will appeal to young & old. It will attach to the antenna terminals. It will sell for less than \$100." Your guess is as good as ours. Other comments by Magnavox topkicks:

Current business: "Significant sales pick-up in the latter part of Sept. Our market share in color TV is better than it was last year. The dock strike is hurting, tying up needed merchandise, but most of it is in small, low-cost items." Fourth quarter will be very competitive, with short-term dislocation caused when pre-surge products piled up by the dock strike start to come in. Fezell said 81% of Magnavox dealers report inventories in line with sales. Dealers, he added, are carrying lower inventories, buying more frequently in smaller quantities—a situation which he forecast will lead to fewer dumps, stabilizing prices.

FTC consent decree: "Our sales in non-fair-trade states are keeping pace with those in fair-trade states. We are not losing penetration. We're satisfied we can live with it."

Canadian operations: Platt hinted that Magnavox would start manufacturing north of border. "We don't believe anyone can hope to export and be a factor of consequence in any country outside of the U.S." But Fezell stated that company's first year of Canadian sales showed profit.

Solid-state color: "We have held back due to wide acceptance of our hybrid chassis and softness in pricing of the competition's solid-state chassis—the premium isn't sufficient to cover the additional manufacturing cost. We will introduce a solid-state chassis in 1972."

Sales breakdown: Slightly less than half of company's 1971 business has come from consumer electronics; home furnishings & musical instruments contributed 26% and was fastest-growing group; govt. & industrial accounted for 25%. Company is continuing to decrease its relative dependence on consumer electronics.

Price cutting: "There are morons in every industry," said Platt. "This is the most ridiculous time to be cutting prices. We have taken action to preserve our position in the market and we will do it regularly." (For Magnavox position on imports, see p. 8).



**EIA—COLOR SET STANDARDS?** Color, consumerism, cassettes and market statistics were major preoccupations at big fall meeting of EIA Consumer Group (CEG) in Washington last week, while in Beverly Hills parent group considered foreign trade policy, future of industry, housekeeping matters.

CEG has agreed to work with inter-association organization—JCIC, with representatives from IEEE, SMPTE, EIA, etc.—which is seeking to improve color TV uniformity. CEG's cooperation would consist of tests to determine whether standard parameters should be established for color receivers. Past tests have shown that different TV brands react differently to identical color TV signals.

Stepping into increasingly active consumer area is new CEG consumer affairs coordinator, Mrs. Elizabeth (Betsy) Harrison, formerly attorney in FTC Bureau of Consumer Protection. In CEG post, she succeeds Mrs. Jo Benson Fogel, who resigned to enter private law practice. CEG Consumer Affairs Council revealed it is now receiving consumer inquiries at rate of 400-500 per year, expects pace to increase.

Discussing FCC's proposed videoplayer regulations (Vol. 11:37 p9), CEG revealed it will strongly oppose regulation requiring type acceptance of all such devices, and that its comments will include recommendation for certification by manufacturer instead. EIA Vp Jack Wayman pointed out that FCC originally had proposed type acceptance for all TV sets, which would have been virtually unworkable. In FCC's inquiry into TV-FM interference, CEG is preparing to supply computerized data on set performance, in attempt to convince Commission that problem is one for broadcasters, not receiver manufacturers.

Marketing Services Committee announced that beginning in 2 weeks it will distribute—to subscribers only—monthly total-market statistics (domestic plus imports) and will discontinue quarterly release of such figures to general public, substituting instead monthly release of up-to-date Commerce Dept. import & export figures. Committee reported good progress in development of regular data on audio component sales, and said it anticipated monthly release of some TV retail sales data soon.

**Color TV price increases** totaling 17-18% on U.S. market was forecast for Japanese sets by Hitachi executive in Japan. Company is filling new overseas orders at unofficial currency exchange rate of 320 yen to dollar (vs. former 360), applying to bulk of goods scheduled for shipment next Jan. and thereafter. Official said 10% import surcharge has already resulted in retail price increases of 6%; new rate plus surcharge will bring it to 17-18%.

**Sylvania brings 18V" color leader down to hot \$299.95** in special fall promotion, effective through year's end. Set, previously \$329.95, had been reduced last summer from \$359.95 (Vol. 11:32 p9). Four other sets specially priced for promotion: 18V" at \$339.95 (down \$20 and reduced previously from \$389.95); 23V" table model \$429.95 (down \$50); two 23V" consoles \$529.95 (down \$40).

**NEW WESTINGHOUSE TUBE:** Westinghouse's new super color tube (Vol. 11:40 p7) will cost about \$5 more than standard black-matrix tube in 25V" version, \$4 more in 19V" in production quantities. Electronic Tube Div. Mktg. Mgr. Joseph Baker said 25V" is tentatively priced at \$94 (vs. \$89 for black matrix), 19V" at \$69 (vs. \$65). Because of patent situation, few production details were available. End result, however, is understood to be similar to Zenith's Chromacolor tube—with phosphor dots fully illuminated and black guard band completely surrounding each dot.

Unlike Zenith tube, no enlargement of shadow-mask holes is required. Company feels tube is comparable to Chromacolor in brightness & contrast, but no measurement figures were available. Some set makers have already been sampled with 19V" version. Production is scheduled to begin late Dec. Magnavox Pres. Robert Platt, meanwhile, told N.Y. Security Analysts in answer to question that Westinghouse development was "hand-in-glove project with Magnavox to make sure they have a superior project. This is a superior tube. Westinghouse is a very important supplier [to Magnavox] and will continue to be."

Answering our inquiry, RCA said it has "new development programs to improve on picture-tube designs; many have involved new matrix designs." Sylvania officials weren't available for comment. Philco-Ford is understood to have started up production of its first black-matrix tubes.

**Major developments last week**—President's Phase 2 economic control plan and his use of Taft-Hartley in West Coast dock strike—brought tentative encouragement to large segments of consumer electronics industry, but actual effects are yet to be determined. Temporary court order brings dockers back to work for only 10 days, and 80-day strike moratorium depends on outcome of hearing next week. East Coast and most Gulf ports remain closed. New economic controls will be too sketchy to determine effect for some time, until wage & price boards formulate ground rules, but industry in general appears to feel system will be fair. Importers and users of foreign components will be watching to see whether price guidelines will be flexible enough to cover hardship cases arising from currency variations, and whether awkward method of passing on surcharge will be replaced with simpler system. ITA representatives, meanwhile, meet this week with top Treasury officials to present their plea for surcharge relief on tape instruments (Vol. 11:35 p7).

**Canadian Antidumping Tribunal** report on injury to TV producers from dumping of Japanese & Taiwan sets notes that information supplied by domestic industry relative to "under-utilization of capacity & loss of employment" was "not notably enlightening." Comment did not relate to all of industry's injury claim, as incorrectly indicated here (Vol. 11:40 p9). Tribunal found definite sales loss by Canadian makers to dumped imports, and a "price deterioration" and "decline in profits" which "in part, reflected an attempt to compete." Sales loss, Tribunal concluded, "certainly had some adverse effect on employment levels in the Canadian industry."



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with  
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## Trade Personals

**Richard Elkus**, former vp-gen. mgr. of Ampex Educational & Industrial Products Div. (Instavideo, CCTV, etc.) placed on special assignment, his duties temporarily taken over by Group Vp **Robert L. Pappas**; former Vp-Gen. Mgr. **Lawrence Weiland** of Professional Video Div. (bcst. equipment) is now special consultant, duties also being handled by Pappas...**James A. Goese**, ex-Fuqua Industries financial vp, appointed Admiral finance & administration vp, succeeding as chief financial officer **Walter Bjorseth**, who came out of retirement to take post following death of Secy.-Treas. **Jordan Listick** (Vol. 11:38 p12)...**William A. Coates**, ex-director general of Westinghouse subsidiary CDSW (France), appointed gen. mgr. of Westinghouse Electronic Tube Div., succeeding **Ed Dick**, who becomes special projects mgr. on staff of **Douglas Danforth**, exec. vp. of Westinghouse Industrial & Defense Co.

**Robert A. Wuellner**, controller, elected an officer of Cartridge TV Inc...**H. Gordon Fromm** appointed group vp, industrial relations & planning, Bell & Howell...**Jack P. Speiden**, ex-Admiral ad production mgr., named Switchcraft sales promotion mgr.

**William Dawson** named Audio Devices national sales mgr.; he's succeeded as eastern regional mgr. by **James Palmers**; **Art Leskow** named product services mgr.; **Dave Chapman** mktg. services mgr. succeeding **John Russi**, retired; **Cliff Shearer** is new communications dir...**Thomas Peters** advanced at RCA Electronic Components from Lancaster plant materials & planning mgr. to div. materials mgr...**James Fitzgerald**, University Hotel Corp. pres., elected to Koss board...**James McNaughton** promoted from Hallicrafters business administration mgr. to finance vp & treas.

## 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
<b>General Electric</b>			
1971-9 mo. to Sept. 30	6,699,961,000	317,848,000	1.75
1970-9 mo. to Sept. 30	6,158,329,000	161,470,000	.89 <sup>a</sup>
1971-qtr. to Sept. 30	2,270,731,000	114,166,000	.63 <sup>a</sup>
1970-qtr. to Sept. 30	2,287,344,000	105,795,000	.58 <sup>a</sup>
<b>Koss</b>			
1971-qtr. to Sept. 30	1,555,089 <sup>b</sup>	117,799	.07
1970-qtr. to Sept. 30	1,125,268 <sup>b</sup>	80,114	.05
<b>Magnavox</b>			
1971-9 mo. to Sept. 30	434,143,000	22,605,000	1.30
1970-9 mo. to Sept. 30	375,168,000	17,251,000	.99
1971-qtr. to Sept. 30	145,101,000	7,993,000	.46
1970-qtr. to Sept. 30	129,280,000	6,737,000	.39
<b>TV Communications</b>			
1971-year to July 31 <sup>c</sup>	8,725,397	661,994 <sup>d</sup>	.17
1970-year to July 31 <sup>e</sup>	7,728,391	462,243 <sup>d</sup>	.12
<b>Wometco</b>			
1971-36 wk. to Sept. 11	67,574,863	3,708,246	.64
1970-36 wk. to Sept. 12	67,470,307	4,428,974	.76
1971-12 wk. to Sept. 11	23,626,807	1,386,998	.24
1970-12 wk. to Sept. 12	23,182,074	1,554,054	.27

Notes: <sup>a</sup>Adjusted. <sup>b</sup>Net shipments. <sup>c</sup>Preliminary. <sup>d</sup>After special credit. <sup>e</sup>Restated.

**Fred W. Curle**, former national account sales mgr., becomes mgr. of GE Dealer Sales Operation, Louisville...**James J. Dermody**, ex-advanced audio products design supervisor, promoted to advanced concepts design mgr., Philco-Ford consumer products & industrial electronics...**Alice H. Lowe** promoted from personnel admin. mgr. to personnel mgr., GTE Sylvania Eastern Div...**James Daly**, ex-Motorola & Admiral, named MGA district sales mgr. for Conn. & Western Mass.

**Philip Gomez** resigns as vp-gen. mgr., Texas Instruments Supply Co.; **Glenn Penisten**, TI vp, named to head recently formed New Enterprises Div., which will absorb functions of TI Supply...**Edward Ewing**, ex-GTE International, appointed Singer international mktg. analysis dir...**David Yaniko** promoted at Allied Electronics to operations & product control vp...**Earl Wantland** advanced to Tektronix pres., succeeding **Howard Vollun**, now chmn.

**Norman Neumann** named to head Active Devices & Circuits Operations of newly formed North American Philips Electronic Components Group; **Joseph Sacco** given responsibility for Magnetic Components Operation; **Lewis Sholeno** for Passive Components Operation; **Allan Merken** appointed head of all OEM sales activities; **Roger Gabbel** named mgr. of sales to consumer electronics OEM; **Edward Hellenschmidt** to direct industrial distribution...**Haines Oatner**, ex-Quantum Science mktg. vp, named vp & mktg. dept. chief at Lippincott & Margulies...**Saul Kuchinsky** resigns as gen. mgr., Burroughs Electronic Components Div.

**Bob Lorey** named to new post of consumer products mgr., NPC Electronics, to be assisted by **Ed Nissen**.



WEEKLY

# Television Digest®

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**'COUNTER-COMMERCIALS' VS. 'BANZHAF':** Comments in FCC inquiry range from NCCB's proposals to convert industry to anti-commercialism to CBS's call for complete abolition of Banzhaf doctrine. (P. 1)

**NAB CONCERNS FAIL TO EXCITE** broadcasters in Atlanta. License renewals, access, CATV produce little response. Kurlalt ignores network bias charges. Wallace Johnson says FCC lawyers not anti-broadcasting. (P. 2)

**NAEB's MIAMI CONVENTION** to focus on minorities, financing, Administration discontent over public broadcasting. Nixon may issue policy statement soon. Whitehead, Burch, Rex Lee, Marland to speak. (P. 3)

**FREEDOM OF PRESS HEARING** continues in Senate with Burch, Johnson, Rep. Springer scheduled this week. Friendly calls profit motive biggest threat to TV news. Goodman terms fairness doctrine 'invasion of rights.' Lower sees no intimidation. (P. 4)

**WHITEHEAD ELABORATES IN FAIRNESS,** access, de-regulation. Administration won't push yet. Finds CATV 'very exciting... should move ahead rapidly' but not hurt stations. (P. 5)

**FTC AD HEARING STARTS OCT. 20:** 16 days scheduled, including broad spectrum of govt., industry & public groups. FCC to act soon on ad complaints, updating guidelines. (P. 6)

**'COUNTER-COMMERCIALS' VS. 'BANZHAF':** FCC's inquiry into fairness doctrine, public interest & commercials brought heavy influx of strong-language comments last week—and arguments provided stark illustration of basic conflicts. For example, NCCB asked for:

(1) Up to 100% of all commercial time be available for paid "counter-commercials." (2) Up to 20% of time must be furnished free for same. (3) "Counter-commercials" should be telecast back-to-back with the commercials they attack. (4) No commercials may be run until documentation has been sent to FTC for public inspection. (5) FCC should refer complaints of false or misleading claims to FTC, FDA, etc. before acting on them. (6) If FTC complaint is pending, stations must broadcast warning that commercials involved may be deceptive, false or misleading. Said NCCB: "Americans are drowning in commercials," and foregoing requirements won't hurt commercial broadcasting.

On other hand, CBS called for outright reconsideration of FCC "Banzhaf" ruling which started whole trend by requiring stations to carry anti-cigarette warnings. Said CBS: "Only ac-

### Consumer Electronics

**SEPT. COLOR SALES** up 27.5% for record 9-month sales. Phono sales increased slightly from 1970, but radio sales were down for month. (P. 7)

**PROVE TV AD CLAIMS,** FTC demands, giving 12 manufacturers & marketers 60 days to produce documentation and threatening cease-&-desist action against claims which can't be proven. (Pp. 7 & 10).

**4-CHANNEL DECODER** for all matrix discs, including CBS system, promised by Electro-Voice in Jan. New IC claimed to make all systems compatible without manual switching. GE to test 4-channel FM system. (P. 8)

**TV INJURY HEARING** closed by Tariff Commission as witnesses assail U.S. manufacturers' position. Outcome in doubt, but tie vote seen likely. Supreme Court throws out Penney TV dumping challenge. Anti-import bill clears Congress hurdle. First surcharge exemption. (P. 9)

**AUG. IMPORT SLUMP** affected all consumer electronics except European record changers. Tape instruments drop 23%, recorders 33%, players 9%. Radio shipments down 29%. Importers seen emptying warehouses to beat Oct. 1 surcharge deadline. (P. 11)

**RCA'S BIG WRITE-OFF** results in \$231-million 3rd-quarter loss, but 'continuing operations' register good gains. Warwick & Curtis Mathes in black. (P. 12)



tion going to heart of the matter can extricate the Commission and the medium it regulates from the morass into which Banzhaf has led. For if cigaret commercials were properly treated as comments on a public issue, there are few broadcast advertisements that cannot—in one context or another—be forced into the same mold... The possible extension of Banzhaf cannot be dismissed as a fanciful 'parade of horrors.' The real parade has already begun..."

