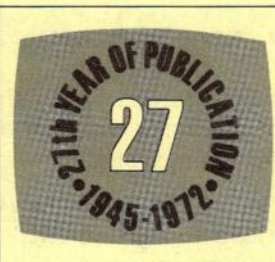


WEEKLY

Television Digest®

with
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NOVEMBER 1, 1971

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Broadcast

OTP'S LAST TRY FOR CATV COMPROMISE: With Burch's blessing, Whitehead meets separately with industry leaders this week, offering specific proposals for distant signals, exclusivity, overlap, leapfrogging. Cabinet committee 'very close to agreement'. (P. 1)

OTP SHOWS 'SERIOUS CONCERN' over Commission's failure to grant pending satellite applications. Whitehead says there's no reason why FCC shouldn't grant all 7 applicants immediately, let marketplace decide. Says ETV shouldn't be given free ride at expense of satellite users. (P. 2)

CLOSED-CIRCUIT TV brings movies & sports into major markets. Columbia Pictures will air Ali 'bum of the month' bouts, schedules CCTV movies in Atlanta, negotiates with CATV operators. Computer TV plans move into 20 markets by Jan. Other CCTV firms bid for football rights. Macdonald plans hearing next session. (P. 2)

CATV PROSPECTS IN TOP-100 MARKETS: Rand study concludes FCC plan would get cable started but isn't enough to keep it growing. Fischman predicts much higher penetration, drastic impact on stations in study for 20 TVs. (P. 3)

OTP'S LAST TRY FOR CATV COMPROMISE: One more effort to achieve voluntary agreement on CATV policy—perhaps last such attempt—is being made this week by OTP Dir. Clay T. Whitehead. With specific proposals in hand and with blessing of FCC Chmn. Burch, Whitehead will hold separate meetings probably with NAB's A. Louis Read, NCTA's John Gwin, and 2 of 3 copyright reps: Louis Nizer, David Horowitz & Arthur Scheiner.

Whitehead is trying again because of "continuing pressures from Congress." He struck out once before, as did Burch. Separate meetings are being held because, OTP spokesman says, "it would be hopeless" if all were together. Officials at both OTP & FCC believe NCTA will buy proposal because, as one said, "they could lose the whole ballgame in Congress." Though Burch goes along with latest proposals, other commissioners haven't been brought in yet, and an FCC source says: "We may lose one or 2 commissioners."

We're advised that Whitehead's latest proposal includes following, offered to all on a take-it-or-leave-it basis: (1) Distant-signal provisions are same as FCC plan, except that "wild-card station" is eliminated. (2) Exclusivity in top-50 markets would bar use of syndicated programs for one year after they first appear on any station and for run of contract for each local station. For below-50 markets, station exclusivity would last only for first run. (3) In over-

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COLOR SALES RECORD assured for 1971, barring 4th-quarter disaster. Sales increase of only 7% over 1970 in final 11 weeks required to reach all-time high in domestic-label sales. Record also likely in total-market color sales. (P. 7)

SONY'S U.S. PLANT, announced for May 1972 start-up to assemble Trinitron color set, puzzles industry. Capacity of 20,000 sets monthly is eventual goal for San Diego facility. Proximity to Mexico seen as possible clue to twin-plant venture. (P. 7)

JAPANESE TV MANUFACTURERS to reject any govt. plea for voluntary restraints on exports to U.S. Philadelphia, N.Y. ports reopen. Japan's General Corp. enters U.S. color market with set under own 'Teknika' brand name. (P. 8)

JAPAN TV SHIPMENTS to U.S. get 3rd-quarter records in both color & total sets. Sept. color exports to U.S. up 21%, pushing 9-month total to 995,000, exceeding total for all of record year 1969. Cassette recorder, radio-recorder exports up. (P. 8)

ROBERTS, QATRON QUIT consumer electronics. Akai's switch to own-brand sales, dock strike seen forcing Roberts out of consumer field. Qatron sells 8-track cartridge changer rights to Telex. (P. 10)

lapping markets, "significant viewing" for independent stations is defined as at least 2% share of audience plus 5% or more net weekly circulation (instead of 1% & 5% proposed by FCC).
 (4) Leapfrogging would be tightened to favor carriage of closer, smaller stations.

Nixon's Cabinet CATV committee met Oct. 29, perhaps for last time, is reported "very close to agreement," and proposed report is to circulate this week. Committee concentrated on long-range CATV issues, didn't go into distant signals, exclusivity, etc. President may get recommendations this week—including variety of options (which he usually wants from his advisers)—and report may go to Congress within 2 weeks.

OTP's 'SERIOUS CONCERN' OVER SATELLITES: While various govt. entities continue to "examine & reexamine" question of domestic satellite policy, "the unrealized potential" of such a service "continues to be a source of serious concern to the Administration," OTP Dir. Clay T. Whitehead wrote FCC Chmn. Dean Burch last week. At same time, Whitehead pointedly reminded Commission that it now has before it "7 proposals for full-service satellite systems" and adequate legal authority to "allow the prompt authorization of all proposed systems" under Administration's "open entry" position adopted in Jan. 1970 (Vol. 10:4 p3). He also struck out at proposals to provide free satellites for public broadcasting and said there are no antitrust problems in granting any of applications.

Whitehead letter comes as FCC staff nears end of several-month study of pending applications (Vol. 11:11 p5). Burch has stated that Commission expects to reach conclusions by end of year, and Common Carrier Bureau Chief Bernard Strassburg said last week that staff is on target. He said thorough analysis of applications is being made "in the hope of avoiding hearings... The Commission is happy to have Mr. Whitehead's recommendations, and they will be given serious consideration." Chmn. Burch couldn't be reached for comment.

White House has been unhappy for some months because of what it considers Commission's "dawdling" on domestic satellite authorizations. Whitehead put it this way last week: "There are customers waiting for satellite services and prospective suppliers with the capital and the will to offer them on a commercial basis. We see no reason for the government to continue keeping these groups apart. No further study, shifting of applications or enforced commercial arrangements would be as constructive for the using public or for the industry as the prompt opening of this new & exciting field."

He also tied domestic satellite go-ahead into Administration efforts to stimulate economy. "The prompt authorization... would aid substantially in this effort by stimulating up to \$450 million in investments and associated employment in the aerospace & electronic industries—2 segments of the economy which have been hit particularly hard by cutbacks in federal spending." Whitehead continued:

"OTP has carefully reviewed the major applications... In no area did we find evidence which would negate the Administration's previous policy recommendation... There are no technical, economic or legal considerations which preclude the approval of any proposed system. Conversely, there is substantial evidence that a policy of open entry & competitive operation would produce benefits in terms of innovative systems & services... The available orbit space will readily accommodate all proposed U.S. & Canadian satellites using 4 & 6 GHz... There is no evidence to indicate that selection of the successful operator(s) by the government is either necessary or preferable on public interest grounds to a marketplace determination..."

"A discriminatory tax on this mode of communications for any purpose, including support of public TV, is an inefficient, inequitable and largely counterproductive approach... By raising the cost and thus deterring the commercial use of satellite services, this tax would simply encourage less cost-effective technologies and stifle innovation... If a subsidy for worthwhile public service is required, it should be granted by the Congress and supported by a tax that does not burden a particular mode of communications."

CLOSED-CIRCUIT TV AIMING FOR SPORTS, MOVIES & CATV: Last time Joe Frazier whipped Muhammad Ali it was on closed-circuit TV (CCTV) and Congress, with strong public backing, flew into uproar and proposed legislation that CCTV be either banned outright from major sports,

put under FCC control or give networks equal chance to bid. Now whole issue is likely to be resurrected again—probably early next session in House Communications Subcommittee. Action on Capitol Hill is being precipitated by competition among major CCTV firms for pro football contracts and disclosure that Columbia Pictures' CCTV div. Trans-World Productions has signed "agreement in principle" with ex-champ's attorneys for rights to carry 12 Ali heavyweight fights live in one year, averaging one a month and including at least 4 major bouts.

Details of Columbia-Ali agreement are expected this week, and we're told at least 3 fights will be included in Trans-World's current CCTV movie experiment at Atlanta's Regency-Hyatt House Hotel. In pro football, International Color Casting (ICC) of San Francisco has tried—and flopped—experiment in Denver, but its Pres. Ken Macker wasn't discouraged. "We're plowing right on," he told Washington Star. "We are certain that fans aren't getting as much pro football as they want... It was something new, the first time it has been tried in the NFL, and it's going to be big." Management TV Systems plans to offer last 4 Washington Redskins home games on CCTV.

House Communications Subcommittee Chmn. Macdonald (D-Mass.) will schedule hearing "just as soon as we can." He's particularly upset over prospects of CCTV siphoning sports currently telecast, is expected to propose legislation prohibiting it. He called CCTV "just a new form of pay TV" and indicated that hearing would also explore plans by CATV systems to carry major sports.

Sport contracts, however, are only part of revised entertainment CCTV industry. Major outfits are testing markets for first-run movies in hotels, motels and apartment developments. "We're putting our business on the line," Trans-World Vp & Gen. Mgr. William Butters told us. He said development of movie system took 4 years, cost "many millions of dollars." Movie experiment at Regency is similar to one operating since last June by Computer TV inc. at Gateway Downtowner Motor Inn in Newark. Both systems feed movies into each room through hotel master antenna system, use vacant channel, involve no special wiring. Set is activated by unscrambler and customer is billed automatically. Trans-World will offer movies for \$3 each; Computer TV fee ranges from \$1.50 to \$3 depending on length.

"We want to learn what kind of programming the hotel guests prefer, what times they prefer to watch and what the effect will be on the hotel's service requirements," Butters said. If test, which starts Nov. 15, is successful, marketing is planned to start Dec. 1 in Honolulu, then Houston, Toronto, Las Vegas & London. By next March, Montreal, L. A., San Francisco & Chicago may be added, with N. Y. scheduled for end of 1972. "Technically we've arrived," Butters said, adding that 24,000 units have already been manufactured. He added that CATV testing is planned soon in 10 key markets (unidentified) and talks are already underway with local system operators.

Computer TV tells us it's finished testing, is developing hardware, plans to begin installing systems in 20 markets by Jan. "The competition is trying to stop us from holding the market," Paul Klein, one of principals, said. "But they haven't got anything... They won't stop us... They're all over-reacting. They don't know what the market is... We are going to proliferate as hard & as fast as we can." He said equipment is being developed by Visual Information Systems and financing is coming from Schroeder Capital Corp. According to Klein, Newark experiment proved that CCTV movies can compete with commercial TV. On average, 65% of all rooms at Gateway had TV on between 5 p.m. & 2 a.m., with Computer TV receiving 37% share.

What is theatre owners reaction to CCTV movies? While NATO hasn't commented yet, Jack Valenti, pres. of Motion Picture Assn. of America, said he was favorably impressed by special Trans-World demonstration in Atlanta. "Hotel room viewers are a non-movie going audience," he said, adding that average theatregoer is just over 20 years old, while hotel occupant is about 42. X-rated movies? "They definitely won't be shown," Butters said.

CATV PROSPECTS IN TOP-100 MARKETS: Can cable TV find success in the big city? Despite years of battling over entry of CATV to major markets, foregoing question remains unanswered. Though cable is operating in several such cities, experience to date is inconclusive because situations aren't typical. For example, N.Y. & L.A. have reception problems because of buildings & terrain; in Cleveland area (Lakewood), terrain is no trouble, but system wasn't

allowed to use distant signals, quit operating.

Comes now Rand Corp. analyst Rolla Edward Park with attempt to get answers by: (1) Examining growth pattern of existing CATV systems which have enough good out-of-air signals to make them comparable with potential top-100-market systems. (2) Applying elaborate statistical tools to such systems.

Park's conclusion: Using distant systems which FCC's new proposals would permit, CATV could get started in large markets, "but more is necessary to keep cable moving, because the rules by themselves are probably not sufficient to make cable profitable in most of the top-100 markets." Furthermore, Park believes, FCC rules won't hurt over-air telecasting.

Using Television Factbook and CATV Atlas, Park picked 63 systems he considered indicative of top-100 situations, queried each by phone. After analyzing growth patterns, he concluded that penetration in centers of large markets would reach 20-35%; at edges of 35-mile zones, 30-60%. Throughout study, Park seeks to put numbers on facts everyone knows from general standpoint: CATV penetration increases as over-air signals become scarcer & weaker, as distant imports increase, as family income rises, as CATV rates are lowered, etc. For example, he decides that increase of median family income from \$10,000 to \$12,500 would increase CATV penetration 6 percentage points; that reduction of CATV rate from \$63 to \$36 a year would increase penetration 17 percentage points. Without distant signals, it's figured penetration would run 5-10 percentage points lower. Park winds up with these conclusions:

(1) "Expected penetration rates seem rather low (except possibly in all-uhf markets) to support the sorts of innovative programming and other services many hope cable will provide."

(2) Since lower CATV rates would increase penetration, maybe cable systems should be owned by "entities that are not much interested in near-term profits."

(3) There's danger of "cream-skimming"—CATV operators picking only high-potential areas, leaving "central cities unserved (or at best served by their own separate, impoverished systems)."

(4) Impact on stations "will be quite small." In a previous study, assuming more distant signals than current FCC proposals would allow, Park estimated CATV would increase independent uhfs' revenues by 20% in 10 years, reducing other stations' 20%. Present Commission plan, he said, would still increase independent uhfs' income by 20% "while reducing the revenues of other stations by considerably less."

For those interested in full text of Park's conclusions, we've reprinted them in Special Supplement with this week's CATV Activity Addenda. (Also included in Supplement is full text of FCC's recent decision finalizing adoption of annual CATV reporting forms.) For Park's statistical methodology, write him for details: Rand Corp., 1700 Main St., Santa Monica, Cal. 90406.

Sharply differing conclusions are reached in new study submitted to FCC by 20 TV stations. Prepared by Leonard L. Fischman, head of Economic Assoc., 1150 Connecticut Ave. NW, Washington, study concludes that CATV penetration will be much greater and will have devastating impact on station revenues. Fischman finds:

(1) Average CATV penetration will reach 55-65% by 1975, 80% by 1980. (2) Station audience loss will run minimum of 20-30%, could be much more if CATVs switch among distant signals as FCC proposes. (3) Though CATV may help uhfs initially, uhf "handicaps" will have virtually disappeared by 1975 without cable help. (4) Station revenue loss, stemming from audience loss, will drive many stations off air and force others to reduce local program efforts.

Stations conclude that FCC is being unrealistic in stating that it will take prompt action if CATV starts injuring stations. "Time and again," group says, "the Commission has stated, to the Congress, to the courts and to the public, that it cannot as a practical matter roll back established CATV operations once authorized by the Commission because of the disruption this would produce in established viewing habits, to say nothing of the CATV investment predicated on the FCC's distant signal authorization."

FCC'S DECEPTIVE-AD ROLE: FCC finally issued its decisions on several ad complaints as anticipated (Vol. 11:42 p6). Basically, Commission did 2 things: (1) Said FTC is expert on ads, designated by Congress, and FCC is working closely with it. (2) Said it will do all it can to create "a new mood of heightened awareness on the part of licensees."

Complaint about commercials on CBS & WTOP-TV Washington, by Consumers Assn. of D.C., warranted no penalty, FCC said, finding network and station had made reasonable judgments about commercials for Dancerina Doll, Sugar Frosted Flakes and Patio Mexican Food. Regarding Chevron F-310, Commission said station didn't do adequate job—but FCC pointed out that commercial was carried before Commission dealt with Chevron F-310 commercial in "Neckritz" case.

Stating that "main thrust" in deceptive advertising must come from FTC, FCC said it makes no sense for it to duplicate FTC work, nor is it reasonable to expect networks & stations to become "a kind of a mini-FTC."

What licensees must do, FCC said, is give "as-siduous attention," use "common sense judgment," be alert to FTC actions & policies, consult with local BBB, NAB and networks in cases of doubt. Commission said it expects larger stations to make greater effort. For itself, Commission said it will soon update its 1961 policy statement on deceptive ads, will consider issuing "advertising primer" to guide broadcasters. As for long delays in finalization of FTC actions, FCC said "there appear to be promising, over-all developments"—such as FTC's efforts to obtain power to issue injunctions when it issues complaints.

Answering complaint of law students calling themselves "Termination of Unfair Bcstg. Excesses" (TUBE), FCC declined to start extensive inquiry sought. However, Commission said it will consider better methods of advising licensees about FTC actions. Commission also expressed hopes for new National Advertising Review Board.

To ACT petition regarding Mattel and Topper ads, FCC said FTC has authority in that area and that the ads don't "involve controversial issues of public importance." Commission said ACT petition will be considered in current inquiry into children's programming.

FCC vote on cases was 6-1—Comr. Johnson stating, among other things: "I dissent to this do-nothing attitude" and "the majority attempts to protect advertisers & licensees from the effects of adverse court decisions."

Economics of program production for TV & cable is being studied for OTP by National Economic Research Assoc., N.Y., under \$50,000 contract granted early in Oct. In early stages, NERA is concentrating on Wall St., has asked brokers for investment material on "the broadcasting & program creation industries." Report is due in about 6 months. OTP said program inquiry is "not unusual" since it is just one of many studies underway dealing with all phases of broadcasting.

FTC ad hearing and industry self-regulation were principal topics at last week's ANA meeting at Hot Springs, Va., and delegates received some reassuring words from FTC Chmn. Kirkpatrick. "The Commission is not bent on dismantling the advertising industry... We are hunting no witches. We seek knowledge to help us enforce the law, to sort out what is unfair and deceitful in advertising. It's as simple as that... The answer lies in your hands." Pillsbury Chmn. Robert Keith referred to "our industry's unquestioned genius for making errors monumental in scope & bad taste... Would Congress be looking at a checklist of proposed bills on advertising if, 5 years ago, we had selected surgery rather than cosmetics for our ills?" Bruce Palmer of U.S. Chamber of Commerce said CC is developing computerized consumer data bank to classify & store all inquiries & complaints. "In micro-seconds we will be able to retrieve trends or dissatisfaction on any given class of product," he said.