If industry has to carry replies to all commercials for cereals, cars, gas & oil, drugs & detergents, CBS said, it will mean loss (in time which otherwise would be sold) of \$68 million—and combined profits of networks in 1970 were only \$50 million... The results [would be] devastating even if the affected advertisers chose to continue their use of the broadcasting medium without substantial curtailment. But there are strong reasons to believe that the opposite will occur... Other media—which are unburdened by the reply mechanism—will obtain an enormous competitive advantage...

"The irony of such a result is that the destruction of commercial broadcasting would not in any way assist in the solution of the social problems thought to necessitate a right of reply. The American people would be deprived of their most trusted source of news & information—not only on issues such as pollution which are allegedly raised by product advertising—but also on all the other problems of concern to our society."

**NAB CONCERNS FAIL TO EXCITE SOUTH:** Despite repeated attempts by NAB staff to work up concern over what many consider life & death struggle of broadcasting, TV-radio executives at fall conference in Atlanta last week refused to show same concern. License-renewal fight barely got a tumble; CATV was ignored by the audience; access wasn't mentioned; OTP Dir. Clay T. Whitehead's proposals (Vol. 11:41 p1) weren't brought up.

Opening session on news probably was liveliest but even that one didn't generate sparks expected. Richard Barron, WSJS-TV Winston-Salem exec. vp, said that in poll of 40 N.C. broadcasters a large majority said that many times they have ignored coverage of local controversies because of fear of fairness doctrine. He said broadcasters told him they knew they weren't fulfilling their obligations to public but that they "didn't want to face a renewal hearing." He said attitude of broadcasters was one of "fear, intimidation & harassment" by govt. He cited "the chilling new dimension of the court's expansion of the fairness doctrine beyond all reason."

CBS newsmen Charles Kuralt (panel moderator) didn't challenge contention of 2 panelists—and from several in audience—that TV network news is biased. "I happen to believe that network news is biased," said William James of WJR Detroit. He said 80% of complaints to station concerned alleged bias of CBS News.

Presentations and attempts to solicit comments & questions by 3 NAB exec. vps brought practically no response, but conference closed with lively exchange featuring FCC Broadcast Bureau Chief Wallace Johnson. At too many broadcast meetings he attends, he said, most of talk is motivated by self interest, but he noted a change in attitude in conversations with those in Atlanta. He praised efforts of TV, said that in many areas it has been so good that public has come to expect too much. He predicted that AM freeze will be lifted before end of year and that there is a "hesitancy" within FCC to prescribe program standards for TV or radio.

Asked if young lawyers at FCC are biased against broadcasting, Johnson said they are more concerned about the public interest and problems of the day than was case a few years ago. "They are annoyed because they feel broadcasters could & should be doing much more... They like to prod us on this... I think this is a plus... I wouldn't say that they're anti-broadcasting." NAB Pres. Wasilewski said the young lawyers are more anti-establishment than anti-broadcasting.

At TV session, NAB TV Chmn. A. Louis Read gave gloomy report on chances for negotiated settlement of CATV problem. "You must understand just how serious this is," he said. "We are in a position of wanting to compromise intelligently to preserve over-the-air TV," he said. TvB Pres. Norman Cash and Read (who also is TIO chmn.) urged stations to use airwaves much more to get broadcasting's story to public. Code Dir. Stockton Helffrich cited kid's TV, personal products and time standards as major problems facing Code.



NAB was disappointed that luncheon speaker Sen. Hollings (D-S.C.) didn't mention broadcasting. He talked about political and social problems, stressing the Southern outlook. As usual, Atlanta conference was well attended—with many students included among 336 registered. Roadshow shifts to Chicago Oct. 18, Boston Oct. 22.

**MINORITIES & FINANCING TOP NAEB AGENDA:** Renewed charges of racism, "fundamental disagreement" between Administration & CPB over direction of public broadcasting, lack of permanent financing plan for CPB, bickering between PBS & NET over programming and growing discontent among broadcasters over whole shebang—all are expected to come to head this week at NAEB's 47th annual convention at Miami Beach. About 6-7,000 are expected when general session opens Oct. 18 with report "on major issues" from NAEB Board and address by FCC Chmn. Dean Burch.

"We've been accused in the past of making a lot of rhetoric... a tendency to speak out on everything," NAEB Exec. Dir. Chalmers Marquis told us. "So we are going to concentrate just on the things we can achieve." He predicted that report by Board (meets Oct. 16-17) on financing, ascertainment of community needs, First Amendment, political broadcasting & minorities would "ruffle a few feathers" at convention. "We're going to have to lay it on the line," he said. Other convention speakers include OTP Dir. Clay T. Whitehead, FCC Comr. H. Rex Lee & U.S. Comr. of Education Dr. Sidney Marland.

CPB's long-term financing dilemma will be priority topic at convention (members were promised legislation would be submitted to Congress long before convention), and Whitehead's Oct. 20 address is expected to deal almost exclusively with differences between OTP & CPB over how money should be distributed to member stations and with White House's dissatisfaction over public programming & news (Vol. 11:40 p1). We're also told that Nixon is expected to issue statement soon on public broadcasting, say what financing plan Administration will back.

Studies on minority hiring and ETV viewership will be released. CPB is expected to announce results of Harris poll and ARB survey showing "significant" increases in viewing, but a report on minority hiring isn't that bright. According to FCC figures, there are now 6,744 persons employed by ETV stations—but only 515 are of minorities. Last year, NAEB conducted its own survey of ETV and radio stations, and data showed 539 minorities out of some 5,000 employees. Even though comparison is difficult, NAEB Minority Affairs Dir. Lionel Monagas called it discouraging. "We're worse off than last year," he said. "I've seen no substantial progress in the areas of jobs... programming... training."

Last year, some minority groups walked out of convention, accused NAEB Board of racism. "Last year we ranted and raved, held private sessions... But we're through with those performances... We want answers now," Monagas said. Those answers may come in Oct. 20 panel "Interaction: Minorities and Public Broadcasting" with panelists NAEB Pres. William Harley, NPR Pres. Donald Quayle, NAEB's ETS Chmn. Howard Holst and PBS Chmn. James Loper. Surprisingly, CPB had no representative listed on panel. CPB Pres. Macy attended last year.

Most panels will be held at either Fontainebleau Hotel or Miami Convention Center, with more than 64 equipment exhibitors, sessions on engineering, CATV, FCC regulations, programming, audience research, radio, management, etc. Marland will address general session Oct. 19. Oct. 20 annual business meeting will precede Whitehead address same day.

**FCC Gen. Counsel Richard Wiley** still leads as probable appointee to succeed Comr. Wells—but there was hitch last week, presumably temporary, because of pressure on White House from some groups for "black now." Chances are Nixon will name Wiley, at same time announce intention of appointing black to succeed retiring Comr. Bartley next July 1. If "black now" forces prevail, however, top contender still appears to be John Powell, gen. counsel of U.S. Commission on Civil Rights. He's known as diligent GOP worker, has substantial political support.

**Additional FCC hearings** are expected to be set soon in affiliation-bribery cases similar to Dayton, O. case. Half dozen stations are due to be charged with paying former ABC station-affiliation personnel to get TV affiliations or obtain improved contracts. In Dayton case, onetime affiliate relations field man Thomas Sullivan was charged with extorting \$20,000 from WKTR-TV Chmn. John Kemper (Vol. 10:8 p7, et seq.). Last week, FCC approved sale of bankrupt WKTR-TV to Ohio Educational TV Network Commission for \$550,000.



**MEETING BILL OF RIGHTS HALF WAY:** While networks continued to charge Administration or FCC with intimidation, former CBS News Pres. Fred Friendly told Senate Constitutional Rights Subcommittee last week that profit motive, not govt. harassment, is biggest threat to broadcast journalism. "The chilling hand that concerns me far more is the corporate concern for maximizing profits," he said. "The First Amendment should apply to broadcast journalism, but I also believe that the broadcast industry must meet the Bill of Rights half way."

Friendly urged creation of "a knowledgeable citizens' commission" fashioned after Britain's 1962 Pilkington Commission that evaluated long-range performance of BBC. American commission, he said, independent of broadcast industry or govt., would study how well Communications Act has served after 37 years, then "reorder our priorities and create the kind of long-range communications policy that can carry us into the next century."

Hearing will resume next week, then adjourn until early next year. So far, Chmn. Ervin (D-N.C.) has been unable to get Administration spokesman to testify, is likely to decide against recommending Newsmen's Privilege Act until Supreme Court decides several First Amendment cases. Witnesses Oct. 19 include Rep. Springer (R-Ill.), NBC's David Brinkley, Peter McKnight, pres. of American Society of Newspaper Editors. Oct. 20 witnesses: FCC Chmn. Burch, Comr. Johnson and spokesman for N.C. Bcstrs. Assn.

NBC Pres. Goodman and ABC News Pres. Lower testified last week, attacked FCC use of fairness doctrine, but unlike earlier testimony from CBS Vice Chmn. Stanton (Vol. 11:40 p2), neither recommended outright repeal. Goodman: "...the interpretation of the fairness doctrine by the FCC constitute[s] an invasion of the rights of the broadcast media under the First Amendment... When the criticism by government officials is sweeping rather than factual or specific... it can damage the public interest."

ABC was only network that didn't go after Administration. Under questioning, however, Lower said of intimidation charge, "I have not seen a systematic campaign here. But I do believe there has been more of it in the last 3 or 4 years." On fairness: "Fairness does not mean that the government, whether the FCC, Congress or the courts, has the right to substitute its editorial judgment for that of the broadcaster."

Springer's testimony this week is expected to focus on House contempt battle with CBS over "Selling of the Pentagon." He's ranking minority member of Commerce Committee which brought contempt issue to House floor and of Investigations Subcommittee which held public hearing. Chmn. Staggers (D-W. Va.) was asked to testify but probably won't. Ervin, last week, again defended Stanton's refusal to comply with subpoena. "I'm glad you didn't question the congressmen's motives for investigating that program," Ervin told Lower. "I don't question their motives either... I don't question the good motives of the men who put other men on the rack for expressing heretical beliefs."

**KINNEY'S PLUNGE INTO CATV:** Big conglomerate Kinney Services Inc.—owner of Warner Bros & Atlantic Records, et al.—bid to become one of nation's major cable operators last week. It announced deal to acquire TV Communications (105,000 subscribers, 23 systems) and CATV systems owned by Continental Telephone (70,000 subscribers, 70 systems).

Price: 1,264,000 Kinney shares for TVC, 550,000 for Continental's systems—valued at about \$61 million. Said Kinney Pres. Steven J. Ross: "Although the transactions... will result in short-term earnings dilution of perhaps 5% to 7%, we think this is a reasonable price to pay to position Kinney as a leader in one of the great growth businesses of the 1970's."

TVC Pres. Alfred Stern said company needed funds Kinney can provide to develop major cable systems—such as Akron, Boston suburbs and other franchises it hopes to get. And Kinney has the funds: For 9 months ended June 30, it earned \$29.9 million on sales of \$440.6 million.

In another transaction last week, General Instrument announced it was selling Jerrold's 10 cable systems (100,000 subscribers) to Charles Sammons' National Transvideo for \$30 million cash—instead of to Telesystems, as previously stated (Vol. 11:36 p3). Also last week, Comcast Corp. reported what it paid for Westmoreland Cable Co. (Vol. 11:29 p4)—\$2.31 million cash & 250,000 Comcast shares. Comcast reported that it had dropped plans to acquire Snelling & Snelling employment agency.

#### **Bribery case against TelePrompter's Pres.**

Irving Kahn took unexpected turn last week when former Johnston, Pa. Mayor Kenneth Tompkins and ex-councilman J. Howard Deardorff pleaded guilty, testified they accepted bribe from Kahn for CATV franchise. Defense tried to show that money was extorted. During testimony Oct. 15, Tompkins said he was offered \$50,000 by Johnstown insurance man William Heslop to award franchise to another company, but he refused offer, allegedly accepted less money from TPT. In addition to bribery charge, Kahn faces additional charge of perjury before grand jury last Dec. & Jan. (Vol. 11:41 p5).

**CBS revenue & earnings** rose sharply during 3rd quarter (see financial table), as network reported \$18.8 million net income on \$318.9 million sales—17% increase in earnings, 9% jump in revenues. Results were restated to exclude Viacom operations. However, 3rd quarter increase wasn't enough to bring 9-month earnings up to 1970 level, because first quarter figures reflected loss of cigaret advertising. This year's 9-month earnings were \$41.3 million, vs. \$44.7 million last year, on sales of \$882.5 million, up from \$875.4 million in 1970.

**Washington Police Dept.** is buying \$50,000 "mobile" TV system so mayor can keep watch on demonstrations. Reported to be first of kind, camera & antenna can operate only while standing still, equipment takes 15 min. to set up, and transmission will be by "line of sight" to 40-ft. tower at command center.



**WHITEHEAD ELABORATES:** Administration isn't ready yet to push for legislation to achieve goals proposed by OTP Dir. Clay T. Whitehead—abolition of fairness doctrine, getting FCC out of programming, de-regulating radio (Vol. 11:41 p1). Interviewed on "The Newsmakers," taped Oct. 14 for telecast Oct. 17 on WTOP-TV Washington, Whitehead said:

"We don't think it's time to go to the Congress and push for legislation like this... We think that it's time that the country, people in the industry, public interest groups, start to think about whether [the Communications Act] is really the way that we want to structure our mass media. People for so long have not thought about it, we thought it was time to throw out an idea... and let people talk about, let people think about it. Then will come the time for some legislation."

Discussing paid access, Whitehead stated: "If there are a significant number of people who don't have the money to buy time in the print media or on TV, and their point of view is significant, it's of concern within their community, then it's absolutely the responsibility of the licensee to recognize that and provide the programming to meet that point of view. But we're saying that that should not be enforced on an issue-by-issue, day-by-day basis by the FCC, because you're just inviting the federal government to get into an interminable series of disputes between individuals."

Regarding de-regulation of radio: "What we... ought to do is to recognize that there are a fantastic number of radio stations in this country, that almost every listener has access to a very large number of radio channels, that by-&-large the regulations have lost touch with reality. Well, let's try to cut back some of that red tape. Let's give the broadcaster in radio a little more chance to innovate, to see what's really of concern to his community, to see what kinds of specialized things he could do, and see what happens." Whitehead said FCC Chmn. Burch "generally agrees it's a good idea. Working out the details will take some time."

**Campaign spending bill goes before House Rules Committee** this week after Democratic leadership hammered out "agreement" between separate bills reported out by Commerce and Administration committees (Vol. 11:41 p3). It's understood that whenever bills reach floor they'll be voted on as one bill in 2 parts, Commerce Committee bill becoming "Title One" of Administration Committee bill. Commerce Committee Chmn. Staggers (D-W. Va.) and Communications Subcommittee Chmn. Macdonald (D-Mass.) were reported furious over agreement. Macdonald has been openly critical of other bill sponsored by Rep. Hayes (D-O.), calls several of its provisions unconstitutional. Neither bill is popular with Republicans who may try to substitute Senate version on House floor.

**Record 3rd-quarter sales** were reported for ABC-owned radio stations. Div. Pres. Harold Neal said sales by ABC's 7 AM stations were up 9% from same 1970 period, while 7 FMs had 55% increase.

Asked if there's conflict between OTP's proposals for less regulation and Agnew's criticism of broadcasting, Whitehead said: "So long as the government does have a strong power through the FCC over licenses, over fairness and things like that, I think the broadcasters are always going to feel the danger of intimidation... What the Vice President is saying is that broadcasting should pay more attention to being responsible. I don't think that's incompatible with what we're saying."

\* \* \* \*

Turning to CATV, Whitehead said: "We think that cable TV is a very exciting new technology that can bring an awful lot of benefits to the American public. In the short run it can bring more channels, more diversity, more choice. In the longer run it can bring a whole range of new services and probably even a whole new concept of TV..."

"We certainly should go full speed ahead with cable TV, but we have to be very careful... The President is concerned, as are all of us, that there's a tendency toward some instability in regulated industries... We definitely think it should move ahead. It should move ahead rapidly. But it shouldn't move ahead in a way that tears down the system of over-the-air TV that we have today."

Asked about FCC policy on station-CATV cross-ownership, Whitehead said: "Without prejudging what our cabinet committee is going to come up with and what the President's proposals will be, I think we feel that it's only natural that the broadcaster—the man in the community, who knows his community, who knows how to do programming, who knows how to find what's interesting and appealing to the TV-viewing public—we think it's only natural that that guy should have a role in the developing of cable TV as a new medium."

(Report circulated in Washington last week that Sen. McClellan (D-Ark.) had meeting with Nixon, urging that Administration maintain hands-off policy, let FCC go ahead with proposals—and that Nixon agreed. All that could be confirmed is that the 2 did have a meeting.)

**Proper channel identification** for uhf stations carried on CATV systems is objective of rulemaking petition filed with FCC by WXTV (Ch. 41) N.Y. It suggests, for example, "requiring cable systems to modify tuner knobs and other channel readout devices installed on their systems to specify the particular uhf channels available in the market and being carried by the cable system." Station said this would require "relatively minor adjustment" of receivers. It also asks that CATV systems be required to furnish subscribers with listing showing which stations are local, network, independent, ETV & distant. In addition, WXTV asks that cable systems be prohibited from "doubling-up" on channels—using channel for other services when station is off air—saying "the result is often confusion."

**To avoid confusion**, FCC is planning rulemaking requiring CATVs that originate to identify themselves with "Cable TV, ch. x," and give name of community—with announcement at beginning & end of each program.



## Personals

**Henry Schacht**, Cummins Engine Co. pres., elected a CBS dir... **Christopher Desmond** promoted to planning dir., CBS TV Stations Div.; **Maurice Reid**, to controller... **Ed Cardona** appointed community affairs coordinator, WCBS-TV N. Y. ... **John Brooks**, ex-Ogilvy & Mather, appointed account exec., CBS-TV N. Y.

**Lawrence Dupuis** promoted at ABC-TV to N. Y. on-air ad dir., succeeding **Joseph Taritero**, now children's programming dir.; **Frank Cuciti**, former TV network facilities scheduling supervisor, advanced to N. Y. on-air ad mgr., replacing Dupuis.

**Ed Anderson**, ex-CBS-TV operations supervisor, named mgr., WOR-TV Production Center, N. Y. ... **Steven Orr** elevated to sales dir., WBBM-TV Chicago. ... **Mike Morgan** promoted to film dir., KRON-TV San Francisco, succeeding **Jay Hansell**, resigned. ... **Judy Green**, ex-Grey Advertising, named account exec., WOR-TV N. Y.

**Gil Schneider** elevated to gen. sales mgr., KGNC-TV Amarillo; **Betty Eads**, to sales coordinator. ... **Stuart Zuckerman** appointed promotion coordinator, KBHK-TV San Francisco.

**Pierre Weis**, ex-United Artists TV pres., named special projects vp, Metromedia Producers... **Dan Goodman**, ex-Screen Gems sales mgr., named sales & administration exec. vp, Faberge's new entertainment div., Brut Productions; **Robert Halmi**, ex-film producer & dir., appointed production exec. vp... **Henry Weiss**, ex-KBIG(AM) L. A., re-joins Blair TV, L. A.; **Lynn Fairbanks**, ex-WHDH-TV Boston, to Blair-TV, Chicago.

**John H. Bone**, ex-Metromedia, joins Chicago office of brokers Hamilton-Landis... **Richard Wiley**, FCC gen. counsel, speaks Oct. 19 at National Lawyers Club, Washington, on "Impressions of a General Counsel Following His Freshman Year of Service"... **Alan Baker**, ex-NBC press & publicity dir., joins NCTA press staff... **Curtis Messinger**, ex-vp & gen. mgr., Time-Life Bcst., named finance & administration vp, Education Bcstg. Corp. (EBC), effective Nov. 1.

**CBS came right back** last week with its own independent research attacking credibility of Edith Efron's "The News Twisters" (Vol. 11:41 p4). Study evaluating her methodology was compiled by Dr. Charles Winick, sociology professor, City U. of N. Y. Among his conclusions: "Key coding categories & concepts are not clearly defined in the book and neither intensity nor degree of opinion was systematically measured... 'The News Twisters' seems less interested in exploring alternate explanations & implications of its findings than in documenting network bias. It is more like a legal brief, organizing evidence to support a thesis, than a research study which seeks to explore all facets of a situation." Network says that 2nd study will be released soon reviewing CBS Evening News coverage of final 7 weeks of 1968 Presidential campaign, period cited in Miss Efron's book.

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**FTC AD HEARINGS START OCT. 20:** "Modern advertising practices" will be studied by FTC in 16 days of hearings starting Oct. 20. First-day witnesses will include Rep. Dingell (D-Mich.), chmn. of House Small Business Subcommittee which has twice blasted NAB Code efforts during own hearings, and TV Code critic Warren Braren of Consumers Union. AAAA/ANA task force takes over first afternoon and for next 4 days to present about 2 dozen witnesses. FCC Chmn. Burch appears Oct. 28. Among pro-advertising spokesmen:

C. W. Cook, General Foods; AAF Pres. Howard Bell; Donald Kendall, Pepsi Cola; AAAA Pres. John Crichton; Andrew Heiskell, Time Inc.; Herbert Krugman, GE; TvB Pres. Norman Cash; Carleton Loucks, RAB, and several agency executives. About 5 days of hearings on impact of advertising (particularly TV) on children is expected to garner largest share of headlines. Hearings now are scheduled to run through Nov. 18.

FCC meanwhile, will soon issue its decision on several ad complaints. It's expected to: Defer ACT complaint until whole children's programming inquiry is considered; state that FTC is still arbiter of false & misleading commercials; update guidelines reminding stations of responsibility for keeping up with FTC actions; state that networks, not stations, are responsible for clearing network commercials; declare that it's job of FTC, FDA & other govt. agencies—not FCC or broadcasters—to test products and require documentation of claims; require diligence by licensees in checking local advertisers with BBB and other local sources.

**Time-Life's WFBM-AM-FM Indianapolis** and WFBM Muzak & Sound Systems will be bought by Rahall Communications for about \$3.05 million.



# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Oct. 1 (39th week of 1971):

	Sept. 25- Oct. 1	1970 week	% change	Sept. 18-24	1971 9 Mo.	1970 9 Mo.	% change
Total TV.....	313,981	235,427	33.4	317,576	7,512,176	6,408,183	17.2
color.....	198,973	145,059	37.2	177,427	4,074,502	3,236,842	25.9
monochrome....	115,008	90,368	27.3	140,149	3,437,674	3,171,341	8.4
Total radio.....	345,305	276,104	25.1	553,102	13,694,354	11,888,490	15.2
home, portable..	127,604	168,700	-24.4	328,635	6,005,480	5,552,109	8.2
AM-only.....	73,587	103,521	-28.9	174,320	3,358,255	3,407,289	-1.4
FM & FM-AM..	54,017	65,179	-17.1	154,315	2,647,225	2,144,820	23.4
auto.....	217,701	107,404	102.7	224,467	7,688,874	6,336,381	21.3
Total phono.....	89,208	89,950	-0.8	177,526	2,922,540	2,590,756	12.8
portable-table...	60,801	60,302	0.8	146,865	2,254,462	1,830,084	23.2
console.....	28,407	29,648	-4.2	30,661	668,078	760,672	-12.2

Color TV 5-week moving average: 1971-149,323; 1970-117,089 (up 27.5%)

**SEPT. COLOR SALES UP 27.5%:** Although Sept. color sales didn't set record—they were well below 818,850 in 1967—they did push cumulative 9-month domestic label sales to dealers to new high (Vol. 11:41 p7). Total phono sales were up slightly from year earlier and radio sales were down (see State of the Industry).

Year's record color week—close to 199,000—is chronicled above. Here's at-a-glance picture of Sept. 1971 vs. 1970 & 1969 from EIA records.

Product	Sept. 1971	Sept. 1970	% change	Sept. 1969
Total TV.....	1,288,725	1,077,835	19.6	1,217,604
color.....	746,617	585,447	27.5	640,212
monochrome....	542,108	492,388	10.1	567,392
Total radio.....	1,912,288	1,621,266	18.0	2,217,696
home, portable..	841,720	913,374	-7.8	1,129,170
AM-only.....	434,326	560,934	-22.6	682,475
FM & FM-AM..	407,394	352,440	15.6	446,995
auto.....	1,070,568	707,892	51.2	1,088,526
Total phono.....	479,491	454,627	5.5	637,160
portable-table...	362,734	322,902	12.3	479,128
console.....	116,757	131,725	-11.4	158,032

**PROVE TV SET CLAIMS, FTC DEMANDS:** FTC last week gave 12 TV manufacturers & marketers 60 days to produce facts to document specific advertising claims made for their sets. Similar demands were made on manufacturers of cars, electric shavers & air conditioners.

Commission will study manufacturers' proof with aid of lawyers, and, if necessary, electronics experts. Robert Pitofsky, dir. of FTC's Bureau of Consumer Protection, told news conference last week that formal complaints leading to cease-&-desist suits would be issued against

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any firms failing to substantiate claims properly. FTC officials said they also will consider ordering "corrective advertising" to counter previous claims found to be false.

FTC's study of ad claims by the 4 industries will be basis of projected public report on truth in advertising, to be completed about Feb. 1 and submitted to Senate Commerce Committee. Many of questioned claims by TV manufacturers centered around AFT, automatic tint systems ("tunes perfect picture every time") and degaussers ("keeps colors pure"). Each manufacturer or marketer received specific bill of particulars, questioning claims made in factory, distributor & catalog ads. Brand-by-brand summary of questions is on page 10.

**SINGLE DECODER FOR ALL MATRIX DISCS?** Market-debilitating war over incompatible quadraphonic matrix record systems (Vol. 11:27 p9) may be averted on basis of surprise announcement last week that Electro-Voice has developed IC decoder which will accommodate any known matrixing system.

Announcement was made by E-V Pres. Lawrence LeKashman at N.Y. meeting of National Academy of Recording Arts & Sciences devoted to demonstrations of mutually incompatible E-V Stereo-4 & CBS SQ matrix discs. New IC, to be offered to OEMs, LeKashman said, will decode any known or future matrix systems without manual switching—so that Stereo-4 and SQ discs, for example, may be loaded on record changer and played intermixed, along with standard 2-channel stereo records, which E-V claims its decoder "enhances."

IC will be made by Texas Instruments, with E-V delivering samples in Jan., scheduling production quantities in late Feb. E-V will discontinue distribution of current decoder chip, which is designed to work with Stereo-4 parameters only. New chip, containing equivalent of 80 transistors, 100 passive components, initially will cost about \$5 vs. \$1.50 for current E-V chip in large quantities, but LeKashman estimates mass-production cost eventually will come down to about \$2.

If E-V makes good on promise, it will head off chaotic battle of many dissimilar matrix systems. SQ system simply will not work with current E-V decoders and vice versa. Sansui system, different but similar to Stereo-4, gives fairly satisfactory results with E-V decoder. In Japan, it's reported that 14 non-compatible matrix systems have been developed.

When mighty CBS decided to throw its weight behind own SQ system—backed by Sony as hardware manufacturer—something had to give. E-V had long headstart, but CBS has record industry's most potent market power. LeKashman claims some 350,000 Stereo-4 discs have been sold—some 100 releases on 8 relatively minor labels—that some 75,000 decoders are in hands of public or in pipelines, another 100,000 Stereo-4 ICs delivered to OEMs, with 69 FM stations broadcasting Stereo-4 via E-V encoders. He forecasts sale of more than million decoders next year, and decoders in majority of stereo systems sold in 1973.

Columbia Records Vp Stanley Kavan announced at last week's meeting that first 20 SQ records (at \$1 premium) would be issued next month, simultaneous with appearance on market of Sony & Masterwork SQ decoders, with Lafayette's version to follow soon. E-V's announcement came as surprise to CBS executives. Kavan told us CBS wanted to know more about E-V's new decoder and its plans before making concrete comment, but if it is as represented, "I think it's going to accelerate the acceptance of SQ enormously."

Patent situation in matrix quadrasonics is still unclear. CBS, E-V & others have applied for patents. CBS has offered SQ to industry, but charges fee for knowhow. E-V will charge no fee, but will sell IC chips, backing all sales with "harm-free guarantee in the event of patent litigation."

E-V will push hard on new decoder, urging its use in cassette recording in addition to discs & FM. E-V has just received patent on 4-channel headphone concept, will market phones with built-in decoders, designed to be plugged into standard 2-channel stereo receiver. Next year, E-V will offer 40-watt RMS 4-channel receiver at \$169.95 or less. Current E-V decoder lists at \$59.95; new version, with universal all-system capability, probably will be about \$10 higher. New compatibility move may be interpreted as victory for CBS, victory for E-V—and most of all, victory for public.



In Washington, GE filed with FCC request for 90-day experiment with 4-channel system on its WGFM Schenectady. GE said system "is fully compatible with existing stereophonic & monophonic receivers, would provide 4-discrete channels of sound to receivers utilizing a 4-channel decoder. [System] is an extension of the 2-channel Pilot Tone FM Stereo Broadcast System developed by GE in the 50's and adopted by the Commission..."

**TARIFF WRAPS UP TV INJURY HEARING:** After 5 days of testimony, Tariff Commission closed out hearing in probe of injury to domestic industry from TV imports, in week which also saw these foreign trade developments: (1) Supreme Court refused to hear case challenging Treasury's anti-dumping procedures. (2) New protectionist measure moved in Congress. (3) U.S. granted first exemption from 10% import surcharge to Japan's textiles in exchange for export quotas.

All witnesses at Oct. 12-13 sessions of Tariff hearings stressed that factors other than duty rate reductions were prime causes of increase in TV imports over past 10 years. National Retail Merchants Assn. said industry itself contributed to import growth by "inability or unwillingness" to supply full range of TVs in U.S. market, added U.S. makers "need spur of international competition." American Retail Federation warned that return to 35% duty rate would have serious effect on dealer sales. Revaluation of Japanese yen & surcharge already insure "minimum 15% increase" in TV import prices, ARF contended.

Sanyo & Matsushita were only Japanese producers making independent presentations. "Major cause of increased imports," Sanyo attorney Eugene Blauvelt maintained, was demand for small-screen & private-label sets which "were not available from domestic sources." Harvard economist Robert Stobaugh, appearing as part of Matsushita presentation, got visible rise from Commissioners when he said that Japan's high productivity & low production costs meant that Japanese TVs could penetrate U.S. market at will, even with higher duties. He indicated belief that domestic TV producers may have to move to offshore procurement or manufacture, as they did in radios & recorders. Salvation for industry here, he said, lies in switching to new technologies & products, such as videoplayers, rather than in head-to-head competition with imports.

Taiwan Electric Appliance Mfrs. Assn. attorney Myron Solter echoed previously voiced doubts that duty reductions caused TV import growth, questioned whether President "would find it politically expedient" to raise rates. Alternative injury remedy would be import quotas which, he said, would give Japan a 78% share and "foreclose the option of U.S. producers to manufacture offshore and import to compete with Japanese imports." Solter said he represented TEAMA "and more particularly" those members exporting TVs to U.S., which he listed as subsidiaries of Admiral, Philco-Ford, RCA, Motorola, Zenith, Hitachi, Matsushita & Sanyo. Solter later amended statement to drop Zenith as participant; spokesman for Admiral & RCA told us companies had not sanctioned statement. There are indications other U.S. firms will ask Commission to remove their names from testimony.

Existence of 2 new probes into Japanese TV industry was revealed during hearing. One, started & dropped by Treasury, was aimed at determining whether countervailing duties should be imposed on TVs to offset alleged subsidies given exporters by Japanese govt. Other is in-depth study being conducted in Japan by Tariff Commission as part of Administration-ordered overview of impact of imports on U.S. industry (Vol. 10:38 p8).