"Radio de-regulation... is not revolutionary but sensible," NBC Pres. Julian Goodman told radio affiliates' convention in N.Y. last week. "It would recognize the new actualities & potentials of the radio medium. It would foster radio innovation & experimentation. With the scarcity theory obsolete in radio, the radio licensing methods & standards need a top-to-bottom overhaul... It is most encouraging that [OTP Dir.] Clay T. Whitehead has taken the lead within the government... His general approach deserves the full, continuing & active support of the broadcasting industry." Goodman said NBC "will be in the radio business, actively & vigorously, as far ahead as we can see." But, he added, NBC continues to receive proposals to buy its stations. "Thus far, no major proposals meet our criteria. We will continue to analyze the proposals that keep coming in."

Triangle Bcstg. (owned by Gordon Gray & family) has sold WSJS-TV Winston-Salem to Multimedia Inc. (Wilson Wearn, pres.) for \$7.5 million. Triangle retains WSJS-AM-FM & Winston-Salem cable system. "The sale of our TV station is an involuntary divestiture," Pres. Harold Essex said in referring to FCC rule prohibiting TV station ownership of CATV in same market after 1973. WXPO-TV (Ch. 50) Manchester, N.H.—dark since March 1970—will be taken over by Vendelco Inc., which is acquiring 65% of stock for cash & loans. Vendelco is in real estate, owns dry cleaning plants & employment agencies.

Increased FM hours of operation is under consideration by FCC. It's thinking of proposing rules requiring at least 8 hours 6 a.m.-6 p.m. and 4 hours 6 p.m.-midnight, except Sun. Rules now require minimum of 36 hours weekly, 5 hours daily.

"Chaos & ruin" for commercial broadcasting could result from recent court interpretations of fairness doctrine, ABC Radio Pres. Walter Schwartz said in Scranton, Pa. speech. "There is a daily mounting Babel-like tower of prejudice against commercial broadcasting in the U.S. today," he said.

TelePrompTer board, in Oct. 29 meeting, continued Irving Kahn as chairman pending his appeal of bribery conviction (Vol. 11:43 p5).

Personals

Robert Cahill, admin. asst. to FCC Chmn. Burch, resigned Oct. 29 to form law firm Farrow, Cahill, Kaswell, Segura & Rader, 1819 H St., NW, Washington 20006 (202-467-5720); Farrow & Segura have offices in San Francisco, Rader in L. A., Kaswell in Washington... **OTP Dir. Clay T. Whitehead** will answer questions at National Bcstrs. Club "Wavemaker" lunch Nov. 10.

Named CBS-TV eastern sales mgrs.: **Thomas Battista**, for WBBM-TV Chicago; **Malcolm Kahn**, WCAU-TV Philadelphia; **Eugene Lothery**, KMOX-TV St. Louis; **David Murphy**, KNXT L. A. Appointments complete restructuring of TV National Sales; all move to N. Y. hq.

Joseph Kittner advanced to partner in law firm which changes name to McKenna, Wilkinson & Kittner, moves to 1150 17th St. NW, Washington 20036, phone unchanged. **ABC Washington Vp Alfred Beckman** moves to same suite within 2 weeks... **Jeffrey Krause** joins Michael L. Glaser law firm, Washington.

John Bone, ex-Metromedia, named a vp, broker Hamilton-Landis, Chicago... **Marvin Koslow**, Bristol-Myers, elected ANA chmn., succeeding **William Bartel**, Celanese Corp., who remains a dir.

Charles Conrad, ex-WPGH-TV Pittsburgh, named sales mgr., WEAT-TV W. Palm Beach... **David Lairoff**, ex-WOR-TV N. Y., named program dir., WOUB-TV Athens, O... **Miles Mangrum** joins Storer Bcstg. as gen. exec. & coordinator of employee development & training, with emphasis on minorities.

Favorable broadcaster reaction to OTP Dir. Clay T. Whitehead's IRTS speech (Vol. 11:41 p1) continues strong. "It seems that broadcasting has made itself heard where it counts most [White House]," said Rex Howell of KREX-TV Grand Junction, Colo. "Every broadcaster in America should write a letter of appreciation to Mr. Whitehead... We must not leave it to the network people to pass judgment on [his] offer of a 'broadcasting bill of rights'." From Dale Moore, KGVO-TV Missoula, Mont.: "The speech was like a breath of fresh air and [Whitehead] is to be commended for the position he has clearly stated."

TvB predicts "significant national news" will develop at Nov. 9-11 membership meeting in Continental Plaza Hotel, Chicago. Pres. Norman Cash's keynote speech will dramatize social, political, economic & religious changes in U.S. Theodore Sorenson, special counsel to President Kennedy, will discuss "How Telecaster & Government Can Live Better Together." Additional speakers will be announced.

General TV is buying WJON Cablevision, St. Cloud, Minn. (6,000 subscribers) for \$2.6 million. General TV owns systems in Md. & Del. with 16,500 subscribers.

Rhodes Productions Div. of Taft Bcstg. moves hq from N.Y. to 6535 Wilshire Blvd., L. A. 90069. Phone 213-655-2900.

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CBS News Pres. Richard Salant told Princeton students he's pessimistic about future of freedom of speech. "The popular support is only for freedom to say what the particular person wants to say and hear...and it's not a right which too many people extend to people with whom they disagree, and this is what disturbs me." When questioned about releasing outtakes from documentary "Selling of the Pentagon," he said "as soon as we get the clearance from our lawyers...we are willing to make them available to anybody with a legitimate interest other than anybody involved [or] connected with the government...We think that the whole...dispute over the subpoenas by the House Commerce Committee involved the government surveillance of news. We don't object at all to private surveillance because that's where it should lie. It is between journalists and the public and not between journalists and the government."

Proposed 1-kw uhf operation in Springfield, Mass., filed by WWLP, is due for rejection by FCC on grounds of duopoly. Station had proposed to use facility to rebroadcast Boston & Worcester uhfs, said it would be better than CATV because viewers would get free service. WWLP had asked for duopoly waiver, said it would be willing later to sell station to public service group—on payment of its investment, expenses & losses.

More than half of TV households now view in color, according to latest quarterly NBC estimate, which put color homes at 31 million, or 50.1% of all TV households, as of Oct. 1. NBC figures indicate 1.3 million color homes were added since July 1, with increase since Jan. 1 of 3.4 million, 4.8 million in 12 months.

Affiliation-bribery hearings (Vol. 11:42 p3) have been ordered by FCC, it's understood, with announcement to be issued Nov. 1.

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Oct. 15 (41st week of 1971):

	Oct. 9-15	1970 week	% change	Oct. 2-8	1971 to date	1970 to date	% change
Total TV	252,636	215,041	17.5	270,574	8,035,386	6,843,388	17.4
color	148,725	117,147	27.0	164,241	4,387,468	3,475,093	26.3
monochrome	103,911	97,894	6.1	106,333	3,647,918	3,368,295	8.3
Total radio	404,508	289,287	39.8	368,532	14,467,394	12,461,375	16.1
home, portable	182,829	170,401	7.3	144,552	6,332,861	5,886,858	7.6
AM-only	105,071	98,752	6.4	79,097	3,542,423	3,615,289	-2.0
FM & FM-AM	77,758	71,649	8.5	65,455	2,790,438	2,271,569	22.8
auto	221,679	118,886	86.5	223,980	8,134,533	6,574,517	23.7
Total phono	84,191	84,048	0.2	63,376	3,070,107	2,760,110	11.2
portable-table	66,825	65,017	2.8	46,309	2,367,596	1,960,745	20.7
console	17,366	19,031	-8.8	17,067	702,511	799,365	-12.1

Color TV 5-week moving average: 1971-164,955; 1970-131,542 (up 25.4%)

COLOR SALES RECORD SEEN ASSURED FOR '71: Only a complete 4th-quarter disaster now can prevent 1971 from setting all-time high in color TV sales—at both domestic-label dealer buying and total-market levels.

Year's payoff quarter is off to strong start. In first 2 weeks, domestic-label sales to dealers are up 31.4%. To beat existing record of 5,827,000 sets sold in 1968, sales for year's remaining 11 weeks will have to aggregate only 7% increase over 1970 figures. Only once since this year's 2nd week has color's increase over comparable 1970 week fallen below that rate—and cumulatively sales are running 26.3% ahead and apparently gaining steam. If color sales for rest of year run 20% above 1970—and this is not only possible but highly probable—1971 will reach 6-million color set level.

Sales reports from retailers are spotty—ranging from "very good" to "sluggish for this time of year." But it now appears that domestic merchandise is receiving some lift from dock tieups which have cut down supplies of foreign sets (see p. 8). Nevertheless, because of imports' strong start in this year's first half, total-market sales—domestics plus imports—also seem certain to exceed those of record 1968 (6,213,347), could come in at 6.5-6.6 million or higher.

SONY'S U.S. PLANT PUZZLES INDUSTRY: Sony's surprise announcement last week that it will build 140,000-sq.-ft. color TV assembly plant in suburban San Diego raised plenty of questions—but Sony wasn't supplying any answers.

Announcement in Japan made these statements: Construction will begin around year's end, with start-up scheduled for next May, initial production of 5,000 Trinitron color sets monthly, with eventual capacity of 20,000. Plant will be owned by Sony Corp. of America. Why build U.S. plant? One report quotes Sony officials as stating it will give company greater ability to respond to U.S. market demands. Other reasons: Dock strikes & changes in yen's value increase benefits of production in U.S. New facility could lower transportation costs.

Some of these arguments appear valid, some don't. Industry production experts were

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trying to figure what possible economic benefit Sony could reap by shipping Trinitron tubes to U.S. at duty rate of 15% next year, when duty on completed set, including picture tube, is scheduled to be 5%. There were also questions as to how facility would help Sony in case of dock strike, in view of company's policy of making virtually all of its major components & subassemblies—which obviously would have to come in through the docks.

San Diego's proximity to Mexico lends itself to widespread speculation that Sony plans eventually to have twin plant in Mexico for high-labor-content assembly, as many U.S. electronics manufacturers now have.

Best guess is that Sony is locating in U.S. for following reasons. For one, it will have flexibility to assemble consoles (which can't be imported economically). Matsushita entered color TV assembly operations in Puerto Rico for same reason, is understood to be planning new color TV building there to expand output. Other reasons may be less tangible—including necessity for worldwide company such as Sony to reach out, become more significant corporate citizen in its major markets.

EIA-J REJECTS TV EXPORT RESTRAINT PLAN: EIA-Japan's directors voted to reject expected govt. plea for voluntary restraints on TV exports to U.S. at special meeting in Tokyo last week. In U.S., meanwhile, there were signs that dock strike was crumbling, and a new Japanese color TV brand made debut at Gimbels N.Y. dept. store.

Hurry-up EIA-J meeting was called to establish industry policy on export controls in advance of next week's visit to Japan by U.S. Treasury Secy. Connally. Japanese govt. officials reportedly are considering asking for voluntary restrictions on TV, calculator, auto & motorbike exports to U.S. in effort to head off any U.S. demand for legislated export quotas, as are now in effect for textiles. EIA-J spokesman said 10% import surcharge & yen revaluation have already resulted in reduced TV export orders and changed competitive position of Japan's TV in U.S. market. No further restraints appear to be needed now, he indicated.

Port workers at Philadelphia & New Orleans have gone back to work under court order, and officials at some other struck East & Gulf Coast ports are seeking similar injunctions. Even though West Coast ports have reopened and some West Gulf ports never closed, flow of imports is still severely restricted. Our quick survey of leading importers shows stocks of key items are rapidly running out. Said one: "Our warehouse looks more like Dec. 26 than Oct. 26." In particularly short supply are small-screen color and b&w portables.

Gimbels put \$277 price tag on 18V" Teknika brand AFT color portable made by General of Japan. Price includes installation & 90-day in-home service. While General has sold some private-label TVs here in past, set is first to be marketed in U.S. with firm's own brand. Spokesman for General told us that Gimbels deal is non-exclusive and that orders from other larger retailers would be considered, though General is not currently planning any major sales effort here. Gimbels, it's understood, is using set to offset similarly priced Supre-Macy brand model (Toshiba-made) being offered by chief competitor Macy's.

JAPAN'S 3RD-QTR. TV EXPORTS SET RECORDS: Despite dock strike, surcharge & yen revaluation, Japanese made solid gains in color TV exports to U.S. in Sept., while b&w shipments fell only moderately from same 1970 month. Combined with record-setting months of July & Aug., Sept. results gave Japanese new high unit marks for any quarter in color & total TV and pushed 9-month color exports to U.S. past record 930,000 set in full-year 1969.

Exported to U.S. in Sept. were 113,707 color TVs up 20.8% from same 1970 month, according to Finance Ministry. B&w exports dropped 12.8% to 203,709. In 3rd quarter, Japan exported 1.17 million TVs, up 11.9% from same 1970 period, with color up 48.5% to 407,048, b&w off just 1% to 766,343. For year's first 9 months, Japanese TV exports totaled just under 3.1 million, up 25.2%, with color at 995,037 (up 53.4%), b&w at 2,073,926 (up 15%).

Strength of Sept. TV shipments came as somewhat of surprise. All sets exported in month are subject to 10% import duty surcharge, and prices of some had already been increased by rise in value of yen. And Japanese were aware that by end of Aug. there was pile-up of as

many as 800,000 TVs exported from Japan but barred from entry into U.S. because of West Coast dock strike (Vol. 11:40 p7), and that East & Gulf Coast ports would probably close Oct. 1—before most of Sept. shipments could even arrive here.

Figures don't necessarily reflect physical movement. Ministry totals show export permits granted during month, and sets themselves could still be in Japanese warehouses. But fact is there are only 2 potential major markets for U.S.-style sets—U.S. & Canada—and sooner or later those TVs will have to arrive here.

CARTRIVISION PLANS: Cartridge TV Inc. (CTI) will deliver up to 50,000 home VTR decks in 1972, which will be "year of growth, struggle, sweat & loss." But by 1973, company will be tooled for production of 20,000 units per month, and hopes other manufacturers will also be making Cartrivision hardware. That's sizeup of near-term future, as outlined by CTI Pres. Frank Stanton last week at convention of National Assn. of Theater Operators (NATO) in N.Y. Initial output, Stanton reiterated, will be designed for color TV-recorder combinations, but separate decks for use with existing color sets should be available late next year.

Stanton said company will start talking with prospective regional distributors this Dec. Main thrust of his talk was on potential of movie houses as rental outlets for feature film cartridges. "Customers attending a John Wayne feature at your theater," he said, "may want a few more John Waynes to look at the following night. Nothing wrong with collecting \$3 a ticket for the Wayne attraction, then renting 3 more Waynes at \$3 each for the following evening's entertainment." He outlined CTI's marketing plan—rental of feature cartridges to theater owners at \$1.50 per week, with public paying a suggested \$3 per night for single-view cartridges.

"It will cost the average theater \$7,500 a year to get into the business," he said, including initial stock of about 100 feature titles plus cartridge re-winding equipment. Although individual theaters would be stocked by regional distributors, Stanton said CTI would deal directly with large theater chains. Video cartridge rental by theaters was first proposed by CBS/EVR Pres. Robert Brockway. Although initial cartridge output will be limited to 2 hours—"the longest playing time offered by any system"—Stanton promised cartridges playing up to 150 min. in 18 months. Total investment in Cartrivision, including money advanced by Avco, is \$35 million, according to Stanton.

Stanton listed Sears, Ward, Admiral & Emerson as brands which would be selling Cartrivision hardware, mentioned no new licensees. It's known, however, that GE & Magnavox, among others, are looking carefully at CTI's system.

More new videoplayer systems continue to crop up, meanwhile. Japan's General Corp. says it has made 2 working samples of prototype video disc recorder, but "we do not consider these pictures to be wholly satisfactory as yet." Unlike German-British mechanical Teldec system, General's uses magnetic recording techniques. Fuji Photo Film announced it would market super-8 videoplayer in Japan next June, with exports to U.S. beginning in fall 1972. Player

will cost \$750-\$800 in Japan, will be accompanied by special sound camera. Film cartridges will play 5-11 min., but open-reel adaptor eventually will permit 30-min. playing time. Initial monthly production is scheduled at 2,000-3,000 units, rising to 10,000 before end of 1972.

Japan Victor announced that its 3/4-in. video-cassette recorder, compatible with Sony standards (Vol. 11:43 p9), would go on sale Nov. 20 in Tokyo area. First unit will be record-playback-color TV receiver combination at about \$1,650, to be followed by \$900 recorder, \$700 player. Sony's videoplayer and Hitachi's EVR went on sale in Japan Oct. 10. Latter lists at around \$775, and Hitachi says initial production is at rate of 2,000 per month, rising to 3,000 by year's end, 30,000 next year—50% for export. Both NTSC & PAL versions are in production. Hitachi plans to start shipments to Europe in Nov., U.S. in Jan.

First VTR ad with libidinous overtones is being run by Akai America for its 1/4-in. open-reel unit. Photo shows grinning nude couple in bed, along with VTR apparatus & TV set. Caption: "Play & replay."

A \$3 million antitrust suit has been filed in N.Y. Federal Dist. Court against Sanyo Electric, Sears & Korvette's by Alexander's Dept. Stores. Triple-damage action charges the 3 firms conspired to block sale of Sanyo-made and other TV sets to Alexander's because store refused to maintain resale pricing. Conspiracy has restrained competition in TV market, forced consumers to pay higher prices for TV and prevented Alexander's purchase of Sanyo sets, suit alleges. Also named in action were Sanyo sales reps Robert Waldman & M. Joseph Monturoro, as well as other individuals & corporations not known to Alexander's. For several years, Sanyo has provided private-label color and b&w TV to Sears & Korvettes (latter under XAM brand). Neither chain handles Sanyo-brand TVs, introduced into U.S. earlier this year. Alexander's suit isn't related to antitrust action against all Japanese TV manufacturers—including Sanyo—pending in Newark Federal Dist. Court, in which NUE is seeking \$360 million in damages for injuries stemming from dumping of Japanese TV in U.S. market.

Further price cuts by Magnavox, effective Oct. 31 in 60th anniversary sale chop \$50 from nine 25V" & three 23V" color sets. The 25V" sets, deluxe consoles with TAC & black matrix, were reduced for 3rd time. They were priced at \$699 when introduced last May—latest reduction is from \$598 to \$548. The 23V" consoles were introduced in Sept. as 60th anniversary specials, have now been reduced from \$549 to \$498.

TV PROFITS UP: Motorola, which reported increases in both sales & earnings for 3rd quarter and first 9 months (Vol. 11:43 p12), told stockholders last week that Consumer Electronics Div. made profit in 3rd quarter, and "assuming a continuation of the current economic environment, projections indicate a profitable position for the full year."

While most of TV manufacturers' quarterly statements indicated increases in earnings, not all showed lift-off in sales. Zenith's 3rd-quarter earnings were up 15%, but sales were virtually unchanged from 1970 (Vol. 11:43 p12), while 9-month earnings were up 55% on 12% rise in sales. Despite adverse effect of dock strike on 3rd quarter, Zenith was encouraged by "strong color TV sales that indicate improving consumer confidence."

GTE Sylvania results, reported in GTE quarterly statement, shows profit increases of about 14.5% in quarter & first 9 months, while sales for both periods were slightly down. For quarter, net income totaled \$7,460,000 vs. \$6,523,000 in 1970 period, while sales were \$197,464,000 vs. \$202,345,000. In first 9 months, profits increased to \$17,159,000 from \$14,968,000, while sales declined to \$561,205,000 from \$568,548,000. Company said profits from color picture tubes and other electronic components made "significant gains" in quarter. Sales & earnings were adversely affected by softness in precision materials field.

Admiral reported profitable operation for 3rd quarter & 9 months, as opposed to losses year ago (see financial table), while 87%-owned subsidiary Admiral International Enterprises (AIE) increased sales & operating income for both periods. Admiral statement indicates that parent company would have been in loss column for 9 months (but not for 3rd quarter) had it not been for profits of AIE, which owns Admiral operations in Canada, Mexico, Taiwan and elsewhere overseas.

NUE reported black-ink operation for 3rd quarter, as opposed to loss in 1970, although sales were down slightly. Nine-month sales were about same as 1970, with profits up almost threefold. Statement to stockholders singles out Eureka Williams Div. as "bright note" in earnings performance, doesn't mention Emerson Div.

Superscope's 34% decline in 3rd-quarter earnings was caused by dock strike, which required air shipment of many products. Sales were up slightly from 1970, and both 9-month sales & earnings showed increases.

Tape topics: Agreement to consider formation of International Music Industry Council was reached last week at N. Y. meeting of interested groups sponsored by ITA. Meeting discussed copyright protection given sound recordings under bill recently signed by President Nixon. Ampex estimates that tape pirates are costing legitimate tape duplicators more than \$200 million annually... **Pioneer Electronics** has been named exclusive Memorex tape distributor for Japan & most of Far East... **RCA Magnetic Products Div.** joins ITA... **Akai** will market recorded 4-channel open-reel & 8-track tapes to promote equipment sales.

ROBERTS, QATRON QUIT: Two pioneering companies in audio tape have thrown in sponge on consumer electronics. Leaving field are Roberts, subsidiary of Rheem Mfg., one of earliest marketers of Japanese top quality recorders, and Qatron, developer & marketer of first practical 8-track tape cartridge changer.

Roberts' future became uncertain last Jan. when firm's traditional recorder supplier, Akai, announced it would begin own-brand marketing in U.S. (Vol. 11:9 p11). Crusher appears to have been prolonged West Coast dock strike which prevented importation of new lower-priced Roberts recorder line. Firm is disposing of inventory through mass merchandising outlets, will continue sales of Califone educational-institutional products. Another casualty of dock strike was Craig's extensive fall ad campaign. Craig cancelled ads because featured goods couldn't be delivered.

Qatron sold full U.S. marketing rights to tape changer to Telex, which has been producing unit under contract. Changer was introduced by Qatron at 1969 Consumer Electronics Show, but mechanical bugs forced marketing delay and last year Qatron had recall campaign to correct defects. Telex has been offering changer in consoles, now will have player-amplifier & deck versions. Qatron will continue selling in domestic institutional markets and for export.

Duty-exempt status under Tariff Schedule Section 807 is being ended for certain types of components. Section excludes from duty value of U.S.-made parts in imported products. Move follows Customs Court ruling, in case involving General Instrument transistors, that encapsulation of transistor doesn't permit visual identification of any U.S. content by Customs inspectors without destroying the product. Importers of affected components, mainly semiconductors & capacitors, are being required to pay duty on full value under protest, pending result of GI's appeal. Customs official told us decision won't effect 807 imports of tuners or most other parts which can be disassembled, but is likely to force semiconductor producers who have foreign export-assembly operations to rearrange their manufacturing steps.

Zenith's color TV plant in Springfield, Mo. at last week's end was operating with fewer than 50% of its employees as result of what company called "illegal picket line" by IBEW members protesting change in production line methods which resulted in switching jobs of some workers. About 1,200 of 2,800 employees reported for work Oct. 28, slightly more Oct. 29, according to plant officials. Company & union leaders met Oct. 29, and Zenith was optimistic that stoppage would end following scheduled union meeting that night.

Philco's Rentertainment CATV set-leasing test in Greensburg, Pa. (Vol. 11:38 p7 et seq.) will get NARDA cooperation "to insure [that] the program is developed to the satisfaction of all parties concerned," NARDA's executive committee pledged last week. Committee said it "looks with alarm" on possibility of any manufacturer merchandising effort bypassing dealers, but accepted Philco's assurance that future Rentertainment operations would be conducted through franchised dealers.

9-MONTH RESULTS: Here's month-by-month wrap-up of U.S.-brand consumer electronics sales to dealers for first 9 months of 1971, with 1970 results for comparison, from EIA:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1971	1970	1971	1970	1971	1970
January	767,007	718,270	409,371	380,841	357,636	337,429
February	804,441	699,919	436,890	366,622	367,551	333,297
March (5 weeks)	931,694	814,714	492,656	386,847	439,038	427,867
April	668,053	516,343	343,625	247,521	324,428	268,822
May	603,285	447,431	325,725	206,223	277,560	241,208
June (5 weeks)	878,842	776,606	473,809	391,479	405,033	385,127
July	776,772	662,057	408,048	325,399	368,724	336,658
August	793,357	695,008	437,761	346,463	355,596	348,545
Sept. (5 weeks)	1,288,725	1,077,835	746,617	585,447	542,108	492,388
TOTAL	7,512,176	6,408,183	4,074,502	3,236,842	3,437,674	3,171,341

PHONOGRAPH SALES TO DEALERS

Month	Total		Portable & Table		Console	
	1971	1970	1971	1970	1971	1970
January	288,874	233,208	209,544	142,933	79,330	90,275
February	337,523	248,951	261,010	157,560	76,513	91,391
March (5 weeks)	357,088	305,486	285,547	199,578	71,541	105,908
April	239,611	145,528	193,206	99,852	46,405	45,676
May	162,167	159,208	117,251	111,880	44,916	47,328
June (5 weeks)	369,754	336,137	280,898	251,201	88,856	84,936
July	316,290	346,960	246,855	273,577	69,435	73,383
August	371,742	360,651	297,417	270,601	74,325	90,050
Sept. (5 weeks)	479,491	454,627	362,734	322,902	116,757	131,725
TOTAL	2,922,540	2,590,756	2,254,462	1,830,084	668,078	760,672

RADIO SALES TO DEALERS

Month	Home †		FM *		Auto	
	1971	1970	1971	1970	1971	1970
January	499,251	565,125	201,016	201,662	855,716	727,926
February	570,851	597,906	230,877	201,348	887,379	675,806
March (5 weeks)	762,603	611,171	281,382	219,014	1,058,510	848,471
April	769,374	430,462	335,805	140,679	825,580	704,092
May	581,995	372,750	220,353	129,254	877,036	774,925
June (5 weeks)	715,846	773,576	352,983	311,383	934,636	876,909
July	614,309	611,368	288,372	268,141	467,109	368,692
August	649,531	676,377	329,043	320,899	712,340	651,668
Sept. (5 weeks)	841,720	913,374	407,394	352,440	1,070,568	707,892
TOTAL	6,005,480	5,552,109	2,647,225	2,144,820	7,688,874	6,336,381

† Includes table, clock & portable.

* Included in home radio; excludes auto radios & radio-phonos.

New sets & promotions: Teledyne Packard Bell 45th anniversary sale runs Nov. 15 through holiday season, featuring 9V" b&w portable \$69.95 (down \$10), 18V" color \$339.95 (down \$40), 23V" color console \$449.95 (down \$50), stereo console with 8-track player at \$399.95 (down \$30), plus traffic-builders such as football or basketball for 99¢, Kodak Instamatic cameras \$4.95. TPB showed four 25V" solid-state color consoles to distributors, but hasn't yet made "final commitment"... **Crown** introduces portable stereo phono with FM-AM-SW radio & stereo cassette recorder at \$159.95... **Sears** adds solid-state 9V" color portable (weight 25 lb.) at about \$300.

Consumer confidence in improved quality of TV sets is equaled only by confidence in drug industry, according to Louis Harris poll conducted for Life magazine. Study shows 67% of those interviewed felt quality of present TVs has improved over past 10 years; only 11% saw decline. Drugs also got 67% vote. In contrast, only 45% felt quality of small appliances was better, while 54% saw improvement in major appliances.

Motorola & National Semiconductor raised prices 3%-5% on offshore assembled semiconductor devices to reflect 10% import surcharge. Other manufacturers are expected to follow suit.

Trade Personals

Robert O'Neil, who resigned as RCA Sales Corp. exec. vp to enter consulting field last Jan. (Vol. 11:4 p12), joins Admiral as mktg. & sales vp, new post... **Hirokichi Yoshiyama** advanced at Hitachi (Japan) from vp to pres., succeeding **Kenichiro Komai**, who moves up to chmn... **Harold Tabor**, former vp-gen. mgr. of Teledyne Packard Bell Service Div., named pres. of newly organized Teledyne Service Co.

Sigmund Schotz appointed RCA Service Co. consumer affairs mgr... **James Weiss**, ex-Peerless Telerad, appointed national sales mgr. of Phono-Sonic... **Joseph Maranto**, ex-Booker Chemical, appointed NUE PR mgr.

Philip Coolick named mgr. of Sylvania Emporium, Pa. receiving tube plant; **C. Dean Starr** advanced at Sylvania's Wilbur B. Driver subsidiary from vp-technical dir. to engineering & research vp, succeeding **H. Clark Smith**, deceased... **Joseph Coughlin** promoted at Sprague from East region mgr. to national sales mgr., new post.

J. Kenneth Moore advanced at CBS Labs to gen. mgr., electronic systems... **Joseph Gentile**, ex-Motorola Semiconductor sales operations mgr., promoted to dir. of contracts & program management; **Raymond Kimbell**, intracompany sales mgr., adds duties of sales operations mgr., replacing Gentile... **Elvet Moore**, ex-RCA, joins Fairchild Semiconductor as MOS design & applications mgr., replacing **James Downey**, now MOS technology & mfg. mgr... **Anthony Blazakis**, ex-Bell & Howell, joins Mitsubishi International (MGA) as sales mgr. for East Pa. & Southern N. J. district.

Correction: Ampex Exec. Vp Arthur Hausman's recently added post of chief operating officer is new, and was not held formerly by William Roberts, who is chmn.-pres. & chief exec. officer. Lawrence Weiland, former vp-gen. mgr. of Professional Video Div., is now video mktg. vp, reporting to Group Vp Thomas Davis.

Production cutback of 10% in color TV for export was announced in Japan by Matsushita (Panasonic). Nippon Columbia, Crown & Standard Radio said they would reduce size of work force, while Sanyo is shifting workers from production to sales. Moves anticipate reduced exports to U.S. Meanwhile, EIA-Japan said color TV production in Sept. was record 709,210, with worldwide exports of 174,671. Estimates are that year's color exports will top 1.2 million, up about 25% from 1970.

"100% American made" labels will be affixed to future TMA color TV sets. Company has discontinued purchase of Japanese FM-AM subassemblies used in its TV combinations and is now manufacturing them itself according to Pres. Daniel Domin. TMA currently makes 20V", 23V" & 25V" color consoles & combinations, will add 18V" color portables in fall.

Superscope completed 50% acquisition of Standard Radio of Japan through purchase of 5.6 million shares valued at about \$3 million. Superscope & Standard will each have 4 representatives on Standard's board.

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
ABC			
1971-9 mo. to Sept. 30 ^a	533,657,000	9,583,000	1.35
1970-9 mo. to Sept. 30 ^a	540,728,000	14,235,000	2.00
1971-qtr. to Sept. 30 ^a	175,338,000	2,379,000	.33
1970-qtr. to Sept. 30 ^a	169,346,000	4,095,000	.57
Admiral			
1971-9 mo. to Sept. 30	295,721,000	2,194,000 ^b	.42
1970-9 mo. to Sept. 30	265,952,000	(10,653,000)	--
1971-qtr. to Sept. 30	104,866,000	2,155,000	.41
1970-qtr. to Sept. 30	95,997,000	(992,000)	--
Admiral International Enterprises			
1971-9 mo. to Sept. 30	89,946,848	2,816,142 ^b	.88
1970-9 mo. to Sept. 30	77,504,201	2,876,059	.90
1971-qtr. to Sept. 30	33,809,793	1,247,163	.39
1970-qtr. to Sept. 30	28,274,411	966,225	.30
Aerovox			
1971-9 mo. to Sept. 25	20,767,000	12,000	.01
1970-9 mo. to Sept. 25	24,346,000	602,000 ^b	.45
Arvin Industries			
1971-9 mo. to Sept. 30	129,363,000	3,794,000	1.38
1970-9 mo. to Sept. 30	121,918,000	2,309,000	.84
1971-qtr. to Sept. 30	43,567,000	1,000,000	.36
1970-qtr. to Sept. 30	44,534,000	1,422,000	.52
Canadian General Electric			
1971-9 mo. to Sept. 30	340,000,000	9,900,000	1.21
1970-9 mo. to Sept. 30	345,000,000	6,800,000	.83
Capital Cities Bcstg.			
1971-9 mo. to Sept. 30	68,759,000	26,485,000 ^b	3.71
1970-9 mo. to Sept. 30	64,407,000	6,266,000 ^c	.89
1971-qtr. to Sept. 30	23,733,000	2,603,000	.36
1970-qtr. to Sept. 30	20,251,000	664,000 ^c	.09
Cohu Electronics			
1971-9 mo. to Sept. 30	5,780,383	151,634	.11
1970-9 mo. to Sept. 30	5,427,969	(176,166)	--
Combined Communications			
1971-9 mo. to Sept. 30	23,387,985	1,515,947 ^b	.69
1970-9 mo. to Sept. 30	17,378,387	857,719 ^b	.44
Cox Bcstg.			
1971-9 mo. to Sept. 30	46,467,013	5,757,153	.99
1970-9 mo. to Sept. 30	46,698,892	5,495,404	.95
1971-qtr. to Sept. 30	15,079,179	1,736,105	.30
1970-qtr. to Sept. 30	15,250,989	1,503,001	.26
Cox Cable Communications			
1971-9 mo. to Sept. 30	9,735,960	855,299 ^c	.24
1970-9 mo. to Sept. 30	7,716,037	969,621	.27
1971-qtr. to Sept. 30	3,610,020	348,728 ^b	.10
1970-qtr. to Sept. 30	2,665,293	236,323 ^b	.07
Craig			
1971-qtr. to Sept. 30	12,962,000	30,000	.01
1970-qtr. to Sept. 30	16,735,000	247,000	.08
CTS Corp.			
1971-9 mo. to Sept. 30	63,496,684	4,134,121	1.23
1970-9 mo. to Sept. 30	54,666,323	3,310,556	.98
1971-qtr. to Sept. 30	22,893,992	1,530,592	.46
1970-qtr. to Sept. 30	19,421,154	1,275,590	.38
Dynamics Corp. of America			
1971-9 mo. to Sept. 30	73,196,000	978,000 ^b	.20
1970-9 mo. to Sept. 30	89,492,000	(6,496,000)	--
1971-qtr. to Sept. 30	24,645,000	168,000	.03
1970-qtr. to Sept. 30	30,046,000	(7,302,000)	--
Fairchild Camera			
1971-9 mo. to Oct. 3	144,558,000	(5,917,000)	--
1970-9 mo. to Sept. 30 ^d	173,511,000	(13,974,000)	--
1971-qtr. to Oct. 3	46,354,000	(3,057,000)	--
1970-qtr. to Sept. 30 ^d	51,417,000	(10,076,000)	--
Foote, Cone & Belding			
1971-9 mo. to Sept. 30	167,590,000 ^e	547,000	.26
1970-9 mo. to Sept. 30	182,767,000 ^e	775,000	.35

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
Gray Communications Systems			
1971-qtr. to Sept. 30	1,664,650	103,882	.22
1970-qtr. to Sept. 30	1,410,239	63,399	.14
LIN Bcstg.			
1971-9 mo. to Sept. 30	13,958,396	377,393 ^c	.16
1970-9 mo. to Sept. 30	10,537,142	805,846 ^b	.36
1971-qtr. to Sept. 30	5,280,713	1,065,928 ^b	.46
1970-qtr. to Sept. 30	3,621,677	329,645 ^b	.15
NUE			
1971-9 mo. to Sept. 30	99,433,341	1,176,998 ^c	.58
1970-9 mo. to Sept. 30	99,527,184	393,539 ^b	.19
1971-qtr. to Sept. 30	27,271,152	171,256 ^b	.09
1970-qtr. to Sept. 30	28,531,894	(326,413) ^b	--
Oak Electro/Netics			
1971-9 mo. to Sept. 30	63,664,084	732,080	.29
1970-9 mo. to Sept. 30	56,244,200	(288,851)	--
1971-qtr. to Sept. 30	20,899,349	301,466	.13
1970-qtr. to Sept. 30	17,835,081	(128,491)	--
Scientific-Atlanta			
1971-qtr. to Sept. 30	3,674,640	28,670	.03
1970-qtr. to Sept. 30	3,976,290	72,555	.08
Scripps-Howard Bcstg.			
1971-9 mo. to Sept. 30	16,831,363	2,806,044	1.08
1970-9 mo. to Sept. 30	16,342,945	3,469,847	1.34
1971-qtr. to Sept. 30	5,223,706	768,544	.30
1970-qtr. to Sept. 30	5,203,560	1,019,311	.39
Soundesign			
1971-9 mo. to Sept. 30	30,165,000	1,185,000	.88
1970-9 mo. to Sept. 30	21,042,000	541,000	.40
1971-qtr. to Sept. 30	14,949,000	702,000	.52
1970-qtr. to Sept. 30	11,511,000	517,000	.38
Superscope			
1971-9 mo. to Sept. 30	41,024,633	1,835,496	.85
1970-9 mo. to Sept. 30	37,294,877	1,717,447	.82
1971-qtr. to Sept. 30	14,833,356	468,732	.21
1970-qtr. to Sept. 30	14,245,997	742,767	.36
Tandy			
1971-qtr. to Sept. 30	88,032,182	2,526,973	.23 ^f
1970-qtr. to Sept. 30	78,267,977	1,813,840	.22 ^f
Viacom			
1971-9 mo. to Sept. 30	14,622,000	1,096,000	.29
1970-9 mo. to Sept. 30 ^g	14,004,000	1,512,000	.40
1971-qtr. to Sept. 30	5,311,000	428,000	.11
1970-qtr. to Sept. 30 ^g	4,735,000	592,000	.16
Washington Post			
1971-9 mo. to Oct. 3	138,613,000	2,866,000	.66
1970-9 mo. to Oct. 3	127,504,000	2,944,000	.73
1971-qtr. to Oct. 3	43,912,000	(235,000)	--
1970-qtr. to Oct. 3	40,435,000	43,000	.01

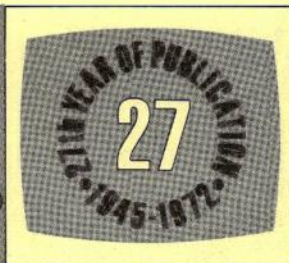
Notes: ^aFrom operations. ^bIncludes special credit. ^cAfter special charge. ^dRestated. ^eBillings. ^fAdjusted. ^gPro forma.