In TV injury case, Commission has until Nov. 20 to report findings. Because hearing was pushed back from original Aug. 24 starting date, attorneys have just one week, instead of usual 3, to submit written briefs. To recommend import relief, Commission must find that tariff concessions granted by U.S. reducing duty rate to present 6%, were "in major part" responsible for an increase in TV imports which caused or threatens "serious injury" to domestic industry. Based on past Commission performance, likely outcome is 3-3 tie, with outside chance for 4-2 no-injury finding. In event of tie, President Nixon casts deciding vote. In most recent decision, Commission voted 3-0 against giving import adjustment assistance to variable capacitor maker All Star Products, Defiance, O. Comrs. Leonard, Sutton & Young voting, Chmn. Bedell, Vice Chmn. Parker & Comr. Moore not participating.



Supreme Court declined to review lower court dismissals of J. C. Penney's challenge of Treasury & Tariff Commission procedures in TV dumping case. Penney alleged closed-door methods of agencies violated its Constitutional rights. District Court refused to hear case, holding that it belonged in Customs Court. Federal Appeals Court upheld that ruling. Similar case, filed by Matsushita, is now pending in Customs Court.

Latest anti-import legislation is rider on minimum-wage bill just passed by House Labor Committee. Amendment would give President right to impose quotas or raise duties on imports from low-wage countries when Labor Secy. found such imports threatened jobs here. It would also restrict Federal purchases of foreign-made goods.

Japan-U.S. pact on non-cotton textiles came Oct. 15. Under negotiated agreement, Japan will restrict textile exports to U.S., while we agree to remove duty surcharge on quota imports. Some observers feel settlement may set pattern for new negotiations aimed at helping other import-impacted U.S. industries.

**FTC WANTS PROOF:** Here's brand-by-brand summary of ad claims for which FTC is demanding documentation (see p. 8):

**Admiral**—Three-year warranty on color tube (now discontinued) is unique.

**GE**—10V" color portable is lightweight and half the price of many other color sets. Circuits in 20V" color stabilize skin tone and purify color automatically. AFT compensates for human error, avoids possibility of broadcast drift.

**GTE Sylvania**—Its black-matrix tube provides sharpest color picture obtainable.

**Magnavox**—TAC contributes to perfect color picture all the time, assures true flesh tones & sharp pictures, even when channels are switched. Magnavox has largest, most rectangular screen with TAC. Unique flat-surface screen provides clearer, glare-free pictures. Chromatone provides added depth, richer colors. 12V" portable produces photo-sharp pictures even from distant stations.

**Matsushita (Panasonic)**—12V" portable has all features of higher-priced sets.

**Montgomery Ward**—Color Magic circuit purifies color, tinted glass adds contrasts, push-pull volume control prevents sudden glare.

**Motorola**—Insta-Matic (1) activates 5 different controls, (2) automatically focuses & adjusts picture, (3) helps tune picture even when channel is changed or picture changes from one scene to another, (4) retunes set instantly & automatically even if tuning is otherwise disturbed.

**Philco-Ford**—Cool Chassis with solid-state, is unique, pulls in powerful signal further and more reliably. Picture Pilot is exclusive feature. Sound from 12V" portable is distortion-free; same set has as much picture-perfect reserve power as any other TV.

**RCA**—XL-100 solid-state devices will perform longer with fewer repairs; because of 12 AccuCircuits, most repairs can be done in home more quickly & easily. B&W 15V" portable TV is "lightweight." AccuTint contributes to natural flesh tones perfect every time with use of just one button. AFT locks in correct signal automatically. RCA has computer-

designed picture tube & advanced circuitry, and these features provide dependability. AccuColor's single control is exclusive feature. Color won't shift or fade; Automatic Color Monitor locks color within a normal range, and pressing one button assures perfect color tuning, even if tuning is otherwise disturbed.

**Sears**—23V" color set has tuning which can be set once and forgotten. FM sound is static-free, large front-mounted speaker provides best sound clarity. Automatic chroma control keeps color intensity level constant. Automatic color purifier keeps colors pure even after set has been moved. Keyed gain control eliminates picture flutter due to aircraft. 25,000 volts of picture power provides sharpest pictures. Tinted picture tube cuts reflected glare. Automatic Tint Lock is feature of most Sears sets and holds true color even when channels are changed. Sears' portable color is same quality as console color.

**Sony**—Trinitron has single gun and this means better picture. Its lens is more than twice the size of everyone else's, giving sharper & brighter picture.

**Zenith**—Chromacolor is totally advanced system, will out-color, out-brighten, out-contrast, out-detail every giant-screen color made before. Chromacolor is No. 1 giant-screen color TV. Every color dot is fully illuminated, producing brilliant picture. Hand-crafted portable chassis provides unrivalled dependability. Solid-state demodulator is exclusive, gives truest hues. Bi-potential electron gun gives purest, sharpest pictures. Glare-ban picture tube reduces reflections up to 70%.

**GE is latest** to close semiconductor facility, as it leaves IC business. Company, which claims to be largest U.S. supplier of electronic components, concedes it had less than 1% of IC market and that ICs represented less than 2% of its total component sales. IC dept. employs 520.

"**RCA Week**" promotion this week involves 147 newspaper ads, dealer-placed radio commercials keyed to color sets. Dealers will promote specially priced models, which may differ by region. National advertising will promote special values but no specific models.



**AUG. IMPORTS SLUMP:** With all West Coast ports shut down, importers were apparently less than successful, in Aug., in diverting cargos to alternate unloading points. All major consumer electronics import totals joined TV in sharp drop from Aug. 1970 levels (Vol. 11:40 p7), according to Commerce Dept. In addition to significant decline in units, value of electronics imported in month fell 25% to \$128.7 million.

Import industry's highest flyer, tape recorders, took biggest nosedive, as month's total fell 33% to 501,805. Open reel recorder imports were off 52% to 47,000, while cassette units (including radio-recorders) were down 30% to 455,000. Tape players were off 9% to 524,417, as only combination machines were able to better Aug. 1970 results. Total tape instrument imports were off 23% to 1.03 million.

In radios, fall-off was 29% to 2.22 million units,

	August 1971		August 1970	
	Units	\$ Value	Units	\$ Value
Color TV, over 17V" . . .	29,354	5,226,301	46,496	8,914,957
Japan . . . . .	26,592	4,709,488	44,201	8,410,030
Taiwan . . . . .	2,406	409,917	—	—
Color TV, 11-17V" . . . .	45,808	6,802,234	40,084	5,455,247
Japan . . . . .	41,657	6,198,240	35,439	5,060,038
Taiwan . . . . .	2,119	526,434	4,639	393,072
Color, 10V" & under . . .	434	80,445	2,110	322,250
Japan . . . . .	434	80,445	2,110	322,250
B&W, over 17V" . . . . .	61,317	3,800,842	84,802	4,449,870
Japan . . . . .	25,111	1,717,566	42,193	2,481,083
Taiwan . . . . .	7,648	303,552	18,366	538,128
Mexico . . . . .	26,670	1,566,761	23,615	1,364,013
B&W, 11-17V" . . . . .	120,752	5,571,498	196,303	9,501,809
Japan . . . . .	78,815	3,775,441	126,412	6,010,666
Taiwan . . . . .	39,830	1,696,796	65,945	3,217,146
S. Korea . . . . .	2,000	82,000	—	—
B&W, 10V" & under . . .	52,932	2,378,534	126,417	5,882,186
Japan . . . . .	35,354	1,647,084	100,061	4,803,473
Taiwan . . . . .	17,345	708,011	26,313	1,073,659
Clock radio . . . . .	285,299	2,739,027	441,110	5,053,270
Japan . . . . .	87,917	1,044,990	258,374	3,482,614
Taiwan . . . . .	40,426	450,084	42,041	457,037
Hong Kong . . . . .	103,313	860,675	120,569	930,772
Tr. rad., AM, AC . . . .	33,690	218,891	109,656	398,279
Japan . . . . .	9,258	97,981	19,518	162,999
Taiwan . . . . .	3,976	11,128	19,148	45,803
Hong Kong . . . . .	17,256	85,272	52,636	125,417
Tr. rad., AC, other . . .	239,202	5,841,350	341,834	7,881,216
Japan . . . . .	187,884	5,289,934	243,436	6,580,203
Taiwan . . . . .	15,909	267,530	38,696	534,933
Hong Kong . . . . .	20,004	98,050	39,282	353,267
Tr. rad., AM, batt. . . .	718,218	2,524,211	987,863	3,263,721

as home units fell 30% to 2.13 million, auto radios 21%. Phono imports were down 10% to 165,381. Lone gainer was record changer (imported from Europe and so not effected by strike), up 32%.

Virtually all Aug. imports escaped 10% import duty surcharge, as did most imports from Far East in Sept., thanks to change in ruling which applied Aug. 16 surcharge date to date of exportation, rather than date of importation. However all such exempt merchandise must have entered the country by Oct. 1, which means importers had to pull everything out of bonded warehouses by that date or face paying the extra levy. So size of Sept. imports, compared with Aug. totals, should give reasonable picture of how much merchandise importers were able to stockpile in anticipation of East-Gulf port strike.

Following are selected Aug. imports. Where no country of origin is indicated, Japan is main supplier.

	August 1971		August 1970	
	Units	\$ Value	Units	\$ Value
Japan . . . . .	201,842	1,017,821	201,150	1,107,297
Taiwan . . . . .	99,274	240,604	99,994	410,374
Hong Kong . . . . .	399,438	1,170,854	598,187	1,527,504
Tr. rad., batt., other . .	850,784	8,599,683	1,147,795	12,156,115
Japan . . . . .	361,468	5,348,727	549,464	8,398,594
Taiwan . . . . .	45,302	965,915	189,834	1,234,443
Hong Kong . . . . .	427,487	2,627,873	364,556	2,217,412
Auto radio . . . . .	91,532	1,482,052	116,344	1,887,415
Transceiver . . . . .	241,153	2,247,304	253,845	2,521,110
Radio-phonos . . . . .	135,181	4,701,586	169,538	5,497,935
Phono, stereo . . . . .	19,582	440,495	5,826	228,155
Phono, mono . . . . .	10,618	185,430	7,769	108,720
Record changers . . . .	318,500	3,665,390	241,512	2,563,882
United Kingdom . . . .	289,121	3,065,486	199,059	1,854,296
West Germany . . . . .	17,768	547,544	37,944	652,445
Recorder, AC, stereo, cart . . . . .	14,206	553,831	29,218	913,935
Recorder, AC, stereo, reel . . . . .	10,733	1,002,984	18,089	1,442,095
Recorder, AC, mono, cart . . . . .	54,723	1,010,740	96,162	1,706,883
Recorder, AC, mono, reel . . . . .	17,644	630,286	16,670	471,215
Rcldr., batt., cart . . .	293,953	5,165,634	371,640	6,400,657
Rcldr., batt., reel . . .	18,177	520,214	63,654	743,022
Radio-recorder . . . . .	92,369	3,766,320	154,818	6,116,789
Tp. player, auto . . . .	166,863	3,256,269	214,999	4,536,297
Tp. player, other . . . .	238,844	4,883,340	250,724	6,020,054
Tp. player, comb. . . . .	118,710	4,978,723	113,071	5,471,189
Video recorder . . . . .	1,771	500,826	2,382	796,613

## Trade Personals

**Harvey Watts**, ex-Admiral CR tube national distributor sales mgr., appointed Zenith parts & accessories sales mgr. for region covering 14 cities in Ind., Ia., Mich., Mo., Ohio & Wis. . . **Mitchell Watkins**, ex-III. Institute for Social Policy, retained by Zenith as consultant on minority relations & urban programs. . . **Charles DeNet**, formerly a region mgr., promoted to Bell & Howell Consumer Products Group mdsg. mgr.

**Thomas Watson Jr.**, retired IBM chmn., awarded EIA Medal of Honor; **Harris Wood**, Philco-Ford, given EIA Engineering Dept. Outstanding Accomplishment Award; **William Boss**, Sylvania, elected to EIA board, succeeding Sylvania's **George Konkol**. . . **Edward Cote** promoted at Benjamin Electronics' Con-

cord Communications Systems Div. from Midwest region mgr. to sales dir. . . **Charles Doerr** promoted at Stackpole Carbon to chief engineer, Electronic Components Div.

**Mortimer Grossman** resigns as International Electronics Corp. senior vp to become prés. of International Electronics Sales Corp., former IEC subsidiary recently purchased by Grossman. . . **Robert Fessler**, ex-Zenith, appointed MGA (Mitsubishi) sales mgr. for district covering parts of N. Y. C. area.

## Obituary

**Ewen C. Anderson**, 71, retired exec. vp of RCA Commercial Dept. (patent licensing, PR), died Oct. 9 in Bronxville, N. Y. He joined RCA in 1922, later became commercial mgr. of RCA Labs, had lived in Naples, Fla. since retirement in 1965.



**RCA'S BIG WRITE-OFF:** Except for little matter of \$490-million write-off of computer business, RCA's 3rd-quarter results showed improvement. "Extraordinary charge" was reduced by estimated tax recovery to \$250 million, resulting in net loss for quarter of \$231.1 million (see financial table), which Wall St. Journal reckoned was probably largest quarterly deficit ever reported by any firm.

Deducting additional \$34.5 million loss on net revenue of \$182 million for discontinued computer business in year's first 9 months, RCA said earnings from continuing operations were \$96.7 million on record \$2.56 billion sales, up from \$63.4 million on \$2.39 billion in 1970. For 3rd quarter, operational profit totaled \$28.5 million on record \$871.5 billion sales vs. \$18.7 million on \$817.9 million one year earlier. Company cited "substantial pickup in color TV set sales" in 3rd quarter, with RCA continuing "its traditional industry leadership." NBC sales were below 1970 period, reflecting loss of cigaret advertising, lagging ad commitments and softness in local-station sales. In week's other financial reports:

**Warwick** was substantially in black for 3rd quarter & 9 months, reflecting improved color TV demand and change in policy by Sears Roebuck, which now purchases sets as produced rather than when shipped. Warwick's improvement helped increase 9-month profit of parent Whirlpool by 57.5%.

**Consumer Protection Agency** bill passed House last week, could be first major consumer law passed by current Congress. Bill backed by Administration withstood attempts by consumer advocates to give agency power to intervene on behalf of consumers in informal proceedings before regulatory agencies, as well as in formal cases as provided by original measure. Many industry representatives have endorsed measure as least objectionable they can get at this time.

**\$39.95 quadraphonics:** In 2-page trade ads, Westinghouse is promoting "Audio IV Quadtrix" conversion kit consisting of small plug-in unit (apparently a phase-shift device) and 2 speakers in 10-x-13-in. enclosures at \$39.95 list. Copy promises "4-dimensional sound from 2-channel sound sources...and you can play 4-channel records [and] receive the same 4-channel sound produced by more expensive matrix systems."

**Superscope's purchase** of 50% of Standard Radio stock has been approved by Japanese govt. Under agreement, Standard will manufacture stereo equipment for sale under Superscope's Marantz brand in U.S. & Europe (Vol. 11:40 p11). Superscope's investment will be about \$3 million.

**Admiral will close** Cortron consumer electronics plant in Orleans, Ind. Dec. 10. Facility employs 1,000, assembles b&w TVs & stereo consoles, was acquired when company purchased Cortron from Marcor (Montgomery Ward).

**First 4-channel live opera broadcast** was transmitted by WFMT Chicago, using Sansui "QS" matrix system. Three-hour broadcast Sept. 24 marked opening night of Chicago's Lyric Opera Co.