Sylvania met with IUE officials last week in attempt to get agreement on contract modifications to prevent shutdown of Batavia, N. Y. TV plant (Vol. 11:43 p9), but no agreement is expected for several weeks. Plant Mgr. William Turner had told employees in letter that Batavia facility was no longer competitive as result of higher hourly wage rates, specifically citing RCA, Zenith & Magnavox as "prime domestic competitors" with significantly lower rates. Sylvania, which also has plant in Smithfield, N. C., closed one Batavia production line last year. Shutdown of Batavia color & b&w lines would eliminate 1,367 employees.

WEEKLY

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NOVEMBER 8, 1971

VOL. 11, NO. 45

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NAB, MST, NCTA BOARDS MEET on Whitehead cable compromise this week. Govt. source warns all sides to accept. Broadcaster & cable approval chances considered 50-50. (P. 1). Text of compromise. (P. 5)

NAB-BURCH RENEWAL BILL ready for congressional introduction. Broadcasters accept most of Burch language, add request for 5-year licenses. Bi-partisan support promised. (P. 2)

PUBLIC TV RESPONDING to Whitehead's Miami address. CPB's Witherspoon sees 'political influence', takes on Whitehead point-by-point. Pace preparing official CPB response. Mgrs. Council also drafting reply. Senate bill gives CPB year extension. (P. 3)

CABLE FREEZE—WESTERN DIV.: Cal. Assn. hears Shieldhouse pitch for compromise, skepticism from attorneys. Speculation over NCTA pres. (P. 4)

RENEWAL DENIED S. D. TVS: 'Repeated & serious' technical violations over 10 years cause KRSD-TV & KDSJ-TV to lose licenses in first such action by FCC. ABC bribery case secret investigation results in hearing on 5 stations. (P. 6)

ON AIR TVS PASS 900: Starting are WXLTV Sarasota, Fla.; KMPH Tulare, Cal.; WRBT Baton Rouge; WGBY-TV Springfield. (P. 6)

NAB, NCTA, MST BOARDS TO MEET ON CABLE PLAN: 'If there's ever to be a settlement of the telecasters' and cablemen's positions on CATV, this just has to be the week. They won't get another chance.' This was view of govt. official Nov. 5 after feverish week of activity centering around OTP Dir. Clay T. Whitehead's proposed compromise—which has endorsement of FCC Chmn. Burch. We gave you essentials of proposal week ago (Vol. 11:44 p1), full text is printed on p. 5.

NCTA Board meets Nov. 10 on Whitehead plan in Washington; NAB same day in New Orleans; MST Nov. 11 in Atlanta. Whitehead has asked all parties to accept or reject compromise by 6 p.m., Nov. 11—and there was guarded optimism that "everybody just might buy enough of it that we can deal," according to govt. official. Another added:

"Copyright? they'll go for it. Cable operators are getting 90% of the FCC's Aug. plan [Vol. 11:32 p3]. If they don't take this, they'll prove once and for all that they are rather greedy individuals... If the broadcasters don't accept, then they aren't going to get any help either. TV just won't get a better deal than this."

Consumer Electronics

UNSEASONAL PRICE WAR in peak sales period? Unprecedented price-cutting includes cuts & re-cuts by Magnavox & Sylvania. RCA denies reductions. Zenith will 'protect competitive positions.' Import liquidations starting. (P. 7)

TV IMPORT COMEBACK in Sept., as importers rushed to beat surcharge & eastern dock strike. But 2nd-quarter imports were off 15.7% from year earlier. Transoceanic pipelines still jammed. (P. 8)

VIDEOPLAYER STANDARDS LAW feared by industry as House Republicans hold sessions on proposed legislation. Sony, Teletronics establish U.S. videocassette duplicating venture. Kodak sees film videoplayer production likely. Japan's EBR challenges CBS's EVR. (P. 9)

ANOTHER DUMPING CASE opened by Treasury—Japanese color TV yokes. Tariff Commission ruling gets court challenge. Canadian court to review TV dumping case. GE breaks dock strike to get speaker shipment. (P. 10)

2-WAY INTERNATIONALIZATION catching on as importers follow U.S. makers into multinational line sourcing. Toshiba seeking Philco-made b&w portables, Sansui to assemble in L.A., Superscope gets sales rights to Standard's Japan-Taiwan output. New details on Sony's San Diego plans. (P. 11)

"We're hopeful," said broadcast executive who favors acceptance. "I'd say the chances of us going for it are better than 50-50. This is a result of an awful lot of give & take and much pressure from government...It's not what we would have written, but it represents a legitimate compromise." Major stumbling blocks to TV acceptance: "The limited exclusivity in 51-100 markets [and] we'd like more restrictions on where distant signals could originate."

Our discussions with cable people at Cal. CATV Assn. convention (see p. 4) last week who were familiar with OTP's pitch produced about a 50-50 guess that cable industry would accept it, albeit very reluctantly. We're also told there's a pretty good chance that, if NCTA as a whole doesn't buy the package, some major system operator will. NCTA Chmn. John Gwin introduced some startling statistics, through NCTA staffer Don Andersson, showing devastating effect exclusivity could have on cable under some conditions. NCTA found, for example, that in Charlotte, N.C., if a CATV had to protect local stations against imports from independents in Atlanta & Hickory, it could import only about 30 min. of programming daily. In Fort Wayne, system would have to black out WGN-TV Chicago 8-1/2 hours Mon.-Fri., 7 hours Sat., 2 hours Sun. It would have to protect against WTTV Indianapolis 5 hours weekdays, 7 hours Sat., 5 hours Sun. In Clarksburg, W.Va., however, protection against WTTG Washington would run only 2 hours weekdays, one hour Sat., one hour Sun. (Said CATV Bureau Chief Sol Schieldhouse, wryly, of Andersson's charts: "Atrocity pictures.") Another major stumbling block to cable agreement, we're told, is requirement that all parties to compromise join "to seek early copy-right legislation" which would write into law exclusivity provisions. MST—and probably NAB—on other hand, is uncompromising on insisting that this be kept in.

We received strikingly similar predictions from 2 prominent lawyers who represent both cable & TV clients. Said one: "Copyright, I'd bet 10-1 they'll accept. In the cable industry, there's a better than 50-50 chance they'll go for it. I'd say the broadcasters are a toss-up. My own feelings is that the NAB will want to do it, and the MST will scream like murder." Lawyer No. 2: "Copyright will accept the plan, in essence...Very likely, the cable people will go for it...As for the broadcasters, I just wouldn't predict what they'll do because they are so divided within their own ranks. If I were advising them, I'd tell them to accept it because if they don't they'll get something worse."

Some MST members reportedly were lobbying on Hill against Whitehead proposal within hour after it was presented Nov. 5 to NAB representatives—Pres. Wasilewski, MST Pres. Jack Harris, MST Dir. & NAB TV Chmn. A. Louis Read. At NAB Exec. Committee meeting previous day, MST Dir. Bill Walbridge spoke against compromise, expressed opinion that NAB is likely to lose many members if it approves compromise. He was disputed by Read, who along with Harris, is expected to back proposal.

"MST is very badly split," one member who favors compromise told us. "But if we reject it in Atlanta a day after NAB & NCTA both accept it, we will put ourselves in an impossible position. I just can't see that happening, despite the claims of some that we'd be 'selling out'."

NAB-BURCH RENEWAL BILL TO HILL: Broadcasters have decided upon draft of bill they're going to take to Congress in all-out effort to put stability in license renewal procedures. Most of language was supplied by FCC Chmn. Burch in 1969 testimony on Pastore bill. Burch is expected to support effort—with possible exception of increasing renewal period to 5 years, a provision added Nov. 4 by NAB Exec. Committee.

In language sent by Burch to NAB 10 days ago, and approved by Exec. Committee (which deleted words in brackets from Burch draft), following would be added to Sec. 307 (d) of Communications Act: "provided further that in any [comparative] hearing [within the same community] for the frequency or channel of an applicant for renewal of a broadcast license, the applicant for renewal of license shall be awarded the grant if such applicant shows that its program service during the preceding license term has been attuned to meeting the needs and interests of its area and the operation of the station has not [otherwise] been characterized by serious deficiencies, and shall be awarded a substantial demerit if it does not make such a showing."

Broadcasters are optimistic about chances of getting bill passed in 1972—though NAB still is at cross purposes with TV networks on this one (Vol. 11:41 p5). NAB Pres. Wasilewski

immediately went to work last week—calling on Burch & OTP Dir. Clay T. Whitehead even before Exec. Committee had approved final language. He and other broadcasters believe they've secured modicum of success in urging prominent members of Congress from both parties to introduce measure. Said Wasilewski:

"This is a strong, positive & reasonable bill. [It] will achieve stability in the license renewal process, which is not only in the interest of broadcasters but in the interest of the listening & viewing public. It will give the licensee a preference if his record is satisfactory. It is intended to return the license renewal situation to that which prevailed before the WHDH decision."

* * * *

Also on renewals, Whitehead made these observations to WTVJ Miami newsman: "[Broadcasters] are beginning to wonder if it's worth it. Is it worth risking millions of dollars, as a businessman to bring interesting programs to my community, to build a studio, if there's a chance that in 2 or 3 years I'll lose my license—or if increasingly, I'm going to have to spend hundreds of thousands of dollars in legal fees? It creates an instability in the industry. It makes it hard for the broadcaster to do his job of serving his community... The current [licensing] system has become one of satisfying the FCC... Every broadcaster is worried about keeping himself safe before this bureaucracy in Washington... What we think ought to be done is to change that. Let's set up the criteria in terms of how well is this broadcaster serving his community... We think in our proposal that the Congress ought to say, none of this programming standard stuff. You should judge the licensee by how well he gets out in his community, finds out what their needs are... and then, how well does he make an effort to meet, to provide programming that meets those interests... We want to take away a lot of the rigidity. We want to say is this licensee over a period of time really doing a fair job of being fair?"

PUBLIC TV RESPONDING TO WHITEHEAD CHARGE: First responses from public broadcasting to OTP Dir. Clay T. Whitehead's attack on industry at last month's NAEB convention as "a centralized national network" began to take form last week in separate memos to station managers from CPB TV Activities Dir. John Witherspoon and Jim Karayn, vp & gen. mgr. of newly-formed National Public Affairs Center for TV (NPACT). Official CPB reaction is expected this week in letter from CPB Chmn. Frank Pace to Whitehead, while in Chicago, Public TV Managers Council held special session last week, is expected to issue detailed report soon.

While Whitehead's Miami address really shook industry (Vol. 11:43 p1), gut reaction remains centered on Administration's failure to submit long range financing plan to Congress. OTP argues that it did draft plan but CPB rejected it (Vol. 11:33 p2). So with relations between CPB & Administration at record low, and feeling that White House has either (1) abandoned financing plan until public broadcasting becomes less "centralized" or (2) that rejected bill still stands on take-it or leave-it basis, CPB has turned to Congress for help. With CPB backing, Sens. Magnuson (D-Wash.) and Pastore (D-R.I.) last week introduced bill extending CPB funding at present \$35 million level through June 30, 1973.

Whitehead's statement "says in straightforward political language that until public broadcasting shows signs of becoming what this Administration wants it to be, this Administration will oppose permanent financing," Witherspoon said in memo. "And if we agree to that... it will be well known that we can be had. Until Miami, CPB could honestly say that our relations with government had been free of political influence in the affairs of public broadcasting." NAEB Pres. William Harley: "If Whitehead's recent NAEB convention speech was any indicator, we may be waiting a long time" for any financing plan.

Witherspoon attacked Whitehead's address on several fronts. (1) Idea that it's time to review performance of system when govt. hasn't delivered on its financing pledge. (2) Implication that CPB should be carrying out all principles of Public Bcstg. Act and Carnegie Report while funding is at half its proper level. (3) Failure to recognize PBS as membership corporation or stations as its members. (4) Prejudging NPACT. (5) "Unwarranted & unfair" remarks that Ford Foundation influences programming. (6) "Idea that we are becoming hooked on the ratings." (7) Notion that ETV programs are for elite, ignore community needs. (8) That public broadcasting professional "disdained" principles of Carnegie Report. (9) Failure to

note differences in Carnegie Report and Public Bcstg. Act.

Neither CPB Pres. Macy or Board endorsed Witherspoon's memo, but mere fact that it was permitted to go to stations may reflect CPB attitude. Karayn also sent memo to station managers defending NPACT and in letter to Whitehead offered to discuss differences personally. He said that neither newsman Sander Vanocur nor Ford Foundation's Fred Friendly "have or will set any of the programming policies of NPACT."

NPACT was not formed to centralize all national public affairs programming for ETV, Karayn said, adding that aim is to provide more diversity, get away from days when NET dominated nearly all non-commercial programming. "The Center was not formed to create a 'network news program' patterned on the commercial network nightly newscast model...I am personally opposed to public TV attempting to imitate the commercial networks," he said.

CABLE FREEZE—WESTERN DIV.: Major concerns of Cal. CATV Assn. convention last week were: Cable freeze, search for new NCTA pres., rough going for industries' suppliers.

CATV's largest regional meeting—attracting some 1500 systems' representatives and several hundred exhibitors' personnel to Coronado—heard plea for acceptance of OTP-FCC regulatory compromise (see p. 1), voiced by FCC Chmn. Burch's emissary, Cable Bureau Chief Sol Schildhouse who said:

"Agreement is more desirable than ever before. Cable stands to gain a lot from the compromise." However, he said, if no compromise is reached, FCC is ready to go ahead with its Aug. 5 Letter of Intent (Vol. 11:32 p3). Schildhouse also defended Commission's efforts in cable so far. Said he: "We have all but got the phone company out of CATV. We have given a green light to cable-pay TV. And how about pole attachments? We have kept rates pretty much frozen." He warmed audience by revealing that Commission is going to change non-duplication protection for network programs from same day to simultaneous.

NCTA Chmn. John Gwin avoided saying anything about current OTP negotiations, except to give history and conclude: "I don't know how it will turn out." Panel of Washington attorneys, citing history of FCC regulation of last 6 years, wasn't very optimistic. John Cole sees FCC's Letter of Intent "being sidetracked...I remain skeptical about final rules...I wouldn't be surprised to see concessions by industry, just to get going." Arthur Stambler thought there might be one bright spot in FCC's annual reporting forms: "The Commission will find, as it has in broadcasting, that cable isn't a black box coining gold." As for channel access, he said: "It may be the hooker that will ruin your future before you can enjoy it." He found "ominous" portents in free channels, free facilities. He wondered who would want to advertise in programs that cable operator can't control, looked for various groups to complain about "contamination of public interest channels with commercials." Without cable operator control comparable to broadcasters', he foresaw "an operational mess."

John Matthews predicted FCC would be licensing cable before long to get "an enforcement handle." One good side to FCC's proposal, he said, is limit on city franchise fees. He also called for Commission rule requiring stations to notify systems about

program schedules, for protection purposes.

Search for NCTA pres. has narrowed to about 4 major candidates, but don't expect new man on job for months. Selection committee isn't likely to recommend appointee for a couple of months. Then board must ok him. Then he'll have to phase out from current job. We'd be surprised to see him on deck before March 1. Committee is doing genuine in-depth job, going far beyond examining candidates for weaknesses regarding, as one cable man put it, "booze, broads & bangtails."

Business among industry's suppliers is dismal. Each exhibitor is wondering how his competitors keep operating. The few exceptions are primarily those with long-established positions and patient, well-heeled, conglomerate parents. Yet, we hear, GE is about to bust loose and jump into hardware field with some fancy high-capacity gear.

"Blue Sky vs Reality" titled Nov. 5 luncheon address by ATC Operations Vp Douglas Dittrick, who warned that 2-way broadband services are still in rudimentary development stage, yet glowing predictions encourage regulatory bodies to impose impossible burdens on system operators. Said he:

"In certain states, we have almost induced a premature regulatory climate more stringent than necessary. We have caused city officials to concentrate exclusively, in many cases, on the blue sky aspects of cable services...rather than on the reality of what we can now produce...It is essential that the FCC weigh these factors that would affect the types of new cable services to be required and the supplementary technical standards to be established. Despite all the verbiage to the contrary, the basic service of this industry today is still community antenna TV...To burden existing operations with regulations designed for new technology to serve the new markets would be premature."