## 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
<b>Cablecom-General</b>			
1971-9 mo. to Aug. 31	13,070,711	783,397 <sup>a</sup>	.33
1970-9 mo. to Aug. 31	11,807,026	796,495 <sup>b</sup>	.33
1971-qtr. to Aug. 31	5,249,892	433,158	.18
1970-qtr. to Aug. 31	4,833,845	495,899	.21
<b>CBS</b>			
1971-9 mo. to Sept. 30 <sup>c</sup>	882,500,000	41,300,000	1.46
1970-9 mo. to Sept. 30 <sup>d</sup>	875,400,000	44,700,000	1.59 <sup>e</sup>
1971-qtr. to Sept. 30 <sup>c</sup>	318,900,000	18,800,000	.67
1970-qtr. to Sept. 30 <sup>d</sup>	291,500,000	16,000,000	.57 <sup>e</sup>
<b>Comsat</b>			
1971-9 mo. to Sept. 30	65,439,000 <sup>f</sup>	17,123,000	1.71
1970-9 mo. to Sept. 30	49,937,000	11,590,000	1.16
1971-qtr. to Sept. 30	21,276,000 <sup>f</sup>	4,978,000	.50
1970-qtr. to Sept. 30	17,709,000 <sup>f</sup>	4,271,000	.43
<b>Gross Telecasting</b>			
1971-9 mo. to Sept. 30	3,673,792	680,066	.85
1970-9 mo. to Sept. 30	3,461,973	598,918	.74
<b>P.R. Mallory</b>			
1971-9 mo. to Sept. 30	115,407,191	3,502,739	1.81
1970-9 mo. to Sept. 30	117,769,465	3,958,929	2.01
1971-qtr. to Sept. 30	41,248,752	1,433,892	.74
1970-qtr. to Sept. 30	36,902,657	989,820	.50
<b>Curtis Mathes</b>			
1971-qtr. to Aug. 31	8,030,789	36,049	.01
1970-qtr. to Aug. 31	7,336,925	(46,555)	--
<b>Matsushita<sup>g</sup></b>			
1971-6 mo. to May 20	1,212,831,000	66,144,000	.73 <sup>h</sup>
1970-6 mo. to May 20	1,265,236,000	105,078,000	1.19 <sup>h</sup>
<b>Owens-Illinois</b>			
1971-9 mo. to Sept. 30	1,130,827,000	46,205,000	2.81
1970-9 mo. to Sept. 30	1,035,047,000	52,177,000 <sup>a</sup>	3.09
1971-qtr. to Sept. 30	409,252,000	15,961,000	.97
1970-qtr. to Sept. 30	366,474,000	20,344,000 <sup>a</sup>	1.24
<b>Raytheon</b>			
1971-9 mo. to Oct. 3	957,255,000	27,351,000	1.89
1970-9 mo. to Sept. 27	923,042,000	26,988,000	1.81
1971-qtr. to Oct. 3	320,514,000	9,469,000	.65
1970-qtr. to Sept. 27	298,624,000	9,254,000	.63
<b>RCA</b>			
1971-9 mo. to Sept. 30	2,560,500,000	(187,800,000) <sup>b</sup>	--
1970-9 mo. to Sept. 30 <sup>d</sup>	2,391,200,000	51,400,000	.64
1971-qtr. to Sept. 30	871,500,000	(231,100,000) <sup>b</sup>	--
1970-qtr. to Sept. 30 <sup>d</sup>	817,900,000	14,000,000	.17
<b>Taft Bcstg.</b>			
1971-6 mo. to Sept. 30	26,955,546	4,372,690	1.15
1970-6 mo. to Sept. 30	26,132,756	3,955,375	1.07
1971-qtr. to Sept. 30	14,279,922	2,232,341	.58
1970-qtr. to Sept. 30	13,726,894	2,077,593	.56
<b>Warwick Electronics</b>			
1971-9 mo. to Sept. 30	130,193,000	469,000	.11
1970-9 mo. to Sept. 30	124,109,000	(12,943,000)	--
1971-qtr. to Sept. 30	45,000,000	826,000	.19
1970-qtr. to Sept. 30	71,141,000	(1,162,000)	--
<b>Westinghouse</b>			
1971-9 mo. to Sept. 30 <sup>d</sup>	3,340,992,000	124,054,000	2.96
1970-9 mo. to Sept. 30 <sup>d</sup>	3,162,582,000	99,928,000	2.41
1971-qtr. to Sept. 30 <sup>d</sup>	1,141,972,000	44,438,000	1.06
1970-qtr. to Sept. 30 <sup>d</sup>	1,055,000,000	29,445,000	.71

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>After special charge.

<sup>c</sup>Estimated. <sup>d</sup>Restated. <sup>e</sup>Adjusted. <sup>f</sup>From operations. <sup>g</sup>Computed at last official exchange rate of 360 yen to one dollar.

For approx. figures based on floating yen, deduct about 8%. <sup>h</sup>Per American Depositary share.



WEEKLY

# Television Digest®

with  
consumer  
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The authoritative service for broadcasting, consumer electronics & allied fields

OCTOBER 25, 1971

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**WHITEHEAD SPLITS PUBLIC TV:** Administration's first major policy statement on ETV accuses CPB & PBS of imitating networks. Whitehead offers no financing plan to NAEB convention. PBS members applaud Vanocur & Moyers, stand behind PBS. (P. 1)

**NIXON WANTS DE-REGULATION TOO:** Klein says Whitehead proposals haven't been endorsed but 'indicate the direction' of Administration. Nixon aide hits courts. Licenses renewals play prominent role at NCAB. (P. 3)

**BURCH & STANTON TRADE JABS:** Chmn. expresses 'disgust,' charging Stanton 'has promulgated a conspiracy theory' between White House & FCC. Brinkley says newsmen aren't intimidated. Springer claims 'constant supervision' by Congress has improved news. (P. 4)

**COOKE MOVES ON TELEPROMPTER:** Loses initial effort to gain control after Kahn conviction. TPT & other cablemen foresee little damage. (P. 5)

**NAB REGIONALS LIVEN UP:** Salant heads strong news panel. Evans rouses broadcasters with license-renewal thrust. Wiley pleases with regulatory philosophy. Wells tells Boston group radio de-regulation has chance if broadcasters push. (P. 6)

**WHITEHEAD SPLITS PUBLIC TV WITH 'LOCALISM':** While public broadcasters were rallying behind their national programming & governing bodies at NAEB's annual convention in Miami last week, White House served notice it wanted no part of "centralized, national network" financed by public money. In Administration's first major policy statement on public broadcasting—which included no financing plans—OTP Dir. Clay T. Whitehead told closing session Oct. 20 that CPB & PBS were running over local stations, imitating commercial networks, emphasizing ratings and ignoring public TV structure "built on a bedrock of localism." He warned that if direction continues "then permanent financing will always be somewhere off in the distant future."

Whitehead's address was first official statement explaining "fundamental disagreement" between OTP & CPB over direction of public broadcasting which has stalemated talks over long-term financing plan for CPB. At heart of disagreement is OTP's insistence on incorporating specific formulas for "localism" into financing bill. CPB had no response to Whitehead's charges, but Pres. John Macy is trying to arrange Board meeting this week, then issue detailed response.

Said Whitehead: "You're centralizing your public affairs programs in the National Public Affairs Center [NPACT] in Washington, because someone thinks autonomy in regional centers

### Consumer Electronics

**STRONG COLOR SALES** open first quarter—first Oct. week is year's 3rd best and record for 40th week. Inventories seen on low side, with 9.3-week supply of consoles, 10-week supply of portables. (P. 8)

**SONY VIDEOCASSETTE SYSTEM** gains 3 adherents: 3M signs cross-license deal, will market Sony system here under Wollensak name, permitting Sony to make & sell its High-Energy tape. Panasonic & JVC to make recorders to Sony 3/4-in. standard, but Panasonic also shows 1/2-in. machine. Kodak demonstrates super-8 player. (P. 9)

**MASKLESS COLOR TUBE** with single gun, improved version of 'Apple' tube described by David Sunstein, whose Uniray Inc. will promote development. Higher brightness, lower cost & weight are claimed. (P. 10)

**COLOR TUBE OUTPUT** record forecast by EIA for 1971. Projections cite production of 7.2 million, sales of 6.3 million. Sales for first 7 months up 30.8% to 3.67 million. (P. 10)

**CANADA'S TV MARKET** held about even with 1970 in first half, as slump in b&w factory sales & imports offset 40% color growth. Domestic producers increased share of color market, slipped back in monochrome. Color sales of 500,000 seen this year. (P. 11)



leads to wasteful overlap & duplication." He said such programs are "coordinated by people with essentially similar outlooks...How different will your networked news programs be from the programs that Fred Friendly and Sander Vanocur wanted to do at CBS & NBC?" It's understood that White House is upset over CPB funding national public affairs programs such as NPACT with ex-NBC "liberals" Vanocur & Robert MacNeil (Vol. 11:40 p1) and "This Week" featuring former LBJ Press Secy. Bill Moyers.

But if local broadcasters were as upset as Administration over national news programs, they didn't show it during PBS business meeting Oct. 19 when they gave warm reception to Vanocur & Moyers. Most agreed with Vanocur's suggestion that stations follow national programming with related local version. "A lot of people were asking us 'what the hell are you guys doing in Washington'," CPB source told us, saying that station owners were upset over \$3 million grant to start NPACT. "They wanted that money themselves," he said. But after business meeting and reception that evening, PBS Pres. Hartford Gunn remarked "you don't see any of that negativism now."

Whitehead repeatedly attacked national programming. "CPB seems to have decided to make permanent financing the principal goal and to aim for programming with a national impact on the public and the Congress to achieve it," he said. "But look at the box that puts you in. The local station is asked...to sacrifice its autonomy to facilitate funding for the national system...When you centralize actual responsibility at a single point, it makes you visible politically and those who are prone to see ghosts can raise the spectre of government pressure [obvious reference to PBS-NET squabble over controversial FBI segment in "Great American Dream Machine" (Vol. 11:41 p6)]. When you as local stations are compelled by the system's formal structure, its method of program distribution...how can you realistically achieve the objective of local autonomy?...When the struggle is simply between the Washington center and the N. Y. center, it doesn't much matter who wins."

Reaction to Whitehead's talk was tough to measure since it came at end of convention, but perhaps comment from one broadcaster was most typical: "We knew all that. But where's the money, where's the bill?" CPB spokesman: "It's OTP's job to come up with a bill and they didn't do that. It's what this whole convention has been waiting for." NAEB spokesman: "I think he missed the point. It's not either-or. We need both strong national programming and local programming...Local stations just can't afford to produce 'Sesame St.'" In report to membership, Gunn warned: "The ultimate in decentralization is the abandonment of all leadership & decision-making and a retreat of each of us to our own electronic sandbox...The importance of national programming to a station ranges from survival at one extreme to casual filler at the other...If we want to cut back the national programming & distribution, let's do it, but let's not fool ourselves that all we are doing is slowing the rate of growth."

If PBS members wanted to limit national programming or exert more influence over it, they had chance at business meeting, but voted in opposite direction instead. They backed PBS decision to cancel FBI segment from "Dream Machine," and agreed to contract giving PBS "go or no-go" power over scheduling & editing all national programs. Stations could edit only with PBS permission, but retain final authority over whether or not to run entire program. Special Operations Committee would rule on violations, could suspend PBS service to stations. Appeals could be made to PBS Board or CPB. Agreement, however, doesn't take effect until producers agree to PBS taste & standards policy and journalism policy (yet to be decided). "The stations have already taken the big step," Gunn told us, by promising not to edit producers' material. Only stumbling block, Gunn said, may come from NET. "They don't believe we have the authority... But if they don't sign, they don't play."

Other highlights of Gunn's report included financing: CPB funding level is likely to remain at \$40 million next year, and if there's increase in general support grants, this may cause reduction in all national activities beginning this year. PBS Board membership: He advocated special committee to consider "more adequate" public & member representation. New stations: He warned that "haphazard development" of stations coupled with required PBS support will lead to "drastic reductions" in grants & national programming.

Except for Whitehead's address, convention saw few ripples. Attendance, 5,000, was slightly



below last year, which featured walk-outs and heated debates in both NAEB business meeting and minority panels. This year, NAEB Board adopted 7-point program urging increased minority hiring & training, also promised to consider suggestion that minority member be appointed to ETS & NPR boards. Addressing opening session, FCC Chmn. Burch called ETV record in hiring minorities "spotty... I am urging that you help community groups produce programs and, in the process, establish a kind of a farm system for developing broadcasting talent among minority citizens." Just before Burch spoke, NAEB's Minority Affairs Dir. Lionel Monagas charged that Association's attitude toward minorities represented "a new nigger syndrome."

**NIXON WANTS DE-REGULATION TOO:** President Nixon thinks that in many instances broadcast industry is over-regulated and TV-radio should have less—not more—interference from govt., according to Herbert Klein, White House Dir. of Communications. Speaking to N.C. Assn. of Bcstrs. last week, he said industry's overreaction to Vice President Agnew has caused it to lose sight of "real dangers to broadcasting"—such as courts (reference to U.S. Court of Appeals for D.C.) and other unidentified "aspects of govt."

Klein expressed "amazement" at reaction to his speech to NAB convention—and message he read for President—noting that it was widely interpreted as Administration attempt to drive wedge between stations & networks (Vol. 11:14 p1). "I am very proud of the fact that this President has taken a real interest in the broadcast industry," Klein told N.C. broadcasters and Ind. Bcstrs. Assn. later in week. "He has taken many steps to recognize the contributions that you make."

OTP Dir. Clay T. Whitehead's proposals in IRTS speech (Vol. 11:41 p1) were made "on his own and he was speaking for himself," Klein said. However, he added, although the White House hasn't endorsed anything yet, proposals do "indicate the direction that this Administration is thinking." (NCAB adopted resolution endorsing Whitehead's proposals to IRTS.)

Klein also gave President's opinion of one FCC commissioner: "Nick Johnson helps the broadcast industry and the public interest about the same way the Mafia helps the FBI." Of FCC Gen. Counsel Richard Wiley, Klein refused to confirm that he would be appointed to Commission (see p. 7), but said Wiley will have "a growing role of importance in this Administration."

License renewals played major role in N.C. discussions. Klein said NAB is right in seeking legislation to overturn "the real danger" from court decisions and denounced "attacks [on licensees] by helter-skelter groups mainly for political purposes." Wiley, who spoke day before Klein, said that "a constantly changing kaleidoscope of licensees, after comparative hearings with ever-rising promises wouldn't be in the public interest." He said a renewal policy that is "reasonable & pragmatic" must be developed to protect both licensees & public.

Rep. Broyhill (R-N.C.) said that it's "very urgent" that Congress establish new renewal procedures, that this can be accomplished only through legislation. NAB Chmn. Richard Chapin said public & Congress must be made "to see the dangers now—before they happen—of govt. control of programming, the threat to news freedoms, the probability that licenses would be political footballs." He noted that all competing applications have been filed by businessmen while minority groups have filed petitions to deny renewals—"and it is time that someone said some pretty frank things about the tactics which have been used... Let's call it what it is—blackmail & extortion... Payoffs happen when blackmail & extortion succeed." He urged that FCC state immediately that it won't allow licensees to pay expenses of groups which protest their licenses.

Rep. Preyer (D-N.C.) said Congress is on "the verge of sweeping & much needed" revision of Communications Act. He saw fairness doctrine and way it has been interpreted by courts & FCC as biggest threat to broadcast freedom. "It is a device for censorship in the hands of the FCC," he said. "It is unworkable the way it stands now." He said he is considering legislation to "treat radio stations just like magazines [except for engineering matters]. Take them out from under the FCC."

NAB Radio Chmn. Andrew Ockershausen hit the "popular misconception" that big TV stations control NAB. Noting Radio Board has 29 members, TV only 15, he said "anyone who can count knows that just can't be true." Making pitch for Radio Code, he said it's "an absolute, positive disgrace that only 37% of radio stations belong to the Code... The Congress laughs at this attempt at self-regulation."



**BURCH & STANTON TRADE JABS:** Answering question during Senate hearing on freedom of news media last week, FCC Chmn. Dean Burch said that he is "disgusted" that CBS Vice Chmn. Frank Stanton keeps charging that Administration is involved in "conspiracy" to muzzle broadcast newsmen. Stanton immediately released angry statement from N.Y., said he had "never suggested a conspiracy between the Vice President and the FCC. I have never impugned the integrity of the commissioners."

During Burch's testimony last week before Senate Constitutional Rights Subcommittee, Sen. Hruska (R-Neb.) quoted from Stanton's testimony 3 weeks earlier (Vol. 11:40 p2), asked Burch's comment. According to hearing transcript (p. 123), in response to question by Sen. Kennedy (D-Mass.), Stanton said: "When a man [Vice President Agnew] in that position makes an attack on the broadcasting media, and when you consider the FCC as the controller of our licenses, and it is human nature to believe that men serving on that Commission look to the second highest office in the land, if you will, to get a clue as to how they conduct themselves."

Burch said that Stanton "has promulgated a conspiracy theory" ever since Agnew's Nov. 1969 speech attacking networks. "It has become a folklore which is highly prized by broadcasters and it goes like this: The Vice President says something and the FCC will move in and do the dirty work by taking away licenses or whatever... The only thing wrong with the theory is that it is false, and Dr. Stanton knows it is false. He can cite no evidence that coincides with that particular theory... I really am a bit disgusted that Dr. Stanton keeps bringing up this conspiracy theory because it simply will not wash."

Burch said Stanton can't point to single instance where FCC action has been influenced by White House. In fact, he said, networks have lost only 3 fairness decisions at FCC: (1) Presidential appearances on Vietnam; (2) CBS's Loyal Opposition program; (3) comments by NBC's Chet Huntley on N.Y. meat inspectors when Huntley didn't disclose his interest in meat packing plant.

A confidant of Burch told us that FCC chmn., in private conversations, often makes no attempt to hide "his contempt for the networks and much that they do, but I was surprised to see him let it boil over into public." CBS official called Burch's statement "cheap politics."

Comr. Johnson—who often has charged White House with interfering with FCC—followed Burch to stand. Both agreed in prepared testimony that Commission has no business interfering with newsmen, but Johnson offered what he labeled "a little refutation of the chairman's suggestion that there was absolutely no conspiracy between Agnew and the FCC." Example he cited was Commission's statement on drug lyrics which he noted was issued "shortly after Agnew discovered rock music and found that he didn't like it... There was a meeting at the White House... at which Dean Burch was present."

NBC's David Brinkley took sharp issue with CBS's Walter Cronkite—who earlier had testified that broad-

cast news has been curtailed by govt. "intimidation & harassment." Said Brinkley: "As for intimidation by our critics, there is none that I know of. Anyone who can't stand criticism should not go into journalism—as I think anyone who can't stand criticism should not go into politics." But, he said, "the increasing flood of subpoenas and demands to produce notes, films, tapes & so on—these, indeed, are dangers to freedom of the press and in my view ought to be stopped."

Rep. Springer (R-Ill.)—a leader in House to get CBS cited for contempt in "Selling of the Pentagon" case—charged there is bias in network news resulting from power over what is aired being concentrated in N.Y. "Everyone in N.Y. has one outlook in life" which runs counter to most persons in other sections of country. He said "constant supervision" of news operations by Congress & FCC promotes "fair & impartial presentation of information." As result of this supervision, he said, fair presentation of news has "improved tremendously" over last 4-5 years.

\* \* \* \*

Speaking to Ind. Bcstrs. Assn. Oct. 21, Sen. Hartke (D-Ind.) hit alleged "growing Administration attempts to stifle broadcast journalism and thus the free flow of ideas upon which our society depends... If current trends persist, it will not be long before the FCC and the courts are determining what issues a broadcast journalist may cover." Attacking subpoenas of newsmen, Hartke said that "to place the broadcast media under the continual threat of investigation is to place them permanently in fear of being held accountable to those who hold the power of licensure."

**Cigarette-ban law was upheld** by U.S. Dist. Court in 2-1 vote last week. Acting on appeal by 6 radio stations backed by NAB, Judges Gasch & Green concluded: (1) Ads have less First Amendment protection than other messages. (2) Congress has power to prohibit cigarette ads in any medium. (3) Stations' freedom of speech isn't restrained; they can say what they want about cigarettes. (4) There's rational basis for law, because TV-radio are particularly persuasive with young people and because "public owns the airwaves and that licensees must operate broadcast facilities in the public interest under the supervision of a federal regulatory agency"—while print media are "privately owned." Judge Skelly Wright dissented, largely because removal of cigarette commercials from TV-radio also eliminated mandatory anti-cigarette commercials. He found this unfortunate, saying smoking was dropping off when anti-spots were running—but has increased since pro & anti spots were taken off airwaves. He concluded tobacco companies were clever in supporting law to take cigarettes off broadcasting, knowing business would improve when anti-spots disappeared. Said Wright: "The theory of free speech is grounded on the belief that people will make the right choice if presented with all points of view on a controversial issue... There is no constitutional warrant for govt. censorship of any media of communication."

**WKNX-TV (Ch. 25) Saginaw-Bay City** has been bought for \$1.6 million by Rust Craft, which plans power-height increase to maximum.



**COOKE MOVES ON TELEPROMPTER:** With conviction Oct. 20 of TelePrompter & Chmn. Irving Kahn in Johnstown CATV bribery, substantial stockholder Jack Kent Cooke began battle to take over control. He failed in initial effort Oct. 22, when U.S. Dist. Court Judge Murray Gurfein turned down his request that Kahn be removed as officer & director and that TPT management be enjoined from using stockholders' proxies. Stockholders' meeting had been scheduled for Oct. 22, was delayed to Nov. 24.

Jury found Kahn & TPT guilty on all charges of bribery, conspiracy & perjury—after 1-2 hours of deliberation. Sentencing was set for Nov. 30. Defendants will appeal, and it's expected execution of sentence will be deferred until appeals are over—which could take 6-12 months or more. Maximum penalty for Kahn is 5 years each for 5 counts plus \$42,000 total. For TPT, penalty could total \$40,000. (Mid these blows, TPT Gen. Counsel Charles Kieffer suffered stroke in TPT offices Oct. 22, was hospitalized, condition uncertain.)

Said defendants' counsel after verdict: "No evidence presented... has caused us to alter our conviction that [Kahn & TPT] were victims of economic extortion... We intend to appeal and are confident of final & complete exoneration."

Stock market didn't react adversely, remained virtually unchanged. Week earlier, however, TPT stock dropped sharply when Johnstown mayor & councilman pleaded guilty. Asked about long-term impact of verdict on TPT, a company official said: "This is now a \$100 million company. This won't hurt it. Why, we'll add 130,000 subscribers next year through internal growth alone."

Cable operators generally thought verdict wouldn't harm industry. They noted that telecasting didn't suffer from ex parte scandals of 1950's and that GE survived price-fixing convictions of officials.

**Unusual fairness-doctrine case** in Dayton, O. brought split in FCC last week. Group termed "United People" opposed conventional United Appeal campaign, urging public to contribute to charities directly. Group charged that conflict became controversial issue in Dayton and that WLWD failed to give its side reasonable exposure. FCC majority agreed. Comr. R.E. Lee dissented, saying that if United Appeal is controversial, anything can be—and FCC's action "could have a disastrous effect upon charitable organizations' attempts to raise funds for the disadvantaged." Lee dissent prompted answer by Chmn. Burch, who said FCC's decision is limited to unusual facts of Dayton case, doesn't mean United Appeal is controversial throughout U.S.

**ABC's 25% drop** in 3rd-quarter operating earnings from 1970 period principally reflected disappointing results of some motion pictures "and a decrease in TV owned-station business reflecting general industry conditions in national spot advertising," said Pres. Leonard Goldenson. "The TV network showed improvement and other operations over-all performed satisfactorily. Principally due to the strengthened position of the TV network in the new season, we expect a greatly improved 4th quarter."

**Lots of moaning** went through FCC last week—as it has throughout federal govt.—as Exec. Dir. John Torbet presented Nixon's personnel cutback proposal to Commission. Staff ceiling has to be reduced 5%, and average grade level must be cut .1 grade this year, .1 next. As top-job vacancies occur, they aren't being filled—except in very key positions. Low-level recruiting can continue, however, because this brings average grade down. Some jobs are simply being abolished. For example, vacancy left by retirement of Review Board member Horace Slone won't be filled. Latest to leave is John Conlin, assoc. gen. counsel in charge of litigation, who is going to Postal Rate Commission as assoc. gen. counsel Nov. 1 after 16 years with FCC. In GC office, about 1/3 of middle-level attorneys have left in last year or so. Among hardest hit bureaus is Field Engineering. Some staff members complain that, while personnel are being cut, there are substantial expenditures being made for office remodeling in FCC annex. Staff is warning that backlogs will mount, but Torbet says: "That isn't necessarily so. We'll have to revitalize our procedures, and we'll all have to work a little harder."

**Debate over admitting Red China** into U. N. spilled over into FCC last week, as Commission denied request from group that networks & N. Y. stations be required to sell it time for hour-long program protesting admission of Communist China. Comr. Johnson dissented, argued that majority sidestepped Judge Wright's decision that stations must sell spots & programs for discussion of controversial issues (Vol. 11:32 p1). But Commission ruled that no basis for fairness complaint was presented since there was no claim by group that networks & stations hadn't presented opposing views in other programs. Program was aired on WPIX N. Y. Oct. 17, and station agreed to give equal time to opposing group Oct. 24. In another fairness complaint, Democratic National Committee (DNC) Chmn. O'Brien filed petition with D. C. Appeals Court accusing Commission of stalling on DNC demands for equal time to respond to President's TV appearances. "The Commission seems to view its primary mission as keeping those opposing the President's policies & programs from gaining equitable access to TV," O'Brien said.

**Special telephone coincidental study** of 4 TV markets has been commissioned by NAB & TvB. COLTAM will supervise study, to be made by Statistical Research Inc., which will be conducted in Nov. to coincide with fall sweeps of ARB & Nielsen. About 1,000 responses are target for each market, calls to be in early fringe & prime time. Questions will include set ownership, channel watched, number viewing and whether home is in telephone directory. Last was added because special survey in N. Y. showed viewing is substantially higher than in non-listed homes. NAB Research Vp John Dimling said special survey "is very significant." Results will be compared with Nielsen & ARB figures, but Dimling stressed "we aren't out to get anybody."

**FCC will appeal key fairness doctrine decision—**Business Executives Move for Peace & Democratic National Committee—voting last week to seek Supreme Court review (Vol. 11:32 p1).



**NAB REGIONALS LIVEN UP:** NAB Chicago conference last week was as lively as Atlanta's was quiet (Vol. 11:42 p2). Most current problems received substantial ventilation.

In news session, CBS News Pres. Richard Salant made points: (1) "There's a basic incompatibility between license & a free press." (2) Many licensees do fear renewal hearings over news handling. (3) "New blood" among young journalists shows regrettable move against objectivity. (4) Local "press councils" examining & criticizing news coverage are "coming thing." (5) Relationship between news handling and station management "has no easy solution"—using as example public TV's "Dream Machine" episode.

On news panel, N. L. Bentson, WLOL Minneapolis-St. Paul, said stations do feel intimidated by govt. "but hate to admit it." Even routine FCC inquiry is considered a threat, he said.

Mark Evans, NAB renewal task force chmn., asked Salant whether "Selling of the Pentagon" was distorted through editing. Salant said each newsman probably would have edited it differently, but that the editing wasn't unfair, didn't distort. Bentson, when asked if "network news is liberally slanted," said: "I don't think it is." Salant said news suppression in Vietnam "isn't all that bad... By & large, the government & military have been pretty good. It's been a little worse in recent months."

Panel of NAB exec. vps.—Cobb, Comstock & Hulbert—was queried most vigorously about license renewals & Whitehead proposals (Vol. 11:41 p1). Among points they made: (1) Grassroots support is best—talk to your congressman directly. (2) What are chances of Whitehead proposals? "Probably a long-range program." How much influence does Whitehead have? "We welcome assistance from the Executive Branch." (3) CATV? "The FCC proposal is a pattern of disaster for broadcasting. You better tell your congressman as soon as possible." (4) What length license period is NAB seeking? "As long as possible—but we must first get license stability." (5) Are we telling Congress that economic difficulties has hurt hiring of minorities? "Congress is not really interested in whether you're making money."

Chicago audience was delighted with rousing luncheon address by Evans. Said he: "We are up against a coordinated, interlocking national movement to displace current licensees," and he went through demands made by many groups, told of "war chest" totaling \$543,500 of foundation money being used to challenge renewals. He sailed into Comr. Johnson, because \$3,500 in royalties from his book went to law firm attacking renewals. "I think it's highly questionable both from a moral & legal standpoint... At the very least... a serious conflict of interest." Evans said that one licensee spent more than \$50,000 battling renewal because of petition filed by only 2 people—"and one of them a card-carrying member of the Communist Party." He also warned that small stations shouldn't be complacent, assuming attacks will be made only against major operators. Evans also took crack at networks: "Let the networks know when they slant."

Stockton Helffrich, Code dir., said public isn't complaining that TV is becoming "too raunchy," believes industry isn't outrunning audience's tastes. Ray Danish, TIO dir., was questioned about impact of editorials on business, said that sponsor cancellations are very rare, that stations' growth in reputation & influence far outweighs occasional complaint. NAB Gen. Counsel John Summers levied heavy attack on CATV, said broadcasters have no quarrel with theater TV or other techniques that pay for product.

Audience was very pleased with views of FCC Gen. Counsel Richard Wiley, who said he doesn't care for analyzing station performance in terms of percentage of time for news, etc. "That way," he said, "the quantitative minimizes the qualitative." Use of percentages, he said, produces ever-increasing promises by those seeking to displace licensees. "The renewal process," he said, "is not the proper vehicle for restructuring the industry." He stated that govt. shouldn't regulate broadcast profits—"it should not convert the industry to a public or eleemosynary institution." As for "counter-commercials," Wiley said "businessmen will go to other media" if such spots are imposed on industry.

Asked about radio "de-regulation," Wiley said "FCC should look into it... I believe there can be specialized stations now." Questioner from audience wanted to know whether young lawyers at FCC are "anti-broadcasting." Said Wiley: "We try to avoid people with chips on their shoulders either way. We need broader geographic representation. There's been some concentration in one area. The young lawyers are aware, concerned—and it's all to the good." On prime-time-access rule, Wiley said FCC will need at least 2 years to determine results.

NAB Pres. Vincent Wasilewski and TV Board Chmn. A. Louis Read took occasion to refute reports NAB had "bailed out" of CATV discussions with FCC Chmn. Burch. Wasilewski released letter to Burch which concluded: "We deeply regret the uncompromising 'take-it-or-leave-it' approach which apparently is the current position of cable representatives. Unless & until that approach changes—and we sincerely hope it does change—it appears to us that your efforts to develop a consensus stand no better chance of success than the efforts of OTP."

At Boston NAB conference at week's end, FCC Comr. Wells said Burch's stand "is very pro-cable." Regarding radio de-regulation, Wells said some portion can be done without legislation, but there are no sure 4 votes for it. If broadcasters keep working on it, he said, there's good chance for substantial de-regulation.

NBC newsman Bill Monroe told Boston audience: "The U.S. government, including legislative, executive & judicial branches, has been making an effort for the past decade or so to capture TV, an effort to domesticate a powerful medium. I don't believe the government itself has been more than dimly aware... of what the long-range implications are. The motivations are complicated. They include a desire on the part of politicians to try to make TV more comfortable for politicians to live with, particularly incumbent politicians."



## Personals

**Lloyd Kaiser**, WQED Pittsburgh pres. & NAEB ETV Stations Div. dir., elected NAEB Exec. Board chmn., succeeding **Warren Kraetzer**, WHYH-WUHY Philadelphia... **Vernon Bronson**, NAEB exec. consultant, received NAEB distinguished service award.

**Daniel Gold**, vp-business affairs, Post-Newsweek Stations, promoted to vp-gen. mgr., WTOP-TV Washington, succeeding **John Corporon**, now editor of Newsweek Bcstg. Service; **Donald Macfarlane**, WTOP-AM-FM gen. sales mgr., appointed vp-gen. mgr.