NET is making programs available to CATV which already have been aired by public TV stations. Catalog lists some 225 NET-produced shows, most about 2 years old, which rent for \$10 for 30. min., \$25 for 60-90 min. Commercials are prohibited and programs usually can't be cablecast more than twice during rental period. Sterling Manhattan, which originates about 3 hours daily, was first customer, renting about 12 documentaries & series. "This will vary our program schedule," said Sterling Pres. William Lamb.

WHITEHEAD CABLE PLAN: Following is text of OTP Dir. Clay T. Whitehead's proposed compromise among broadcasters, CATV & copyright owners (see p. 1):

Local Signals: Defined as proposed by the FCC, except that the significant viewing standard to be applied to "out-of-market" independent stations in overlapping market situations would be a viewing hour share of at least 2% and a net weekly circulation of at least 5%.

Distant Signals: No change from what the FCC has proposed. Exclusivity for Non-Network Programming (against distant signals only): A series shall be treated as a unit for all exclusivity purposes. The burden will be upon the copyright owner or upon the broadcaster to notify cable systems of the right to protection in these circumstances.

A. Markets 1-50: A 12-month pre-sale period running from the date when a program in syndication is first sold any place in the U.S., plus run-of-contract exclusivity where exclusivity is written into the contract between the station and the program supplier (existing contracts will be presumed to be exclusive).

B. Markets 51-100: For syndicated programming which has had no previous non-network broadcast showing in the market, the following contractual exclusivity will be allowed: (1) For off-network series, commencing with first showing until first run completed, but no longer than one year. (2) For first-run syndicated series, commencing with first showing and for two years thereafter. (3) For feature films and first-run, non-series syndicated programs, commencing with availability date and for two years thereafter. (4) For other programming, commencing with purchase and until day after first run, but no longer than one year. Provided, however, that no exclusivity protection would be afforded against a program imported by a cable system during prime time unless the local station is running or will run that program during prime time. Existing contracts will be presumed to be exclusive. No pre-clearance in these markets.

C. Smaller Markets: No change in the FCC proposals.

Exclusivity for Network Programming: The same-day exclusivity now provided for network programming would be reduced to simultaneous exclusivity (with special relief for time-zone problems) to be provided in all markets.

Leapfrogging: (A) For each of the first two signals imported, no restriction on point of origin, except that if it is taken from the top-25 markets it must be from one of the two closest such markets. Whenever a CATV system must black out programming from a distant top-25 market station whose signal it normally carries, it may substitute any distant signal without restriction. (B) For the third signal, the priority, as set forth in the FCC's letter of Aug. 5, 1971, p. 16.

Copyright Legislation: (A) All parties would agree to support separate CATV copyright legislation as described below, and to seek its early passage. (B) Liability to copyright, including the obligation to

respect valid exclusivity agreements, will be established for all CATV carriage of all radio and TV broadcast signals except carriage by independently owned systems now in existence with fewer than 3,500 subscribers. As against distant signals importable under the FCC's initial package, no greater exclusivity may be contracted for than the Commission may allow. (C) Compulsory licenses would be granted for all local signals as defined by the FCC, and additionally for those distant signals defined and authorized under the FCC's initial package and those signals grandfathered when the initial package goes into effect. The FCC would retain the power to authorize additional distant signals for CATV carriage; there would, however, be no compulsory license granted with respect to such signals, nor would the FCC be able to limit the scope of exclusivity agreements as applied to such signals beyond the limits applicable to over-the-air showings. (D) Unless a schedule of fees covering the compulsory licenses or some other payment mechanism can be agreed upon between the copyright owners and the CATV owners in time for inclusion in the new copyright statute, the legislation would simply provide for compulsory arbitration failing private agreement on copyright fees. (E) Broadcasters, as well as copyright owners, would have the right to enforce exclusivity rules through court actions for injunction and monetary relief.

Radio Carriage: When a CATV system carries a signal from an AM or FM radio station licensed to a community beyond a 35-mile radius of the system, it must, on request, carry the signals of all local AM or FM stations, respectively.

Grandfathering: The new requirements as to signals which may be carried are applicable only to new systems. Existing CATV systems are "grandfathered." They can thus freely expand currently offered service throughout their presently franchised areas with one exception: In the top 100 markets, if the system expands beyond discrete areas specified in FCC orders (e.g., the San Diego situation), operations in the new portions must comply with the new requirements. Grandfathering exempts from future obligation to respect copyright exclusivity agreements, but does not exempt from future liability for copyright payments.

Irving Kahn's lawyers will argue in N.Y. District Court Nov. 9 against attempts by Jack Kent Cooke to oust him as TelePrompTer chmn. following Kahn's conviction in Johnstown CATV bribery case (Vol. 11:43 p5). Kahn won delay in Cooke's effort to take depositions, and TPT has filed counter petition seeking court order to take deposition from Cooke.

Advertising tax of 4% on Washington, D.C. media is scheduled for House debate this week after District Committee approved measure to help finance D.C. govt. Similar plan failed in 1969 after public airing, but no hearing was held this year by House Committee. Meanwhile, Senate Fiscal Affairs Subcommittee plans one-day hearing on tax this week.

IBFM opens new hq at 360 N. Mich. Ave., Chicago 60601 (312-332-1295). Warren Middleton, ex-Broadcasting magazine, is exec. dir.

Personals

Comr. **Charlotte Reid** appointed FCC defense commissioner, succeeding ex-Comr. **Robert Wells**, who in addition to returning to Harris Radio Group has been appointed "broadcaster-in-residence" at Kan. State U. (designed to give TV-radio students continuing contact with professional broadcasters); Asst. Chief **Joseph Marino** named acting chief, Litigation Div., FCC Gen. Counsel's Office.

John T. Mazzie, WREX-TV Rockford, Ill. station mgr., promoted to vp-gen. mgr., succeeding **Joe Balsch**, now CATV consultant... **Carl Zimmermann** elevated to children's programming dir., Kaiser Bcstg., new post... **Joseph F. Mahan** promoted to WGR-TV Buffalo local sales mgr.

Ben Hughes, ex-SKL, named mgr., market development, Systems Wire & Cable, Rome, N.Y... **John Muir**, ex-TelePrompTer, appointed operations vp, Cypress Communications... **Frank Drendel**, ex-Continental Transmission, named system operations, research & development vp, Cypress Communications.

Sidney Mills, ex-Kaiser Aerospace & Electronics, appointed plant mgr., Phelps Dodge Communications, Fordyce, Ark... **C. Richard Bullock** named sales administrator, Systems Wire & Cable... **William Dimmerling** elected pres., Pa. CATV Assn., succeeding **John Rigas**.

Harold F. Reis, ex-Wilner, Scheiner & Greeley, joins Washington law firm Lowenstein, Newman & Reis, 1100 Connecticut Ave. 20036 (202-296-7585)... PBS Pres. **Hartford Gunn** addresses Hollywood RTS luncheon Nov. 16, Beverly Wilshire Hotel... **Richard Beesmyer**, ABC-TV, elected vp, N.Y. State Bcstrs. Assn., succeeding **W. Edmund Cramer**, ex-WCBS-TV N.Y., now bcstg. dir., WCAU-TV Philadelphia.

John P. Taylor, retired RCA div. vp, commercial planning, Commercial Systems Div., becomes marketing consultant for broadcasting, CATV, communications & electronics; he recently conducted major study of cable for RCA. Offices: 711 E. Greenman Rd., Haddonfield, N.J. 08033 (609-429-1651).

Mixed package of campaign reform legislation has finally cleared House Rules Committee and now faces uncertain future on floor. Debate is scheduled to begin Nov. 10, with amendments permitted following week. On floor will be Administration Committee bill which imposes \$12.2 million limit for Presidential candidates in 1972 and Commerce Committee bill which allows \$13.8 million (no more than \$6.9 million can be spent on TV & radio). Some Republicans also plan attempt to substitute bill passed by Senate 3 months ago, while 4th group headed by Reps. Udall (D-Ariz.) & Anderson (R-Ill.) plan to offer "modified" version of Senate bill. Meanwhile, Congress is still pushing for Dec. 1 adjournment, and House will recess Nov. 22 week for Thanksgiving.

CATV special advisory committee should be established forthwith, FCC Comr. R.E. Lee has recommended to colleagues. He noted that in Aug. 5 "Letter of Intent" to Congress, Commission announced plan to form such a committee of outside advisors, said it should be created immediately.

RENEWAL DENIED S.D. TVS: In "a first time ever" decision, FCC has refused to renew licenses of 2 uncontested stations—KRSD-TV Rapid City & satellite KDSJ-TV Lead, S.D.—for repeated engineering violations. Applications had been set for hearing at behest of Commission, which ruled stations had "10-year history of repeated & serious violations of the rules, including faulty tower lighting, operating below authorized power, spurious emission and serious deficiencies in the quality of picture transmission."

Because of degraded signal, stations hadn't delivered Rapid City & Lead with "a picture of usable quality since at least 1965." Commission gave stations until Dec. 13 to go dark—or until 30 days after all appeals had been exhausted. Examiner Donahue had agreed with most of FCC's findings, but recommended year renewal.

* * * *

As expected, ABC bribery case popped into open again last week when Commission designated 5 TV stations for hearing (Vol. 11:42 p3): Renewals of WMUR Manchester, N.H., WMET Baltimore, WJYY-TV Jacksonville, Ill.; license applications of KECC-TV El Centro, Cal., & KDUB-TV Dubuque, Ia.

ON AIR TV'S PASS 900: WXLT-TV (Ch. 40) Sarasota, Fla.; KMPH (Ch. 26) Tulare, Cal.; WRBT (Ch. 33) Baton Rouge; WGBY-TV (Ch. 57 ETV) Springfield, Mass. all started programming recently. There are now 902 stations on air (693 commercial, 209 non-commercial) 596 vhf, 306 uhf, 117 CPs.

WXLT-TV, ABC affiliate, uses RCA equipment with 762-ft. tower. Robert Nelson is pres.-gen. mgr.; Gordon Acker, production mgr.; J. Harrison Hartley, sales mgr.; Bob Behee, chief engineer. Rep, Savalli-Gates.

KMPH, is independent serving Fresno area with 3,000-kw GE equipment. Mike Pappas is pres.; Harry Pappas, vp & gen. mgr.; Gary Vautin, operations mgr. Rep, Savalli-Gates.

WRBT, is ABC affiliate, uses RCA equipment, 1,029-ft. tower. Sam Spivey is station mgr.; Dan Moore, vp & gen. mgr.; Gary Ricketts, operations mgr. Rep, Meeker.

WGBY-TV is WGBH-TV Boston satellite. WICZ-TV (Ch. 40) Binghamton, N.Y., increased power to 565-kw, claims doubled coverage.

FCC turned down plan by KGMB-TV Honolulu and KPUA-TV Hilo to offer 30-min. & one-min. segments free to political candidates instead of selling time. Plan required that candidates use half of time to "speak on behalf of their candidacies or to the issues," remainder for questioning by newsmen or debates among candidates. FCC said Sec. 315 prohibits licensee from prescribing format or content of political broadcasts, and that while free time offer was commendable, it amounted to censorship.

BIB's new reference works—"Series, Serials & Packages" and "Free Film Source Book"—are now available: 51 E. 42nd St., N.Y. 10017.

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Oct. 22 (42nd week of 1971):

	Oct. 16-22	1970 week	% change	Oct. 9-15	1971 to date	1970 to date	% change
Total TV.....	261,231	243,762	7.2	252,636	8,296,617	7,087,150	17.1
color.....	150,494	133,953	12.3	148,725	4,537,962	3,609,046	25.7
monochrome....	110,737	109,809	0.8	103,911	3,758,655	3,478,104	8.1
Total radio.....	455,504	317,215	43.6	404,508	14,922,898	12,778,590	16.8
home, portable..	214,068	186,089	15.0	182,829	6,546,929	6,072,947	7.8
AM-only.....	125,088	113,139	10.6	105,071	3,667,511	3,728,428	- 1.6
FM & FM-AM..	88,980	72,950	22.0	77,758	2,879,418	2,344,519	22.8
auto.....	241,436	131,126	84.1	221,679	8,375,969	6,705,643	24.9
Total phono.....	110,264	121,618	- 9.3	84,191	3,180,371	2,881,728	10.4
portable-table...	88,512	101,023	-12.4	66,825	2,456,108	2,061,768	19.1
console.....	21,752	20,595	5.6	17,366	724,263	819,960	-11.7

Color TV 5-week moving average: 1971—167,972; 1970—136,448 (up 23.1%)

PRICE WAR AT HEIGHT OF SALES SEASON? Is industry embroiled in unseasonal price war despite hot sales in home-stretch selling season? Or are sales hot because of unusually aggressive price promotions? Depends on whom you ask.

One thing is sure: Never in history of TV has there been so much promotional & pricing activity at time when every single factor would dictate price increases (except for White House freeze) rather than cuts—good business, inventories well in line with sales, costs still rising, inevitable price rises in imports as result of surcharge & currency differentials.

Extremely visible is promotional color price jockeying by Magnavox & Sylvania, whose direct sales make fair-trade prices readily accessible. Magnavox cut some prices in Aug., cut them again Oct. 4, again Nov. 1 (Vol. 11:44 p9). Some 25V" sets, at \$548, are now down \$150 from early last summer. Magnavox plans to give rebates to retail customers who bought sets since Sept. at earlier Anniversary Sale Price. Responding to earlier Magnavox price cut, Sylvania reduced some color sets Oct. 25, then responded to 2nd Magnavox reduction with further cuts on five 19V" & nine 23V" sets Nov. 1, making total reductions as high as \$100. (For Sylvania pricing details, see p. 11).

Pricing has been real sharp since summer, after some spring introductions at unrealistically high prices. Summer saw big price readjustment in 18V" & 19V" sets, followed in fall by general chopping of console prices. Admiral, of course, has had hot specials since spring—its deluxe 18V" at \$299, and 23V" console promoted in some areas at \$399 and 25V" as low as \$439. GE's pricing, too, has caused some excitement and retaliatory moves.

Nor have importers sat by and let domestic manufacturers gobble up their market. In N. Y., for example, Trader Horn chain is advertising Sanyo 15V" color at \$177, which is \$63 under Sanyo's "minimum resale" price. Combating \$299 price for domestic 18V" color are such values as Macy's private-label (Toshiba) & Gimbels' Teknika (General) at \$277, joined last week by Korvette's sale on its XAM (Sanyo) at \$269.88.

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Abetting price-war atmosphere is fear that hundreds of thousands of dollars of dock-strike-delayed consumer electronics won't get unloaded and into distribution pipeline in time for orderly Christmas marketing; that instead there'll be mass post-Christmas, or—even worse, pre-Christmas—dumping by importers caught between rising costs & massive inventories. Roberts' "going out of business" liquidation has started on West Coast, while in East Symphonic is disposing of surplus compact systems at bargain rates.

Some manufacturers see current pricing situation as struggle for share-of-market among domestic brands, rather than attempt to woo public to buy color sets. Magnavox Consumer Electronics Pres. George Fezell flatly blames RCA for "taking the lead in price-cutting," adding: "It's really getting wild—but if they want to play rough, we're ready."

RCA says it has had no recent price cuts, although some summer promotional prices have been locked in by price freeze. Company says its solid-state color sets are in short supply, and other manufacturers' problems result from better-than-expected consumer acceptance of solid-state. "The marketplace has determined a \$100 differential between comparable solid-state and tube-type [hybrid] sets," RCA spokesman said. "Hybrid sets can no longer be sold, except on the basis of cut price. The have-nots are in trouble." There's been no evidence of recent widespread RCA price cuts, but there are indications of extra allowances on certain products and certain areas, as market dictates.

Nor has there been any sign of large-scale promotional activity by Zenith. But Zenith Sales Co. Pres. Walter Fisher hints company may be getting ready to strike back. "I find it difficult to understand why some manufacturers feel compelled to absolutely break the market wide open in the peak selling season when inventories are in excellent shape," he told us. "It violates all the principles of good marketing. We are studying the situation—and we will act to protect our competitive position."

Different view is expressed by Emerson TV Sales Exec. Vp C. Vernon Phillips: "The consumer is buying, but he wants value. With price promotions, manufacturers are merely making certain the good business continues. It's not a price war, but manufacturers are taking action to keep business responding. We've never been more aggressive [at Emerson], and we have much more promotional programming than in the past."

Fisher said Zenith's business is good, with 25V" color consoles now in short supply. "We're meeting our forecasts, and the 4th quarter looks healthy, with retail business strong and retail inventories in line with the going rate." Phillips said business was "promising, and looking unusually good for Nov. & Dec."

Most manufacturers concede, however, that this year it's extremely difficult to find out how much consumer really is buying. Extremely spotty geographic picture emerges—sales good in some areas, weak in others. But EIA figures (see State of the Industry) leave little doubt that dealers are buying, and therefore optimistic about 4th-quarter sales. But for present, there's little worry about Phase II ceiling prices. Instead, industry is wondering where the floor is.

In meantime, nobody wants to upset applecart—and consumer is being carefully spoon-fed with bargains to keep him buying (if he is) or to make him buy (if he isn't). All common sense tells us that price increases are inevitable. Catalog houses, preparing for deadlines on spring-summer books, are understood to be readying substantial increases on new models not subject to freeze.

SEPT. COLOR TV IMPORT RECOVERY: Color TV imports bounced back in Sept., only 3rd-quarter month to show improvement over same 1970 month, though b&w continued slump as importers emptied out bonded warehouses to beat imposition of 10% duty surcharge and long-shoremen rushed to unload ships before Oct. 1 East & Gulf Coast dock strikes.

Imported during month were 487,000 TVs, up 2% from Sept. 1970, with color up 25% to 119,251, b&w off 3.6% to 368,056, according to Commerce Dept. Shipments pushed 9-month total past 3.6 million (up 12.8%), including 859,373 color (up 33.3%) and nearly 2.77 million b&w (up 7.7%).