**John McCrory**, ex-gen. mgr. of WNAC-TV Boston & KTRK-TV Houston and one-time CBS exec., joins KDFW-TV Dallas-Ft. Worth Nov. 1, becomes chief operating officer Jan. 3 succeeding **Ves Box**, who retires.

**Lou Faust**, ex-KIIS(AM) L.A., appointed vp, Pacific & Southern Bcstg... **Joe Landis** elevated to program dir., KNXT L.A., succeeding **Joe Sands**, now bcstg. dir.; **Dick Marsh** advanced to operations dir... **Lawrence Shackelford** advanced to information services dir., WKBS-TV Philadelphia, succeeding **Lon Lee**, promoted to program mgr.

**Edwin Bomar** named program mgr., KTHV Little Rock, succeeding **John Pounders**, resigned... **Larry Bowin**, ex-NCTA, appointed administrative activities dir., WETA-TV-FM Washington... **Dennis Israel**, ex-vp of Westinghouse Bcstg. Radio Adv. Reps, appointed gen. mgr., WMAQ-AM-FM Chicago, succeeding **Harry Jacobs Jr.**, resigned.

**Frank Philpot** rejoins Kaiser Bcstg. as administrative asst... **Michael Nabicht** elevated to community affairs dir., WBTV Charlotte... **John Lawrence** advanced to special projects dir., Taft Bcstg... **John Wilkoff** promoted to mkt. planning mgr., CBS-TV Sales.

**Robert Harper**, WCPS(AM) Tarboro, elected pres., N.C. Bcstrs. Assn., succeeding **Richard Barron**, WSJS-TV-AM-FM Winston-Salem; **Jack Brown**, WLON(AM) Lincolnton, pres.-elect; **Richard Paul**, WITN-TV Washington, TV vp... **Richard James**, WBBW(AM) Youngstown, elected pres., Ohio Assn. of Bcstrs., replacing **Clyde Johnson**, WFIN(FM) Findlay; **Robert Pricer**, WCLT(AM) Newark, first vp.

**Thomas Sarnoff**, NBC West Coast vp, elected NATAS chmn., succeeding actor **Sonny Fox**... **Howard Barnett** elected pres., Miss. CATV Assn... **George Logan**, WIBW-TV-AM-FM Topeka, elected pres., National Assn. of Radio Farm Bcstrs.

**Jeffrey Freund**, ex-Cal. Law Review exec. editor, named legal asst. to FCC Comr. Johnson, succeeding **Thomas Jones**... **Douglas Jones**, ex-FCC Bcst. Facilities Div., appointed staff attorney, Storer Bcstg., Washington... **Miles Moon** advanced to broadcast advertising & promotion mgr., RCA Communications Systems Div.

**James Landy**, ex-RCA & USIA, forms manufacturers' rep Landy Assoc., 12 Buxton Rd., Cherry Hill, N.J. 08034 (609-424-4660)... **W. Robert Widmaier**, ex-American Electronics Labs, named product administrator, Jerrold Electronics.

**INDUSTRY vs. CRITICS AT FTC:** FTC advertising hearing was barely under way last week when consumer advocates accused Commission of rigging it to suit Madison Ave. and allowing industry spokesmen to dominate. Chmn. Kirkpatrick denied it. "I don't think the Commission bent at all," he said. "I think the industry has been apprehensive that the hearing would be an attack on them, and I did all I could to reassure them." But he said industry spokesmen who testified last week "really didn't answer the central questions that the Commission focused on." He said that 25 industry spokesmen slated to testify represented less than 1/4 total hearing time.

Rep. John Dingell (D-Mich.), whose Small Business Subcommittee blasted NAB TV Code efforts during its own hearing, called self-regulation "fundamentally a good idea," but said it would be better to enact laws requiring ad proof, licensing ad agencies, regulating ads directed at children. General Food Chmn. C.W. Cook disagreed, expressed hope that industry & FTC "can indeed come together... and hammer out guidelines."

Hearing is scheduled to continue through Nov. 18, run 3 days each week. FCC Chmn. Burch and former FCC Comr. Loevinger testify Oct. 28. Zenith Radio Pres. John Nevin is scheduled Oct. 29; TvB Pres. Norman Cash and RAB's Carl Loucks Nov. 1.

**FCC Comr. Wells' resignation** is official, Nixon accepting it as of Nov. 1—and Gen. Counsel Richard Wiley remains forerunner as successor, with appointment expected momentarily. John Powell, black gen. counsel of U.S. Commission on Civil Rights, may be offered FCC gen. counselship as consolation prize. Wells returns to Harris Radio, where he was pres., will assume some of responsibilities he had before, will "study the possibility" of running for Kan. gov., announce plans by end of year or soon after. Said he, of his 2 years on Commission: "My experiences have been very interesting, particularly so for someone in broadcasting. Some of the non-broadcast matters were just as interesting as broadcast items."

**Radio stations** will receive request for financial assistance this week from All-Industry Radio Music License Committee, which is preparing to negotiate new contract with ASCAP. Present agreement expires Feb. 29. Committee "unanimously" retained Emanuel Dannett as counsel, scheduled Nov. 3 & Dec. 8 meetings in N. Y.

**Public TV audience** increased by 6 million to 39 million regular weekly viewers in year, according to Harris poll commissioned by CPB. Separate ARB survey of 19 cities showed 23% increase from 7.4 million in 1970 to 9.1 million. Biggest jump reflected in Harris survey was in blacks; 52% of blacks viewed ETV this year vs. 35% in 1970.

**SKL has filed Chapter XI** petition in federal court, showing debts of \$718,500, assets of \$388,200, said it will continue operations, seek to settle with creditors.

**Cabinet-level CATV committee** meets Oct. 29, perhaps for last time before reporting to Nixon. It met Oct. 18, heard from its working committee. No specific date for completion has been set.



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## STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Oct. 8 (40th week of 1971):

	Oct. 2-8	1970 week	% change	Sept. 25- Oct. 1	1971 to date	1970 to date	% change
Total TV. . . . .	270,574	220,164	22.9	313,981	7,782,750	6,628,347	17.4
color . . . . .	164,241	121,104	35.6	198,973	4,238,743	3,357,946	26.2
monochrome . . . . .	106,333	99,060	7.3	115,008	3,544,007	3,270,401	8.4
Total radio . . . . .	368,532	283,598	29.9	345,305	14,062,886	12,172,088	15.5
home, portable . . . . .	144,552	164,348	-12.1	127,604	6,150,032	5,716,457	7.6
AM-only . . . . .	79,097	109,248	-27.6	73,587	3,437,352	3,516,537	-2.3
FM & FM-AM . . . . .	65,455	55,100	18.8	54,017	2,712,680	2,199,920	23.3
auto . . . . .	223,980	119,250	87.8	217,701	7,912,854	6,455,631	22.6
Total phono . . . . .	63,376	85,306	-25.7	89,208	2,985,916	2,676,062	11.6
portable-table . . . . .	46,309	65,644	-29.5	60,801	2,300,771	1,895,728	21.4
console . . . . .	17,067	19,662	-13.2	28,407	685,145	780,334	-12.2

**Color TV 5-week moving average:** 1971—155,582; 1970—123,726 (up 25.7%)

**STRONG COLOR SALES OPEN 4TH QUARTER:** Color sales maintained good momentum going into 1971's payoff quarter. Domestic-label sales to dealers set record for any first Oct. week and were 35.6% above those for comparable 1970 week (see State of the Industry). It was year's 3rd best week—only higher figures being those of the 2 preceding weeks.

This is time of year manufacturers keep nervous eye on inventories, but all signs indicate they're well in line with sales, possibly even too low. At factory-plus-distributor levels, color inventories total around 1.46 million units, up about 16% from 1970 level, at a time when distributor-to-dealer sales are running nearly 26% ahead. On basis of 5-week moving average, inventories are equal to about 9.5 weeks' sales, compared with 10.2 weeks this time last year.

Inventory mix appears to be in good balance—consoles (620,000) representing 9.3-week supply, portables-tables (840,000) about 10 weeks. Portables & table models continue to dominate 1971 sales, with few signs of traditional fall console increase. In latest 5 weeks (to Oct. 8), portable-table category represented 54.9% of distributor-to-dealer sales mix (vs. 49.8% in same weeks last year), console 43.6% (vs. 46.8%), phono combinations 1.5% (vs. 3.4%). Thus, at current going rate, portable-tables are selling 35.9% better than last year, consoles up 11.5%, combinations down 44.8%.

TV manufacturers' comments on business are mixed, all of them reporting gains from last year, but there's difference of opinion as to how great things really are. Among positive notes: Motorola, in quarterly financial announcement, said Sept. unit sales of its color sets to dealers broke previous company record set in 1966, and Sept. ended with biggest single color sales week in company history. Its 9-month color unit sales were up 55% from 1970, with demand continuing to outpace supply and factory-plus-distributor inventories at lowest level since 1966 as quarter ended. Philco-Ford forecast full-year records in color TV & component stereo sales, noting that Sept. color sales, 43% ahead of 1970 month, achieved highest monthly total since Sept. 1967. Sept. was 3rd best month in Philco's history for b&w TV, best month since Feb. 1966.

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**3M, PANASONIC, JVC CHOOSE SONY VTR SPECS:** Sony picked up first adherents for its 3/4-in. "U-Matic" color videocassette system last week, including U.S. licensee. In joint announcement, Sony & 3M revealed cross-license agreement—while at Miami Beach NAB convention Matsushita (Panasonic) finally verified tripartite agreement with its subsidiary Japan Victor Co. and Sony to adopt single standard for 3/4-in. cartridge VTRs.

Under cross-license, 3M gets rights to make & market all components of Sony system, while Sony can now produce & sell 3M's "High Energy" (HE) cobalt-modified iron oxide magnetic tape (Vol. 11:12 p11). Sony spokesman said production models of "U-Matic" players will accept HE as well as chromium dioxide (CD) tape cartridges without adjustment by operator. Sony is also licensee under duPont's CD tape patents. HE tape sells for about 10%-15% more than standard iron oxide tapes, while premium on CD is around 50%.

3M has no current plan to manufacture parts of system in U.S., expects to market Sony-made players & recorders here under Wollensak brand through Mincom Div. before mid-1972. While key part of Sony system is duplicator hardware, 3M has own high-speed duplicator, so probably won't need help from Sony in that area.

Panasonic is going cartridge for both 3/4-in. & 1/2-in. tape. In addition to NAB unveiling of Sony-compatible unit, firm showed 1/2-in. color videocassette recorder which meets EIA-J Type 1 b&w as well as recommended color standards. Tape can be removed for playback on compatible open-reel machines, or presumably spooled into other cartridges. Unit shown featured vhf-uhf tuner, for off-air recording, clock for automatic operation, 2-hour timer.

In 3/4-in. format, Panasonic showed 2 versions—player-only with RF adaptor to permit playback through standard TV receiver and recorder equipped with tuner. Cartridge machines are slated for introduction here sometime next year. Prices, unannounced, are expected to be same as Sony's. At NAB, Sony indicated its player would sell in U.S. next spring for about \$900, player-recorder around \$1,300—both up \$100 from last quote.

Apparent conversion of Panasonic & JVC, plus endorsement from 3M, gives real boost to Sony system. Between them, Panasonic & Sony are understood to account for more than 75% of U.S. 1/2-in. VTR market. In past, Sony has insisted Panasonic would adopt 3/4-in. format, but Panasonic has never before been willing to give confirmation, and it's known that some within company would prefer to stick with 1/2-in.

In first major progress announcement since public stock offering last July, Cartridge TV said last week it opened marketing hq in Palo Alto, Cal., expects to add 100 to marketing, service & administrative staff in preparation for start of Cartrivision sales activities next summer. Mktg. Vp Don Johnston said plans call for setting up 5 regional and about 30 district sales offices to work with targeted 50,000 dealers nationwide selling cartridges & machines. CTV said it had invested \$19 million in San Jose, Cal. duplication & research operation and is spending \$6.2 million on hardware production facilities in Huntsville, Ala. & Richmond, Ind.

Eastman Kodak demonstrated feasibility model of super-8 videoplayer (Vol. 11:2 p7) at SMPTE Montreal convention. Unit was designed to interest other manufacturers in using this format, but Eastman's Eric Yavitz left question of whether Kodak eventually would manufacture it up in air. Compact unit is 8 in. high, 26 in. wide, 24 in. deep, weighs 35 lb., accommodates same film cartridge which Kodak will introduce for projectors this June. Device is noiseless, uses continuous pulldown electronic shutter. Some of electronic features were developed with Sylvania, which says it has no intention of marketing film videoplayer. New thin-base film can be used—up to 400 ft. Controls on prototype permit stop-motion, instant review and automatic rewind of film into cartridge at end of showing.

**Sylvania threatens shutdown** of 2 TV assembly lines at Batavia, N.Y. plant unless union (IUE) agrees to renegotiations of labor contract signed last year. Move would eliminate about 1,400 jobs. In 1970, Sylvania closed one line, discharged some 600 workers.

**Distribution notes:** Sylvania appoints Fones Bros. Hardware, Little Rock, and expands territory of Cooper-Louisville Co. to include Indianapolis area... **Teledyne Packard Bell** names Holm-James Distributors, Great Falls, Mont... **Emerson TV** of Mo. names C.O. Bigelow gen. mgr.



**MASKLESS COLOR TUBE:** "Dramatically improved color TV receiving system" based on new approach to beam-indexing principle has been developed by David Sunstein, who now heads Uniray Inc., formed to promote system. Beam-indexing system created excitement in 1956 when it was basis for Philco's "Apple" tube & receiver (old Vol. 12:12 p1). Sunstein was Philco engineer during Apple's developmental years, claims to have conceived system, received basic patents in 1969 after 10 years of litigation with Philco. After leaving Philco in 1955, he founded General Atronics Corp., and served until recently as its pres.; it was purchased by Magnavox in 1968.

Sunstein described improved color indexing system recently at IEEE International Electron Devices Meeting in Washington. Tube uses no shadow mask or aperture grill, therefore is capable of vastly increased efficiency, providing light output of up to 3 times that of shadow-mask tube at same beam-current level, Sunstein claims. Indexing system uses single electron gun. "Indexing" refers to method of keeping track of which color phosphor the electron beam is landing on, and color is determined by intensity of beam as it scans phosphor.

In addition to providing increased brightness, Sunstein says Uniray has low cost, inherently sharp picture, light weight and simple tube—eliminating magnetic tube shield, convergence coils & circuits, purity adjustment, degaussing coils & circuits. Sunstein's paper described several alternative approaches to Uniray tube design & circuitry.

Philco's Apple system displayed excellent color pictures when demonstrated 15 years ago, but tube couldn't be adapted to mass production. Sunstein says his new version of indexing is basically simple, eliminates drawbacks of Apple. He says his company is prepared to talk with set manufacturers and others. Eventually, he says, it could license others to produce sets, or make sets, tubes and/or subassemblies itself. Uniray is at 464 Conshohocken State Rd., Bala-Cynwyd, Pa. (215-664-6691).

**Military PXs** in U.S. have been barred from selling high-priced stereo components after current inventories are sold. Action was taken by House Armed Services Committee, which oversees PXs & commissaries, after protests by NARDA and several dealers over ruling by Subcommittee on Exchanges & Commissaries which raised from \$82.50 to \$200 the maximum price which exchanges could charge for stereo equipment. NARDA pointed out that under ruling, PXs could sell component systems for \$1,000 or more. Committee Chmn. Hebert (D-La.), in letter to Defense Dept., said it was not Subcommittee's intention "to recommend a \$200 limitation on individual components," and added: "To avoid any possibility of misunderstanding and to clarify the Subcommittee's recommendation, the \$200 cost-price limitation pertains only to home & automotive phono stereo self-contained units, including speakers... No further procurement of separate component parts will be permitted."