Japan accounted for 345,095 TVs in Sept., about same as last year, as color jumped 26% to 115,000, with b&w off nearly 9% to 230,000. B&w imports from Taiwan in month jumped 49% to 117,425, imports from Mexico fell 45.8% to 14,581, while South Korea was source for 4,500. In 3rd quarter, TV imports from Japan totaled 2.55 million sets (up 8.3%), with color at 801,189 (up 31.8%), b&w up less than 1% to 1.75 million. Taiwan appeared headed for million mark this year, as 9-month total passed 800,000, including 54,000 color (up 92.3%) and 755,000 b&w (up 23.2%). Mexico's total of 239,000 b&w is up 37.7%, South Korea, in first year of b&w exporting, has been source for 13,500 TVs.

Sept. recovery for TV imports reflects, in part, success by importers in diverting shipments from West Coast ports which were strikebound from July 1 through early Oct. Helping bolster totals was withdrawal from bonded warehouses of all TVs imported prior to Aug. 16. All imports in bonded warehouses on Aug. 16 received surcharge exemption if entered by Oct. 1. Similar exemption was given for imports in transit to U.S. or strikebound on Aug. 16, so most of Sept. TV imports from Far East entered surcharge-free.

Despite strong Sept., 3rd quarter was bad for TV importers in general, worse for Japanese. Total imports in 3-month period were 1.14 million, off 15.7% from last year; color fell 10% to 241,758, b&w was off 17% to 902,195. Imports from Japan were down 23% to 758,232, as color dropped 12% to 224,114, b&w slumped 27% to 534,118. Sept. imports also did little to alleviate huge clog in Japan-to-U.S. pipeline, which we estimate to be about 800,000 sets. There are about 300,000 color TVs which were shipped from Japan but have yet to arrive here—that's nearly 3 times normal in-transit inventory. B&w bulge is nearly 500,000 sets, about double normal.

Import mix by screen size over full period is only slightly changed from 1970. In Japanese b&w, 52.9% fell in 11V"-17V" classification, up from 50% last year; 31.5% were smaller (down from 37.3%); 15.6% were larger (up from 13.1%). In Japanese color, 11V"-17V" took 56.9% share (up from 43.2%), big-screen retained 39%, while smaller sizes dropped from 18% to 4.2%. In Taiwan b&w, 11V"-17V" had 67.1% share (up from 60.7%), tinyvision 20.8% (down from 24.4%) and larger sizes 12.1% (down from 14.9%). In color from Taiwan, about 66% were mid-size, remainder over-17V". All b&w TVs from Mexico were over 17V", while all Korean sets were 12V".

Value of TV imports through Sept. was \$274.5 million, up 22%, with color accounting for \$135.9 million (up 35%), b&w \$138.6 million (up 11.3%). Lion's share went to Japan, whose sets cost importers here \$216 million (up 18.2%). Color imports from Japan were valued at \$127.5 million (up 32.5%), b&w \$88.4 million (up 2.4%).

INDUSTRY FEARS VIDEOPLAYER STANDARD LAW: Industry members are united in favoring videoplayer standardization. They're also united—as they're expected to show in Washington this week—in opposing any attempt by govt. to impose standards.

House GOP Task Force on Education & Training will hold informal sessions Nov. 10-12 on advisability of proposing legislation to govern specifications of VTRs & similar equipment purchased under grants from federal agencies such as HEW & Defense Dept. (Vol. 11:30 p10). Any such law, industry feels, would set up de facto standard which could put industry in strait-jacket. Sessions this week will hear educators, manufacturers, some software producers.

Continuing to move full speed ahead in its U.S. videocassette plans (Vol. 11:43 p9), Sony of America last week announced it was entering 50-50 video cassette duplicating joint venture with Teletronics International, S-T Videocassette Duplicating Corp. Pres. George Gould of Teletronics, long-time N.Y. video tape duplicating firm, told us new company was already mastering & duplicating Sony cassettes on daily basis using Sony-developed equipment. "We already have more customers than we ever expected," he said. One firm, he added, is talking of run of 200,000 cassettes. S-T will make videocassettes from originals on any film or tape format.

Elsewhere on videoplayer front, film is getting increasing attention as TV player medium. Eastman Kodak is showing its feasibility model super-8 player to hardware & software producers. While Kodak hasn't finalized any manufacturing plans, Sales Administrator Eric Yavitz says "chances are very good" that it will make super-8 video hardware. If so, unit probably would be available in about 2 years, he said. Price? "We're talking \$800-\$1,100."

Kodak welcomes Fuji Photo Film's plans to produce 8-mm color film player next year (Vol. 11:44 p9), Yavitz said. Fuji's unit, at Japanese market price of \$750-\$800, uses "single-8" cartridge, but film is same as super-8. Fuji calls its device "CVR" (for Cine Video Recording). It uses flying-spot scanner, 16-face revolving prism for shutter mechanism with continuous-pulldown film. Kodak's machine, also continuous-pulldown, has electronic shutter. CVR exports to U.S. are scheduled next fall.

And along comes dark horse videoplayer from Japan, which has CBS lawyers very interested. Japan Electron Optics Lab Ltd. (JEOL) announced its electron beam recording (EBR) player would be on Japanese market next month at about \$700, with annual production targeted at about 10,000. JEOL says its system is "interchangeable with CBS EVR, with a slight change," but doesn't infringe EVR patents. JEOL claims its blank cartridges are 1/3 to 1/5 as costly as those for EVR, in lots of 100,000, and its replication costs are about half of EVR's—and its plant already has that 100,000-cartridge capability.

ANOTHER DUMPING CASE: U.S. Treasury has opened 2nd new investigation into charges of Japanese dumping of color TV components. In other actions last week, shoe workers asked court to overturn key Tariff Commission interpretation of import impact adjustment-aid requirements; Canada's Federal Court agreed to hear request for review of Japan-Taiwan TV dumping case; Japanese officials prepared for visit from Treasury Secy. Connally, and GE found crack in dock-strike dike.

Treasury ordered Customs to investigate claims that Japan-made color TV deflection yokes are being exported to U.S. at less than fair (home-market) value. As in color TV picture tube case launched last Sept. (Vol. 11:38 p8), complaint & preliminary information was supplied by Lincoln & Stewart law firm for unnamed client. Complaint purports to show that yokes made by Denki Onkyo & Tokushu Musen are being dumped in U.S. Treasury says yoke imports from Japan in first half were valued at about \$1.25 million. Last year, during import-aid eligibility investigation, Tariff Commission said that 9 leading TV manufacturers here used 4.26 million yokes, produced 1.23 million in-house, purchased 3.04 million from outside. Of purchased yokes, only 1.49 million were U.S. made, with 1.55 million imported. Of foreign-sourced color yokes, 56% (862,000) were imported under Sec. 807, so were presumably made in U.S.-owned foreign assembly plants. Bulk of remaining 690,000—or about 16% of OEM consumption—were imported from Japan.

In legal challenge, United Shoe Workers of America is asking D.C. Federal Court to rule that imports of finished products should be considered directly competitive to domestically produced components used in those products when considering whether industries & workers are entitled to import adjustment assistance. In past cases, including those involving fixed capacitors, speaker cones & variable capacitors, Tariff Commission has held that TV & radio imports were not "like or directly competitive" with parts, as required under Trade Expansion Act. Attorney Eugene Stewart asked Commission to reverse itself on this point and include component manufacturers in TV industry injury investigation during recent hearings (Vol. 11:41 p7).

In Canada, court agreed to set Jan. date for hearing on dumping finding challenge filed by Magnasonic, distributor of Sanyo consumer electronics there. Court ordered Antidumping Tribunal to make available to attorneys some of confidential information it used to arrive at verdict that dumping of Japan & Taiwan TVs had injured domestic industry (Vol. 11:40 p9).

Preparing for visit by Secy. Connally, Japanese officials are drawing up proposed package intended to forestall any new U.S. demands for export restrictions and to minimize extent of upward yen revaluation. Among measures under consideration: (1) Export tax on key items such as TV & calculators. (2) Reduced import restrictions, including lower duty rates and high import quotas. (3) Increased foreign aid. (4) Larger military purchases from U.S. (5) Buying of U.S. Treasury securities. In pinch, Japanese might agree to ask TV producers adopt "voluntary restraint" on expansion in U.S. market. EIA-Japan has already told govt. that producers would reject call for formal voluntary export quota pact.

What's mine is mine, said GE, in getting N.Y. Court of Appeals to overrule lower court and issue writ authorizing firm to remove 125 cartons of speakers on Brooklyn pier. Speakers, made by Pioneer-Taiwan, are destined for radio plant in Utica. GE, it was learned, used similar writs to obtain release of strikebound cargo in Norfolk and on West Coast.

Philco-Ford will move hq from N. Philadelphia to Blue Bell, Pa. next summer, transferring some 700 there and another 250 to nearby Ft. Washington. Decision to move, said Pres. Thomas Page, resulted from company's withdrawal last spring from micro-electronics, leaving modern facility unoccupied. Move doesn't affect 2,000 salary & hourly workers at Philadelphia plant. Relocated to Blue Bell will be Page's staff, most of Consumer Products Div., International Div. Parts & service and computer personnel will move to existing facility at Ft. Washington.

Toshiba American, in consolidation move, is transferring administration & mktg. hq from N.Y.C. to 4106 De Long St., Flushing, where warehousing, service & records operations are currently located. Shift is to be completed by year end.

2-WAY INTERNATIONALIZATION: Multinationalization of consumer electronics lines, until recently exclusively a U.S. manufacturer marketing tactic, is rapidly sweeping through import sector of industry here as firms fight to broaden & maintain market positions. Latest to move is Toshiba, seeking to purchase 19V" b&w portables from Philco Taiwan for resale in U.S.

Matsushita is making and MGA (Mitsubishi) is buying color TVs in U.S., Sony will start Trinitron TV assembly here next year, Sansui is to assemble stereos in L.A., Matsushita & Hitachi are importing TVs from Taiwan, Sharp is expected to have Taiwan TVs next year, Sanyo is getting 12V" b&w portables from South Korea, while Superscope, through purchase of 50% interest in Japan's Standard Radio, now owns manufacturing facilities in Japan & Taiwan. There are also persistent, but unconfirmed, reports that Japanese & independent importers are seeking to expand lines by purchasing big-screen TVs & phono consoles from U.S. manufacturers.

Philco officials confirmed start of negotiations to supply Toshiba America with b&w portables assembled in Taiwan. Toshiba has, in past, manufactured color and b&w TVs for Philco, now is supplier of components. Toshiba, it was also learned, had looked into possibility of buying Philco TV console cabinets & big-screen color picture tubes for planned assembly operation here which would use Japanese chassis. Talks on that project were broken off. Philco has agreement with Philadelphia union not to transfer any more TV production to Taiwan, but deal apparently doesn't cover private-label orders.

New information on Sony's plan for San Diego facility (Vol. 11:44 p7), indicates that initial production will be of 12V" Trinitron receivers assembled from imported picture tubes plus imported & domestic components. Output of 17V" Trinitron sets & stereo speaker systems will come later. Operation will have about 100 employees at start, including engineering staff.

While Sony is expanding here, Superscope—its exclusive U.S. audio recorder distributor—is getting ready to expand everywhere else. Under acquisition terms, Superscope now has worldwide distribution rights to all Standard-brand products, as well as those made under Superscope & Marantz labels, except where there are existing, unexpired distribution contracts. Way apparently is clear for Superscope to become full-line firm if it chooses to add Standard's transistor radios, TV & VTR equipment under any one of 3 brands it now controls. Superscope said it wouldn't distribute own-brand recorders here because of conflict with Sony line, but could do so in other countries.

Entering OEM consumer electronic cabinet business is Arrow Group Industries, subsidiary of Chromalloy American Corp. Company has tested line of glass-&-chrome component cabinets in retail stores, now offers made-to-order modular entertainment center & room divider enclosures to TV, stereo, etc. Arrow is located 230 Fifth Ave., N.Y. (Robert Blackmore, sales mgr.).

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Trade Personals

Lawrence LeKashman Nov. 15 becomes pres. of Teledyne distribution & mail order subsidiary Olson Electronics, succeeding **Sidney Olson**, who moves to undisclosed post at Teledyne Packard Bell; LeKashman will be succeeded as pres. of Electro-Voice by Exec. Vp **Adolph Wolf**. . . **David Hobkirk**, ex-ITT Consumer Products Europe & former Philco-Ford TV product planning mgr., joins RCA Consumer Electronics as portable color TV product planning mgr.

Cecil Semple, ex-Housewares Business Div. vp-gen. mgr., elected GE commercial vp responsible for corporate customer relations.

Richard Warner, ex-Riegel Paper, joins North American Philips Nov. 29 as personnel & industrial relations vp. . . **George Fryling** resigns as pres. of Erie Technological Products, remains on board; his father, Chmn. **G. Richard Fryling**, reassumes presidency. . . **John Kramer**, ex-Philco-Ford management systems dir., is now operations staff exec. vp at White Motor.

Marvin Fried upped at York Radio to national sales mgr. . . **Herbert Zucker**, ex-Doyle Dane Bernbach, named Delmonico International mktg. communications dir.

Latest color price cuts, in Sylvania holiday promotion, running through Christmas (see p. 7), were effective Nov. 1. They came on top of earlier reductions, effective Oct. 25. Here are new prices followed by original prices, omitting Oct. 25 reductions: 19V"—Now \$399.95 from \$449.95; \$359.95 from \$399.95; 2 sets at \$379.95 from \$429.95; \$439.95 from \$489.95 (remote), 25V"—table models, \$469.95 from \$529.95 and \$519.95 from \$569.95; consoles, 2 sets at \$539.95 from \$629.95; \$569.95 from \$625; 4 sets at \$599.95 from \$699.95.

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
Andrea Radio			
1971-9 mo. to Sept. 30	1,936,905	(79,713)	--
1970-9 mo. to Sept. 30	2,028,213	10,834	.02
1971-qtr. to Sept. 30	626,470	(27,271)	--
1970-qtr. to Sept. 30	551,743	8,343	.02
Avnet			
1971-qtr. to Sept. 30	85,999,000	4,007,000	.29
1970-qtr. to Sept. 30	72,269,000	3,122,000	.23
Chris-Craft			
1971-year to Aug. 31	63,100,000	(3,400,000)	--
1970-year to Aug. 31	81,900,000	(12,200,000) ^a	--
Clarostat Mfg.			
1971-9 mo. to Oct. 2	7,146,800	127,400	.23
1970-9 mo. to Oct. 2	7,547,100	50,800	.09
Erie Technological			
1971-9 mo. to Sept. 30	34,956,000	(1,524,000)	--
1970-9 mo. to Sept. 30 ^b	40,785,000	298,000	.28
1971-15 wk. to Sept. 30	12,148,000	(891,000)	--
1970-15 wk. to Sept. 30 ^b	13,692,000	(129,000)	--
Hitachi			
1971-6 mo. to Sept. 30	1,188,000,000	32,100,000	--
1970-6 mo. to Sept. 30	1,231,000,000	50,100,000	--
ITT			
1971-9 mo. to Sept. 30	5,050,000,000	275,600,000	2.38
1970-9 mo. to Sept. 30	4,550,000,000	245,600,000	2.16
1971-qtr. to Sept. 30	1,750,000,000	94,400,000	.81
1970-qtr. to Sept. 30	1,540,000,000	83,800,000	.74
Lynch Corp.			
1971-9 mo. to Sept. 30	15,428,000	(2,466,000)	--
1970-9 mo. to Sept. 30	18,207,000	141,000 ^c	.11
1971-qtr. to Sept. 30	6,315,000	(905,000)	--
1970-qtr. to Sept. 30	8,102,000	381,000	.29
MGM			
1971-year to Aug. 31	169,408,000	16,358,000 ^d	2.76
1970-year to Aug. 31	170,726,000	1,573,000 ^d	.27
1971-qtr. to Aug. 31	38,364,000	10,614,000 ^d	1.79
1970-qtr. to Aug. 31	42,669,000	(3,904,000)	--
A.C. Nielsen			
1971-year to Aug. 31	113,446,441	8,497,758	1.60
1970-year to Aug. 31	106,225,694	7,827,462	1.48
Reeves Telecom			
1971-9 mo. to Sept. 30	7,289,000	550,000	.22
1970-9 mo. to Sept. 30 ^b	8,876,000	(5,910,000)	--
1971-qtr. to Sept. 30	2,615,000	1,041,000	.45
1970-qtr. to Sept. 30 ^b	2,610,000	(930,000)	--
Standard Kollsman Industries			
1971-9 mo. to Sept. 30	55,407,086	(3,572,333)	--
1970-9 mo. to Sept. 30	64,445,264	(39,379)	--
TelePrompter			
1971-9 mo. to Sept. 30	30,111,047	4,880,670	1.55
1970-9 mo. to Sept. 30 ^b	24,191,264	3,496,131	1.12
1971-qtr. to Sept. 30	10,686,520	1,874,839	.59
1970-qtr. to Sept. 30 ^b	9,269,942	1,386,104	.44
Texas Instruments			
1971-9 mo. to Sept. 30	562,087,000	24,543,000	2.22
1970-9 mo. to Sept. 30	632,440,000	23,479,000	2.13
1971-qtr. to Sept. 30	178,071,000	7,849,000	.71
1970-qtr. to Sept. 30	189,276,000	6,132,000	.56
Times Mirror Co.			
1971-40 wk. to Oct. 3	380,293,305	23,448,261	1.40
1970-40 wk. to Oct. 3	352,352,811	23,244,206 ^c	1.39
1971-12 wk. to Oct. 3	131,346,448	9,057,872	.54
1970-12 wk. to Oct. 3 ^b	117,695,881	6,938,167	.42
Wells-Gardner Electronics			
1971-9 mo. to Sept. 30	21,062,000	346,000	.85
1970-9 mo. to Sept. 30	19,031,000	15,000	.04
1971-qtr. to Sept. 30	11,641,000	297,000	.73
1970-qtr. to Sept. 30	10,855,000	282,000	.69

Company & Period	Revenues	Net Earnings	Per Share
Westinghouse Canada			
1971-9 mo. to Sept. 30	196,501,000	2,700,000 ^e	1.04
1970-9 mo. to Sept. 30	168,741,000	1,004,000 ^e	.39

Notes: ^aAfter extraordinary writedowns. ^bRestated. ^cAfter special credit. ^dAfter special items. ^eExcludes extraordinary income.

JAPAN'S 9 MONTHS: Only in automobile radios were Japanese exporters of consumer electronics to U.S. able to match 9-month unit increases in 1971 posted by color TV, according to Finance Ministry.

Auto radio exports in 1971's first 3 quarters were up 56% from same 1970 period, while shipments of home radios (including clock) fell 8.2% to 7.7 million. Also up, by 16%, were transceiver exports of just under 2.1 million units.

Audio equipment exports presented mixed picture. Phono & radio-phono total fell 1% to 1.37 million, while exports of open-reel tape recorders were off 58%. Exports of radio-recorders were up 27%, cassette recorders 18%, while auto tape players held about even. Following are 9-month Japanese consumer electronics exports to U.S., with 1970 results for comparison. While value of yen did increase during Sept. on floating basis, value totals below are based on pre-float exchange rate of 360 yen to dollar.

JAPANESE EXPORTS TO U.S.

	9-Months 1971		9-Months 1970	
	Units	Value (\$)	Units	Value (\$)
Total TV.....	3,089,957	264,951,650	2,465,069	193,350,699
color.....	995,037	161,216,483	648,653	103,654,222
b&w.....	2,073,926	102,972,619	1,803,176	89,252,344
b&w chassis, kits.	20,994	762,547	13,240	444,133
Rad.-phono, stereo.	481,344	32,108,475	1,100,073	29,976,531
Rad.-phono, mono*.	667,826	7,692,803	--	--
Rad.-recrds. & other comb....	2,756,275	112,297,383	2,165,418	91,842,869
Clock rads.*.....	1,847,895	29,051,425	--	--
Tr. rads. w/FM...	3,597,176	96,853,247	5,630,008	125,263,711
Tr. rads., other...	2,270,208	12,834,786	2,759,901	20,199,367
Auto radios.....	1,148,303	18,122,461	735,961	12,238,414
Trcvrs., under 100 mw.....	1,786,161	6,087,906	1,492,078	5,328,628
Trcvrs., other....	290,393	10,516,033	297,755	8,058,642
Phonos.....	210,519	3,390,406	273,194	3,800,219
Tape players, auto.	1,698,780	30,932,625	1,696,707	36,705,064
Tape rcrds., reel.	285,382	7,820,033	675,104	17,394,787
Tape rcrds., cass.	4,345,549	74,647,078	3,674,361	70,545,772
Other cart., rcrds. & players*.....	1,036,763	24,537,386	--	--
Tape decks*.....	1,441,851	44,691,183	--	--

*Not reported separately in 1970.

Broadened compact stereo line was unveiled in N.Y. last week by J.C. Penney, which now claims to have largest retail private-label assortment. Line has 14 systems, up from 8 last year, priced \$69.95-\$399.95, including 4-channel tape cartridge player with built-in phase-shift adaptor & 4 speakers at \$249.95. Firm also has 6 accessory record changers & tape decks, with \$179.95 six-cassette changer at high end. Penney plans to add 4-channel matrix compact stereo next year, hasn't yet decided which system to adopt. Firm expects to sell more than 100,000 compact stereos this year, up from 61,550 in 1970.

WEEKLY

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NOVEMBER 15, 1971

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

BEGINNING OF END FOR CABLE FREEZE: All major groups buy OTP-FCC compromise by heavy majority votes—though with 'reluctance.' McClellan differs on some points, none serious, will wait for rules before pushing legislation. Principal growth seen in markets 51-100—but a few of top 50 may show significant starts. (P. 1)

COMMENTS ON FCC RENEWAL PLANS see industry generally opposing fixed percentages for programming. NBC agrees to 10-12%. ABC wants past performance as 'controlling criterion'. (P. 3)

FCC's 'MOST CRITICAL ISSUE' are license renewals and fairness doctrine. Burch tells NAB in Las Vegas. Macdonald scorns Whitehead's 'Madison Ave. technique', urges FCC set up regional offices to handle Sec. 315 complaints. (P. 4)

WHITE HOUSE vs. NEWSMEN: 'Intimidation' charged in FBI investigation of CBS's Daniel Schorr for unidentified govt. job. Ziegler denies charge. Nixon calls probe 'clumsy'. Ervin plans more hearings on press freedom. (P. 5)

TVB DISCUSSES GOVT. THREATS at Chicago convention. Sorenson sees TV bearing brunt of attack on ads, FCC approaching 'slippery slope' in fairness rulings. Ewen says NARB will police only national ads. (P. 5)

FINALLY—BEGINNING OF END FOR CABLE FREEZE: Genuine signs of CATV thaw are finally in sight, for first time in almost 7 years. There will be a lot of fits & starts for some months, but votes by all major organizations for OTP's compromise were very large majorities, which indicates that compromise should stick. When freeze is actually over, most observers expect substantial growth in markets below top 50, but some significant movement even in a few top-50 markets.

Next steps: FCC must put compromise terms in rules. Congress must pass copyright legislation dove-tailing with Commission rules. Commission, which previously said it aimed for end of year for issuance of rules, with effective date March 1 (Vol. 11:32 p3), is now aiming to step up schedule—but few attorneys, in or out of FCC, believe that schedule can be beat by very much.

Sen. McClellan (D-Ark.) opposes couple aspects of compromise—but they are not considered serious. Last week, he told OTP Dir. Whitehead & FCC Chmn. Burch: (1) He won't buy a separate CATV copyright bill, insists CATV be part of long-pending over-all copyright revision. (2) If parties can't agree on copyright fees before copyright legislation is enacted,

Consumer Electronics

SALES GATHERED STRENGTH in Oct., 6th best color TV sales month in history. Month's final week set year's records in phono & home radio sales. (P. 7)

RCA BACKS DISCRETE 4-channel disc system developed by Japan Victor, touching off new war with CBS. JVC & Panasonic to market hardware when RCA starts record production next year. Sound & compatibility claimed to be superior to matrix disc formats. (P. 7)

SET MAKERS' 3RD QUARTER—consumer electronics profits were up, but sales largely unchanged, in our quarterly financial survey. 9-month profits up. (P. 8)

RCA WILL SHOW VTR to other manufacturers in next 2 months. Company officials enthusiastic about 3/4-in. system, but production commitment hasn't been made. Cartrivision in pilot output. (P. 9)

MORE TV PRICE CUTS in year-end promotions by RCA, Sylvania, GE. Wild activity as N. Y. dept. store sells 18V" GE hotel-motel color sets at \$249. New-set introductions by Emerson, Packard Bell, Motorola. (P. 10)

HOTEL TV DOLDRUMS confirmed at N. Y. show, manufacturers indicating sales down from 1970. Market now nearly all color. Computer TV seeks hotel leases for its movie system. (P. 10)

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he wants to stick with his bill—which provides specific fees. Whitehead & Burch find no difficulty going along with McClellan. Senator also made clear he won't proceed with copyright legislation until new FCC rules are effective. Reason: Expecting somebody to challenge rules in court, he wants to see whether court will stay rules—doesn't want to spin wheels working on legislation while rules are blocked in court. He plans no further CATV hearings. Though most industry spokesmen believe basic battle is over, one knowledgeable congressional source told us: "It may be premature to celebrate. I've seen too many deals fall through."

But votes for compromise by industry groups were by strong majorities—albeit universally "reluctant." NAB Board voted 27 yes, 3 no, 2 abstaining. Of 12 members absent, 9 would have voted yes, one no, 2 "no indication." Dissenters were Moore, Patricelli, Dailey & Fisher. At NCTA, only 5 (unidentified) voted no, of 25 on Board. At MST Board meeting, all voted for deal except 2 who abstained. MST declined to tell how many of its 21 members attended—except that it was "excellent turnout." Eight-man Committee of Copyright Owners voted 7-1 for package—declined to identify dissenter.

All industry groups (except copyright owners, which appear to be the big winners) said they approved compromise in spirit of cooperation—but with varying degrees of disappointment.

NAB Pres. Wasilewski wrote Whitehead: "Without conditioning our acceptance... in any way, we would hope that the parties could later accept some modification that would ameliorate the hardships on stations in the smaller markets." Among these, he said, would be a period of pre-clearance for markets 51-100 and longer exclusivity in all smaller markets. As trade-off, he suggested exclusivity in larger markets be limited to 5 years. He also suggested that local-service area in sparsely populated areas be extended to 55-60 miles, from current 35. In addition, he urged that small-market affiliates, with only one basic affiliation in market, be afforded same-day non-duplication, rather than simultaneous—or at least exclusivity in prime time. In radio, he said, there should be "more realistic definition" of radio market so that "truly local" stations would be carried before out-of-market stations.

Aside from matters covered in compromise, Wasilewski said, NAB will continue to urge "sound rules" for CATV originations & commercials, prevention of "siphoning" of programs to pay TV, and for removal of restrictions on station-CATV cross-ownership.

NCTA Chmn. John Gwin stated: "The OTP compromise will provide a sorely needed opportunity for the immediate growth of the cable TV industry... [It] admittedly falls short of what we had hoped would be the final accord. However, in the face of strong pressures from the OTP & the FCC and the prospect of an indefinite extension of the freeze... the Board believed the best interests of the public and the industry would be served by agreeing to an immediate end to the cable impasse." In letter to Whitehead, Gwin listed some items NCTA swallowed reluctantly in agreement: "We believe the leapfrogging & viewing standards in overlapping markets are overly restrictive. We believe the exclusivity provisions will deprive the public of much of the diverse programming available... We also strongly believe that it is not a sound... approach to attempt to detail legislative restrictions on an administrative agency's ability to deal with the changing field of cable TV by limiting signal carriage."

In effort to insure large representation in deliberations, NCTA Board invited heads of state & regional groups, generally speaking for smaller operators, plus those among top 25 group owners not already represented on Board. Many brought their lawyers, so 60-70 participated in discussions.

MST Pres. Jack Harris wrote Whitehead: "We note that some substantive provisions of the proposed compromise, in particular the number of distant signals which would be available pursuant to a compulsory license, are intended to subsidize the development of CATV at the expense of free over-the-air TV service... We are concurring... only because it is our understanding that the copyright legislation would be designed to... preclude still further future efforts to subsidize CATV at the expense of the public's free broadcast service... We have attempted to approach your effort to avoid what could be a very bitter and destructive battle in a constructive fashion and in the hope that it will put to an end the process of erosion that has been occurring in the Commission's approach to the regulation of cable TV."

Whitehead issued statement: "We think this is in the best interest of the parties and the public. Even though the long-run aspects of cable need to be debated & resolved, cable now has the opportunity to grow. We will continue to work with all concerned to assure sound development of this exciting new medium." On Nov. 11, after parties had approved pact, Whitehead & staff came to FCC to discuss next steps with Burch, and latter conferred with his staff. On Nov. 15 or 16, Whitehead will head for Capitol Hill to brief Sen. Pastore (D-R.I.) & Rep. Staggers (D-W.Va.). Cabinet cable committee, which Whitehead chairs, is expected to examine draft of its "long-run" conclusions this week. But with members Herbert Klein & Robert Finch in South America for 2 weeks, final report may be delayed to Dec.

Burch has to get concurrence of other FCC members. We've discussed the compromise with them—and, at this writing, it appears that most, perhaps all, are ready to buy it.

To sum it up—it's a new ballgame for cable. As one Washington attorney put it: "Cable is no longer a stepchild. It's a foster child. It's the start of a whole new generation. CATV now has its own constituency."

PROGRAMS, PERFORMANCE & PERCENTAGES: As deadline for comments on FCC's license renewal proposals passed last week, industry found itself generally opposing percentage guidelines for programming, but divided over how FCC should react to D.C. Appeals Court rejection of 1970 renewal policy and pessimistic that Congress would solve problem with full review of Communications Act. On other side, Black Efforts for Soul in TV (BEST)—in comments representative of opposition—called percentage figures too low, reflecting performance of "an industry not adequately serving the public interest."

Ideally, ABC argued, Commission should not drift into increasing involvement in programming via definitions of "substantial performance" without congressional action on "over-all national communications policy." As "interim resolution," network suggested that Commission, by rulemaking, state that "satisfactory performance" by station would be "controlling criterion" and would receive preference over challenger. "Only where unsatisfactory past performance was established would criteria such as diversification, integration of ownership & management, local residence and the like be considered," ABC said.

In any event, ABC argued, FCC misunderstood D.C. Appeals Court ruling in favor of Citizens Communications (Vol. 11:24 p1). "The opinion should be read...as meaning no more than that the Commission's [1970] policy statement was ineffective to permit the Commission to refuse to order a full evidentiary hearing under the circumstances & conditions set out in the policy statement. The development of criteria for the conduct of such proceedings as may be necessary is the proper role of the Commission, not the Court." Thus, ABC claimed, where Court went beyond "this basic holding" it amounts to "judicial dicta" not binding on the Commission.

But CBS saw it differently, said that Court's ruling rendered current FCC proceeding "futile" since licensee must face full comparative hearing if challenged. "In these circumstances we believe that the Commission should abandon the proposals...and terminate this proceeding," network said. It called programming percentages (10-15% over-all local, 8-10% news, 3-5% public affairs and other fixed percentages during prime time) an attempt to force improvement "by govt. fiat." However, CBS urged Commission to issue "clear statement," possibly similar to 1965 policy on comparative hearings, that in such hearings "most significant weight" will be given to past programming, and issues such as diversification, integration of ownership & management will be given "minimal weight."

NBC agreed that station's performance should be considered, but "reluctantly concluded" that Commission would have to adopt "some quantitative standard" for judging renewals. It suggested that news, public affairs and all non-entertainment, non-sports programming be treated as single unit. Commission would then rule that station "will be presumed to have achieved that level of performance entitling him to be successful in a comparative hearing" if about 10-12% of his total programming (excluding commercials) has been other than entertainment & sports. Licensee could then be "reasonably confident of renewal." Standard, NBC said, would not dispose of comparative hearing during which only licensee's performance would be considered and items such as diversification, ownership, etc. would apply only for new applications.

NAB ransacked dictionary for adjectives it felt described percentage formula—"impractical...unlawful...meaningless...frightening...repugnant...absurd"—recommended that Commission focus solely on ascertainment of community problems. Station would list 10 significant problems & needs, then at renewal time state how programs addressed problems. This evaluation, NAB said, "is a far more useful & meaningful standard and is far more consistent with a concept of substantial service than what the Commission proposes...On one hand licensees will be inspired simply to generate a certain program percentage as an absolute goal in itself, perhaps overlooking particular types of programming which may even fall outside the 3 key categories but which better serve the community involved."

BEST solidly supported percentage idea, but wanted higher figures. It accused Commission of setting low standards. "This back door method of achieving automatic renewals is contrary to law. Any use of the Commission's average & minimum standards alone to justify renewal will be vigorously opposed," BEST said. Group suggested that as "reasonable basis" for determining minimum performance, Commission's percentage figures (exclusive of commercials) be used, and anything below this would be "prima facie indication of inadequate service." Superior service standards, BEST suggested, would be: 13% news, 6% public affairs, 20% local programming; and prime time of 17% news, 17% public affairs, 25% local programming.

Broadcast groups generally paralleled NAB position. "The stampede of speculators must be stopped before it gains momentum, before it succeeds in debasing the broadcast industry into a game of musical chairs," Storer Bcstg. said, maintaining that past performance should be "controlling criterion" instead of percentages. Agreeing with ABC's views on Citizens Communications case, Storer also suggested that Commission reiterate that WHDH-TV Boston decision applies only to new applicants, not renewals. Similar views favoring giving licensee "major preference" if past record was good was voiced in joint filing by Lee Enterprises, Time-Life Bcst., Universal Communications, WKY TV Inc., WWJ-TV Detroit & WDSU-TV New Orleans.

FCC's 'MOST CRITICAL ISSUES': License renewals & fairness doctrine are "the 2 most critical issues" facing FCC, now that CATV compromise has been reached, Chmn. Burch told spirited NAB fall conference in Las Vegas last week. Majority of 304 in attendance agreed with him, as the 2 subjects dominated during panels and Q&A sessions. Immediately after close, veteran broadcaster told NAB Pres. Wasilewski that it was best NAB meeting he had ever attended.

Commission must come to grips with the 2 problems "very soon," Burch said, then expressed "disappointment" that FCC has received "very little comment from the industry" on agency's announced intention to rework fairness doctrine. "It's not enough just to plead the First Amendment," he warned.

OTP Dir. Clay Whitehead proposal to de-regulate radio is "an interesting idea," Burch said. He expressed willingness to give some of Whitehead's ideas "a try" in areas where FCC can move without legislation—such as renewals. However, he warned, that to accept proposal of access on "first-come-first-serve-paid-basis" will change stations to common carriers.

In obvious attack on Whitehead's recent IRTS speech (Vol. 11:41 p1) and NAEB address in Miami (Vol. 11:43 p1), House Communications Subcommittee Chmn. Macdonald (D-Mass.) told conference that "high Administration official" was using "Madison Ave. techniques...dramatic proposals & catchy phrases to win favor with one group or scare the wits out of another." Without mentioning Whitehead, he attacked him for "recklessly calling for the complete

abolition of the fairness doctrine." Macdonald also proposed that FCC shift some regular activities from Washington to other sections of U.S. However, Burch said proposal that FCC set up regional offices to handle Sec. 315 complaints "isn't feasible within our budget & manpower." He added that field men would have to call Washington for answers anyway.

NAB Chmn. Richard Chapin answered criticism that proposed license renewal legislation "is a watered down compromise of little value" by saying industry is going with what it thinks it can get through Congress. "We'll be guilty in some minds of not trying for enough, though," he conceded. PR Exec. Vp James Hulbert said that racist charges around renewals, while "nonsense" are "political dynamite." Govt. Relations Exec. Vp Paul Comstock became very worked up over attacks on advertising, saying: "We have to meet head on these people who want to destroy commercial broadcasting." He added that it would be "imprudent" for NAB to oppose political broadcasting bill but that changes will be sought to make sure legislation isn't burdensome & discriminatory."