**Sylvania** moves hq of Precision Materials Group from Whippany, N.J. to 100 First Ave., Waltham, Mass.

**COLOR TUBE RECORD:** Color picture tube production will hit record high this year, despite fact that number of workers & plants involved will be at all-time low, according to projections of EIA Mktg. Services Dept. Information was included in presentation by EIA Parts & Tube Divs. at Tariff Commission hearings on import injury to domestic TV producers (Vol. 11:41 p7).

U.S. plants should produce 7.2 million color tubes this year, up from 5.9 million in 1970, with sales of 6.3 million, up from 5.9 million. Output will pass 6.3-million high reached annually in 1967-69 period, though sales will fall short of 6.4 million record set in 1967. EIA projections are based on 7-month data. Totals show 10 color TV tube plants in operation (down from 10.5 in 1970), capacity at 11.5 million (down from 12.4 million), with employment at 12,815 (down from 13,378).

For b&w tubes, EIA sees production of 3.9 million and sales of 4.1 million, same as last year. Only 3.5 plants are in operation (down from 4.5), with capacity at 6.7 million (down from 9.9 million) and employment of 1,250 (down from 2,200). Totals update information in tube industry survey presented to Commission at TV dumping hearings last Jan. (Vol. 11:5 p9).

Factory sales of color picture tubes in first 7 months totaled 3.67 million, up 30.8% from same 1970 period, EIA reports. Sales to OEMs rose 41.2% to nearly 3.1 million, renewal volume was up 7.1% to 497,000, while exports fell 39.2% to 101,000. Dollar volume wasn't announced. In b&w, unit sales climbed 7.5% to 2.45 million, worth \$36.2 million (up 0.8%). Sold to OEM were 2.13 million at \$28.9 million (up 10.5% & 2.9% respectively); renewal market absorbed 235,000 at \$5.8 million (off 19.2% & 14.8%); exports accounted for 87,000 at \$1.5 million (up 40.3% & 46%). Totals include U.S.-branded imports, exclude renewal sales by independent rebuilders.

**"Early elimination"** of 10% import surcharge, which is "flatly inconsistent with the goal of trade liberalization," was urged by RCA Chmn. Robert Sarnoff last week in address to London Chamber of Commerce & Industry in which he called for creation of new international monetary system not linked to any national currency and removal of national barriers which hamper world trade & investment. His plea for lifting surcharge was coupled with statement that "while Japan has made appreciable progress in reducing its barriers to foreign investment and the domestic market, it has acknowledged that it needs to do more. That is all to the good."

**Tax on a tape** was urged by Ampex at ITA meeting last week, as way to wipe out tape piracy. Federal Revenue stamp costing legitimate duplicators about 5¢ would enable Treasury agents to identify unauthorized & counterfeit tapes, Ampex said. Idea is expected to be brought up again Oct. 28 when ITA hosts meeting of music-oriented groups—RIAA, NARM & others—at Plaza Hotel in N.Y. Meeting will consider formation of International Music Industry Council.



**CANADA'S FIRST HALF:** Sharp jump in Canadian factory sales & imports of color TV was offset by nearly equal slump for b&w in year's first half, leaving Canada's total TV market relatively unchanged from 1970, according to Dominion Bureau of Statistics (DBS). Sold in period were 363,791 TVs, up just 1% from 1970, with color up 39.6% to 157,411, b&w off 17% to 206,380.

Sales of Canadian-made TVs fell just 1%, as color rose 40.5%, passing b&w in unit sales for first time. B&w sales fell 23.6%. Imports of TV rose 3% on strength of 37.7% climb for color as b&w fell 8.2%. As result, domestic-made color TV increased share of home market, from 69.3% to 69.7%, while import share of b&w market rose from 42.8% to 47.4%.

Growth of color sales in Canada is expected to be spurred in fall when repeal of 10% excise tax will be felt at retail level, and industry is looking for full-year sales to approach 500,000 mark, compared with about 360,000 last year. Added in June to list of domestic producers covered by DBS factory sales totals (Vol. 11:29 p11) were Motorola Canada, assembling color TVs, & Sanyo Canada, assembler of b&w:

#### CANADIAN FACTORY SALES\*

	First Half 1971	First Half 1970
Total TV.....	218,283	220,275
color.....	109,696	78,062
monochrome.....	108,587	142,213
Home radio.....	14,208	17,746
Auto radio.....	1,040,048	324,312
Radio-phonos.....	43,130	45,362
Phono.....	37,672	46,550
stereo.....	16,311	N.A.
mono.....	21,361	N.A.

#### CANADIAN IMPORTS

Total TV.....	145,508	141,175
color.....	47,715	34,659
b&w.....	97,793	106,516
Transistor radio...	513,527	735,264
Auto radio.....	263,415	245,572
Radio-phonos.....	124,124	87,546
Phono.....	16,519	14,095
Tp. rec. & plyrs...	333,723	472,547

\*Includes "made in Canada" only. Auto radio sales for 1971 include exports, other totals reflect just domestic market.

No profit of any kind can be made on import price increases resulting from revaluation of currencies or import surcharge, said OEP in recently issued guideline which prohibits inclusion of amount of increase when calculating commissions & other business expenses, such as retail store rentals, which are based on gross volume. Increases, however, are to be included when figuring sales taxes.

Increase in home-appliance retail outlets, by 700 to 20,000, was reported in annual Audits & Surveys Inc. census. Discount stores rose from 4,160 to just over 4,500, catching up with number of traditional dept. stores for first time.

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## Trade Personals

Arthur Hausman, Ampex exec. vp, named chief operating officer, succeeding William Roberts, who continues as chmn.-pres... Edward Campbell promoted to pres. of Lear Jet Stereo; Reggie Williams appointed foreign operations vp, Robert Olson mfg. & engineering vp, Mel Peck treas... Perry Winokur resigns as Muntz Stereo exec. vp.

Toshiharu Kido, a Mitsubishi Corp. managing dir., named pres. of Mitsubishi International Corp., U.S. marketing arm (MGA brand consumer electronics), succeeding Keizaburo Yamada, who returns to Japan... Shinnesuke Abe advanced at Nippon Electric Corp. from vp in charge of switch exports to pres. of NEC America, replacing Keze Hirayama, returning to Japan; Saburo Oyama, NEC America senior vp, named chmn., new post. Named vps: Michio Ikawa, N.Y. office engineering & mktg. mgr.; Kinya Hasegawa, L.A. office mgr.; Isaya Taira, Washington office mgr.

Robert Wise appointed advanced programs mgr., Westinghouse Portable Products Div.; David Price advanced from Div. product planning mgr. to engineering mgr., succeeding Wise... George Trimble, Bunker-Ramo; Thor Kolle, Hornblower & Weeks, and David Coffin, Dexter Corp., named to Cartridge TV board... Peter Goldmark, CBS Labs pres., named 1972 medalist by Industrial Research Institute.

Jerry Martin, ex-GTE govt. relations mgr., joins Raytheon as Submarine Signal Div. mktg. mgr... Jerry Crowley promoted at Signetics from MOS activities mgr. to corporate sales mgr., succeeding Irving Cooper, now with Litronix... Jo B. Fogel, former EIA Consumer Electronics Group consumer affairs coordinator, joins Washington law firm of Dukes, Troese, Mann & Wilson.



## 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
<b>Allied Artists</b>			
1971-year to July 3	2,745,400	(3,264,900)	--
1970-year to June 27	6,819,000	53,900	.03
<b>American TV &amp; Communications</b>			
1971-qtr. to Sept. 30	3,245,987	221,693	.05
1970-qtr. to Sept. 30 <sup>a</sup>	2,390,654	50,259	--
<b>Buckbee-Mears</b>			
1971-9 mo. to Sept. 30	29,405,000	1,436,000	.68
1970-9 mo. to Sept. 30 <sup>a</sup>	26,882,000	1,212,000	.57
1971-qtr. to Sept. 30	9,978,000	375,000	.19
1970-qtr. to Sept. 30 <sup>a</sup>	9,276,000	402,000	.20
<b>Capitol Industries</b>			
1971-qtr. to Sept. 30	27,565,000	2,514,000 <sup>b</sup>	.55
1970-qtr. to Sept. 30	34,101,000	(809,000)	--
<b>Conrac</b>			
1971-9 mo. to Sept. 30	35,864,270	1,353,723	.98
1970-9 mo. to Sept. 30	40,237,423	1,191,362	.85
1971-qtr. to Sept. 30	12,085,973	494,884	.36
1970-qtr. to Sept. 30	12,526,070	355,007	.25
<b>Corning Glass</b>			
1971-40 wk. to Oct. 10	460,466,098	29,758,515	4.23
1970-40 wk. to Oct. 5 <sup>a</sup>	460,821,888	31,289,885	4.46
1971-16 wk. to Oct. 10	183,139,226	8,700,442	1.23
1970-16 wk. to Oct. 5 <sup>a</sup>	180,247,750	9,952,916	1.37
<b>Electronic Memories &amp; Magnetics</b>			
1971-9 mo. to Sept. 30	62,671,000	2,918,000 <sup>b</sup>	.42
1970-9 mo. to Sept. 30 <sup>a</sup>	64,701,000	772,000	--
1971-qtr. to Sept. 30	21,352,000	716,000 <sup>b</sup>	.09
1970-qtr. to Sept. 30 <sup>a</sup>	21,373,000	(795,000)	--
<b>Grass Valley Group</b>			
1971-9 mo. to Sept. 30	2,291,000	368,000	.25
1970-9 mo. to Sept. 30	2,735,000	479,000	.32
<b>GTE</b>			
1971-9 mo. to Sept. 30	2,793,494,000	184,323,000	1.65
1970-9 mo. to Sept. 30	2,500,069,000	143,314,000 <sup>c</sup>	1.33
1971-qtr. to Sept. 30	953,287,000	63,671,000	.57
1970-qtr. to Sept. 30	873,954,000	46,628,000 <sup>c</sup>	.43
<b>Hazeltine</b>			
1971-9 mo. to Sept. 30	24,096,000	(743,000)	--
1970-9 mo. to Sept. 30	45,247,000	1,021,000	.52
1971-qtr. to Sept. 30	7,785,000	(163,000)	--
1970-qtr. to Sept. 30	14,059,000	197,000	.10
<b>International Rectifier</b>			
1971-qtr. to Oct. 30	10,204,592	83,722 <sup>b</sup>	.03
1970-qtr. to Oct. 30 <sup>a</sup>	8,614,653	(502,547)	--
<b>Meredith</b>			
1971-qtr. to Sept. 30	38,158,829	1,299,552	.47
1970-qtr. to Sept. 30	34,171,389	1,017,852	.37
<b>Metromedia</b>			
1971-9 mo. to Oct. 3	110,200,395	4,182,059	.72
1970-9 mo. to Oct. 4	114,669,551	3,319,462	.58
1971-qtr. to Oct. 3	36,626,244	1,394,155	.24
1970-qtr. to Oct. 4	36,781,609	1,005,754	.18
<b>3M</b>			
1971-9 mo. to Sept. 30	1,358,000,000	152,600,000	2.72
1970-9 mo. to Sept. 30	1,260,000,000	138,500,000	2.47
1971-qtr. to Sept. 30	475,400,000	54,800,000	.98
1970-qtr. to Sept. 30	428,200,000	47,900,000	.85
<b>Motorola</b>			
1971-9 mo. to Sept. 30	643,729,944	21,091,519	1.58
1970-9 mo. to Sept. 30	588,401,313	18,839,985 <sup>c</sup>	1.41
1971-qtr. to Sept. 30	224,887,670	7,755,168	.58
1970-qtr. to Sept. 30	193,850,802	7,210,811	.54
<b>Multimedia</b>			
1971-9 mo. to Sept. 30	26,649,172	3,221,423	1.22
1970-9 mo. to Sept. 30	24,549,952	2,417,636	.92
1971-qtr. to Sept. 30	9,119,076	1,120,848	.41
1970-qtr. to Sept. 30	8,321,496	839,998	.32

Company & Period	Revenues	Net Earnings	Per Share
<b>North American Philips</b>			
1971-9 mo. to Sept. 30	438,768,000	6,902,000 <sup>c</sup>	.78
1970-9 mo. to Sept. 30	409,469,000	9,629,000	1.09
1971-qtr. to Sept. 30	153,933,000	4,422,000	.50
1970-qtr. to Sept. 30	135,827,000	2,542,000	.28
<b>PKL</b>			
1971-9 mo. to Aug. 31	632,720	(129,583)	--
1970-9 mo. to Aug. 31	671,674	(293,315)	--
<b>Storer Bcstg.</b>			
1971-9 mo. to Sept. 30	45,368,000 <sup>d</sup>	2,180,300 <sup>b</sup>	.52
1970-9 mo. to Sept. 30	45,182,000 <sup>d</sup>	3,498,400	.83
1971-qtr. to Sept. 30	13,780,000 <sup>d</sup>	(4,600)	--
1970-qtr. to Sept. 30	14,193,000 <sup>d</sup>	(1,071,200)	--
<b>Singer</b>			
1971-9 mo. to Sept. 30	1,565,928,000	44,081,000	2.40
1970-9 mo. to Sept. 30 <sup>a</sup>	1,537,377,000	54,812,000	3.10
1971-qtr. to Sept. 30	524,588,000	15,384,000	.84
1970-qtr. to Sept. 30 <sup>a</sup>	495,103,000	16,529,000	.92
<b>J. Walter Thompson</b>			
1971-9 mo. to Sept. 30	550,400,000 <sup>e</sup>	4,400,000	1.62
1970-9 mo. to Sept. 30	540,400,000 <sup>e</sup>	4,175,000	1.51
1971-qtr. to Sept. 30	169,800,000 <sup>e</sup>	944,000	.35
1970-qtr. to Sept. 30	176,100,000 <sup>e</sup>	860,000	.31
<b>TRW</b>			
1971-9 mo. to Sept. 30	1,121,700,000	51,722,000	1.49
1970-9 mo. to Sept. 30	1,206,543,000	59,966,000	1.82
1971-qtr. to Sept. 30	360,275,000	16,121,000	.46
1970-qtr. to Sept. 30	385,318,000	19,227,000	.58
<b>Zenith</b>			
1971-9 mo. to Sept. 30	429,683,000	16,324,000	.86
1970-9 mo. to Sept. 30	384,950,000	10,528,000	.55
1971-qtr. to Sept. 30	174,388,000	6,797,000	.36
1970-qtr. to Sept. 30	174,509,000	5,899,000	.31

Notes: <sup>a</sup>Restated. <sup>b</sup>After special credit. <sup>c</sup>After special charge. <sup>d</sup>From bcstg. operations. <sup>e</sup>Billings.

**Sylvania** features new designs in series of drop-ins, including pedestal-base white laquered 25V" color set, originally displayed at its May convention to test reaction (Vol. 11:22 p8), now in regular line at \$725. Five other new 25V" color consoles are \$569.95, \$625 & \$699.95 (3). New 21V" console is \$499.95. Sylvania also has added AM-FM-phono component audio system in teakwood-&-white finish with white globe speakers at \$199.95, BSR McDonald automatic turntable system at \$79.95, four new speaker systems from \$59.95 per pair to \$109.95 each. New radios: AC-battery portable stereo radio with detachable speakers, stereo headphones at \$59.95; sculptured AM-FM digital clock radio at \$49.95; marine band FM-AM battery-AC portable at \$59.95; FM-AM personal portable at \$16.95. Phase-shift 4-channel stereo adaptor, requiring 2 additional speakers, at \$9.95.

**Teletronics** 18V" solid-state color sets with 4 plug-in modules are advertised in Western Airlines in-flight magazine at \$199 FOB Dallas by KBH Industries. Teletronics Pres. George S. Dutter recently reported order from "major eastern retailer" for 50,000 sets at about \$8.5 million over next 5 years. Same dealer contracted for 6,000 sets at \$1 million in July, later exercised option for 4,000 more, said Dutter. Teletronics assembles color sets in Mesquite, Tex. from chassis facility in Matamoros, Mex., has own cabinet facility in Miss., recently opened color tube rebuilding plant in Mexico.