Final NAB fall conferences: Nov. 15, Denver (Sen. Cooke [R-Ky.] luncheon speaker); Nov. 17, Dallas (Whitehead speaker).

Current expectation for appointment of FCC Gen. Counsel Richard Wiley to Commission is an announcement after Congress adjourns, perhaps by Dec. 1. Then, early in 1972, there will be announcement of intention to appoint a black to succeed Comr. Bartley July 1.

WHITE HOUSE & NEWSMEN CLASH AGAIN: Annual SDX convention of professional journalists was barely under way in Washington last week with discussions on First Amendment and related Senate hearing just concluded, when word broke that CBS Washington correspondent Daniel Schorr was investigated by FBI, allegedly for administration job dealing with environment. Before week was out, newsmen were accusing Administration of secrecy & intimidation, congressional Democrats were urging special hearings and Vice President Agnew was accusing media of waging "propaganda war."

FBI investigation of Schorr—who has often clashed with White House—was first reported by Washington Post which revealed that last Aug. agents interviewed Schorr, CBS News Pres. Richard Salant, CBS Washington Bureau Chief Bill Small (who refused to hand over Schorr's personnel file), former CBS News Pres. Fred Friendly and other colleagues & neighbors of Schorr. "I now believe there was never a job to be offered," Schorr said. "I have checked every source who might know without the slightest indication that I was ever considered for any post."

Presidential Press Secy. Ronald Ziegler said that probe was ordered by Frederic Malek, chief White House recruiter, for job dealing with environment. However, Ziegler refused to identify job because,

he said, it wasn't vacant, added that while Schorr was "eminently qualified" for job, he was no longer a candidate. "In order for there to be intimidation, the intent must be there," Ziegler said. "There is no intent on the part of this Administration to proceed in that manner." Later, Ziegler said President Nixon felt investigation was handled in "a clumsy way," and ordered that whenever anyone is being considered for a govt. job "he will always be informed beforehand" and be told that customary FBI check is being made. Ziegler said Nixon was prepared to talk about incident at press conference last week, but subject never came up. CBS had no comment.

But matter didn't end there. "I am deeply concerned over the fears, even unwarranted fears, which may arise from the public reports concerning the alleged investigation of Mr. Schorr," Sen. Sam Ervin (D-N.C.), Chmn. of Constitutional Rights Subcommittee, wrote President. "First Amendment freedoms can be stilled by intimidation & suggestion from those who have official power just as surely as they can by direct curtailment," he said. Ervin said he would invite Schorr and any Administration spokesman who cared to testify early next year. House Judiciary Committee Chmn. Celler (D-N.Y.) called Ziegler's explanation "a hoax," demanded response from Atty. Gen. Mitchell. Other Democrats in both houses urged full investigation.

TvB DISCUSSES GOVT. THREATS: Meeting in Chicago last week for 17th annual convention, TvB members listened to lawyers and self-regulators attack increasing trend in govt. toward placing more restrictions on TV advertising. Business trends & projections, media campaigns, awards, etc., weren't ignored by any means, but one veteran telecaster said he'd never seen govt. given such a prominent role at any TvB session.

Blistering attack on advertising critics in govt.—and specifically FTC—was delivered by atty. Theodore Sorenson, White House aide under President Kennedy. "The brunt of this stepped-up Washington attack on advertising is being borne by TV" he warned. "Beware of government regulators insisting that you have a superior or unique ability to capture the consumer's emotions and persuade him to buy. For that flattery is the source of new regulations, restrictions & proposals... It is an ironic fact that the advertising industry has never had more friends inside the White House than it has today, and it has never been under more severe attack by the federal government than it is today."

Washington atty. Ernest Jennes saw as "very troublesome" recent expansions of fairness doctrine into advertising of all kinds. He said FCC started down "the slippery slope" of fairness in ruling that time must be given to answer cigaret commercials, and that D.C. Appeals Court ruling in "Friends of the Earth" was another major step. "Broadcasting simply cannot exist under a regulatory scheme that requires counter-programming for every commercial. [It] would be destructive of the medium and stifle rather than encourage the full & vigorous expression of conflicting ideas."

William Ewen exec. dir. of new National Adver-

tising Review Board (NARB), attempted to clear up "the considerable confusion and a lot of questions about how it will work, what it can do and what it cannot do." He said NARB will attempt to police only national advertising and that, at least in the beginning, it will take up only questions of truthfulness & honesty.

FTC HEARS ANTI-KID-AD PLEAS: Calling for moratorium on all TV ads aimed at children, Cornell U. social scientist Dr. John Condry told FTC last week that such ads are "potentially disruptive" to children's learning & family life. Commission's hearing last week turned from subject of general advertising to that aimed at children. Condry said children's ads may create conflicts between parents & children "by teaching children to be materialistic and by disrupting the attempt to teach the child responsibility."

However, another witness, Dr. Richard Gladston, chief of psychiatric consultation service at Boston's Children's Hospital, said TV ads would be harmful to only an estimated 500,000 children with emotional disturbances. But another witness, Robert Choate, who last year caused stir when he branded leading breakfast cereals "sweetened empty calories," attacked ads for toys, vitamins and snack foods as "a massive brainwashing campaign."

F. Earl Barcus, professor of communication research at Boston U., described survey of "Romper Room." He charged that nearly half of show was used to plug toys and other products commercially linked with "Romper Room" firm. Other witnesses said that toys advertised on TV were often over-priced and poor quality. "Advertisers should not be allowed to use children as surrogate salesmen to pressure their parents," said ACT Pres. Evelyn Sarson, urging outright ban on all such commercials.

Personals

Albert J. Gillen, Poole Bcst. pres., elected TvB chmn., succeeding **Terry Lee**, Storer TV vp, who continues on Board; **Jack McGrew**, KPRC-TV Houston, elected secy., succeeding Gillen; **James E. Conley**, Meredith Bcstg., re-elected treas. Newly elected to Board (4-year terms): **Richard Block**, Kaiser Bcstg.; **Kenneth Johnson**, KTRK-TV Houston; **Robert Wiegand**, WTAF-TV Philadelphia.

CBS Washington Vp **Richard Jencks** appointed to NAB TV Board, succeeding **Carl Ward**, CBS-TV affiliate relations vp, resigned... **Abe Voron**, former NAFMB chmn., pres. & treas., appointed exec. dir... **Sam Zelman** elevated to special projects dir., CBS TV Stations Div.; **Marilyn Walsh** elected CBS tax dir.

Patti Johnson, ex-United Artist Records, named promotion mgr., Viacom International; **David Williams** leaves own PR agency to become publicity mgr.; **Mort Rubenstein**, ex-Scali, McCabe, Sloves, advertising, appointed creative services dept. consultant.

Paul Raymon, ex-Storer CATV, named vp & gen. mgr., WAGA-TV Atlanta, succeeding **H.W. Ray**, appointed asst. gen. mgr., WSPD-TV Toledo; **John Grubbs**, ex-WSPD-TV station mgr., named standards & license renewals vp, Storer Bcstg., succeeding **Ewald Kockritz**, resigned.

Christopher Duffy, ex-WLS-TV Chicago, appointed bcst. dir., KMOX-TV St. Louis... **James Johnson**, ex-KMOX-TV, named gen. mgr., Neb. TV Network... **Thomas Becherer**, ex-KMOX-TV, named news dir., WJZ-TV Baltimore, succeeding **Don Marsh**, resigned.

Henry Owen, ex-Eastern Educational TV Network, appointed gen. mgr., WJBK-TV Detroit... **Bruce Mayer**, **E. LeRoy Olliger** & **Donald Raydon** elected vps, KWGN-TV Denver... **Gary Chapman** elevated to mktg. mgr., KSD-TV St. Louis... **Tom Hackleman** promoted to sales development dir., KOGO-TV San Diego... **Robert Leach**, ex-U.S. Communications, named engineering dir., WAPT Jackson, Miss. and WRBT Baton Rouge.

Arthur Hausman elected Ampex pres. & chief exec. officer, succeeding **William Roberts**, who continues as chmn... **Bromley Smith**, ex-National Security Council exec. secy., named OTP asst. dir. for international communications and Executive Branch liaison... **Richard Williams**, ex-instructional TV for N.Y. Catholic diocese, joins TelePrompTer as technical asst... **Roger O'Sullivan** joins Blackburn & Co. Chicago office.

Matsuma Tani, TEAC of Japan pres., adds same post for TEAC Special Audio Systems Corp., newly formed to produce audio tape products for broadcast & professional mkts.; **S. Arasawa** appointed senior managing dir., **Y. Abe** named managing dir.

Martyn Weinberg, ex-KBHK-TV San Francisco, appointed asst. controller, Kaiser Bcstg.; **Robert Johnson**, ex-WKBS-TV Philadelphia, named business mgr.; **James Lawless** succeeds Johnson.

Janet Fede elevated to promotion & creative services dir., KTTV L.A., succeeding **Lee Rudnick**,

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now account exec... **Robert Donaghey**, ex-Needham, Harper & Steers, named press relations mgr., WPIX N.Y. ... **E. Abbott Lawrence** resigns as gen. sales mgr., KTLA L.A. to head own firm, Sports Sales Specialist, TV time sales.

Nat Sibbold, station mgr., WWJ-AM-FM Detroit, re-elected exec. committee chmn., NBC Radio Affiliates; **Dennis Israel**, ex-Radio Advertising Reps, named gen. mgr., WMAQ-AM-FM Chicago, succeeding **Harry Jacobs**, resigned; **Albert Heck**, ex-Look, appointed sales dir., NBC Radio.

William Hall elevated to account exec., Metro TV Sales, Chicago... **Edward DiLeva**, ex-Sperry Rand, appointed purchasing agent, Jerrold Electronics.

Samuel M. Stone, Blonder-Tongue sales mgr., promoted to marketing mgr... **Loren Neuhaith** promoted at Harrington, Righter & Parsons to S.F. office mgr... **Warren Kraetzer**, exec. vp, WHYY-TV Wilmington & WUHY-TV-FM Philadelphia, elected chmn., Eastern Educational TV Network, succeeding **William McCarter**, who has joined WTTW-TV Chicago.

Irving Kahn has resigned as chmn. of TelePrompTer, will remain as employee, board announced. Meanwhile, stockholder Jack Kent Cooke told court he plans proxy fight, asked delay of 60 days from planned Nov. 24 stockholders meeting; court is expected to rule on request this week. Kahn said he was resigning "to permit the corporation to continue its successful growth free of harassing and undesirable litigation by a major shareholder." Board expressed gratitude to Kahn, said it's "confident that both he and the company ultimately will be vindicated through appellate determination of the issues in the Johnstown, Pa. CATV franchise case."

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Oct. 29 (43rd week of 1971):

	Oct. 23-29	1970 week	% change	Oct. 16-22	1971 10 mo.	1970 10 mo.	% change
Total TV.	312,060	293,263	6.4	261,231	8,608,677	7,380,413	16.6
color	178,263	155,537	14.6	150,494	4,716,225	3,764,583	25.3
monochrome . . .	133,797	137,726	- 2.9	110,737	3,892,452	3,615,830	7.7
Total radio	611,722	400,380	52.8	455,504	15,534,620	13,178,970	17.9
home, portable .	384,124	273,600	40.4	214,068	6,931,053	6,346,547	9.2
AM-only	234,619	147,983	58.5	125,088	3,902,130	3,876,411	0.7
FM & FM-AM . .	149,505	125,617	19.0	88,980	3,028,923	2,470,136	22.6
auto	227,598	126,780	79.5	241,436	8,603,567	6,832,423	25.9
Total phono	183,693	161,407	13.8	110,264	3,364,064	3,043,135	10.5
portable-table . .	154,391	133,739	15.4	88,512	2,610,499	2,195,507	18.9
console	29,302	27,668	5.9	21,752	753,565	847,628	-11.1

Color TV 5-week moving average: 1971—168,139; 1970—134,560 (up 25%)

SALES GATHERED STRENGTH IN OCT.: Oct. was 6th best color TV sales month in history and clearly maintained momentum which has been gathering through year. Domestic-label sales-to-dealer figures, as compiled by EIA, showed 21.6% increase over Oct. 1970, the month in which current TV market recovery is reckoned to have begun.

Final week of Oct. was good one for most products (see State of the Industry). It was record for that week (43rd) of any year in color TV sales, was year's 2nd best sales week in both color & monochrome TV and FM radio. It was year's best week to date in total phono sales, portable-table phonos, home radio & FM radio.

Here's statistical story of Oct. sales to dealers, as compared with 1970 & 1969 (U.S. manufacturer label only):

Product	Oct. 1971	Oct. 1970	% change	Oct. 1969
Total TV.	1,096,501	972,238	12.8	948,519
color	641,273	527,741	21.6	506,358
monochrome	454,778	444,489	2.3	442,161
Total radio	1,840,266	1,290,480	42.6	1,792,535
home, portable	925,573	794,438	16.5	901,639
AM-only	543,875	469,122	15.9	547,782
FM & FM-AM	381,698	325,316	17.3	353,857
auto	914,693	496,042	84.4	890,896
Total phono	441,524	452,379	-2.4	470,005
portable, table	356,037	365,423	-2.6	358,884
console	85,487	86,956	-1.7	111,121

RCA BACKS JAPAN VICTOR 4-CHANNEL DISC: It's RCA vs. CBS again—this time in all-out war over 4-channel disc standards. RCA Records joined battle last week, turning confusing situation into complete chaos. At joint news conference with Panasonic & Japan Victor Co. (JVC), RCA pledged support for JVC's CD-4 discrete disc system and gave progress report on 4-month effort to bring it into complete compatibility with 2-channel stereo.

Until last week, it had appeared likely that 4-channel disc would be established consumer

product by end of 1972, and that major stumbling block—conflict between CBS-Sony's SQ and Electro-Voice's Stereo 4 matrix systems—had been cleared away by E-V's development of universal decoder (Vol. 11:42 p8). But RCA's scorn of matrix systems, and its promise—with Panasonic & JVC—to have CD-4 on market here next year, will certainly persuade manufacturers & retailers to postpone any commitments.

And postponement is exactly what RCA Records was aiming for at news conference, Pres. Rocco Laginestra stated flatly—that and end to rumor widely circulated in Japan last month that RCA would adopt matrix disc on at least interim basis. He termed matrix system "sound electronically processed to simulate 4-channel," while "discrete disc gives the truest sound." Point was first made last July, when RCA said it was working on discrete disc—but at that time it denied it would adopt CD-4 system (Vol. 11:29 p10).

Development effort by RCA has been directed to disc itself. William Dearborn, record operations dir., said CD-4 discs are now fully compatible with 2-channel stereo equipment and offer same playing life as regular stereo discs did when first introduced—though playing CD-4 disc with regular stereo cartridge can destroy 4-channel capability. Discrete disc also enhances separation when played on 2-channel equipment, so, says RCA, there'll be no need to release same material in 2- & 4-channel formats as CBS plans to do (at \$1 extra for matrix version) with SQ recordings.

How close to market CD-4 really is—is hard to say, Laginestra only expressed confidence it "can become a marketable reality in the not-too-distant future." Panasonic & JVC displayed hardware to be marketed here "when RCA is ready" to sell discs. JVC is already selling CD-4 hardware & records in Japan. There was strong implication system would be offered in time for Consumer Electronics Show next June. Though not represented at meeting, RCA Consumer Electronics Div. was quoted as affirming support of discrete concept as "the only way" and claiming "no plans to market any matrix equipment under the RCA trademark."

Discrete 4-channel disc, like discrete tape systems, has 4 separate information channels. On disc, rear channel information is provided by modulated carriers in 20-45 kHz range. On matrix disc, front & rear signals are directly intermixed. Advantage of discrete over matrix disc is better 4-channel sound. Both require consumer to own 4-channel amplifier & 4 speakers. Cost of discrete "demodulator," about \$80, is comparable with that of logic-type (deluxe) matrix decoder. On other side of coin, discrete disc needs special (50-kHz) phono cartridge, which adds about \$30 to conversion cost and increases price of new equipment somewhat. While matrixed records can be taped on 2-channel recorders for 4-channel playback, discrete discs can't. Also, unlike matrix, discrete records can't be broadcast via conventional stereo FM. Discrete broadcasting would require changes in present FCC regulations, new equipment for most FM stations and adaptors for existing FM stereo receivers.

In race to catch up with matrix supporters, RCA can look for active support only among ranks of true audiophile hardware producers. Most record companies and hardware manufacturers & importers are likely to sit back & watch CBS & RCA fight it out. JVC is Japanese distributor for RCA Records and, along with Panasonic, is subsidiary of Matsushita. So backing for discrete so far is strictly a family affair. Incidentally, discrete hardware shown at conference also had matrix & phase-shift 4-channel reproduction capability.

JVC apparently is owner of basic discrete technology, and is willing to talk license with any interested, reputable manufacturers, Jerry Orbsch, gen. mgr. of U.S. subsidiary told us. Of depressing significance to chauvinistic industry observers is that RCA, as did CBS before it, selected Japanese, rather than American, hardware partners. It would indicate that top music industry executives feel domestic manufacturers lack either capability or interest in technological pace-setting.

3RD QUARTER—PROFITS UP, SALES UNCHANGED: Consumer electronics industry succeeded in substantially increasing its profitability in 3rd quarter over same 1970 period, but only held its own in sales. This is message conveyed by results of our quarterly compilation of financial results of industry firms.

In survey of 15 bellwether companies, 9 can be classified as consumer electronics special-

ists. In 3rd quarter, these 9 firms reported aggregate profit increase of 57.9% over same 1970 period, but total sales were just about standoff. All companies except one reported increase in profit, while all except 2 boosted sales—most sales increases being relatively small. In 1971 period, none of surveyed firms was in red, while 3 showed losses in 3rd quarter 1970.

For first 9 months of 1971, consumer electronics specialist firms (7 of the 9 were included, being on calendar-year basis) aggregated huge increase in profit compared to poor results in 1970's period. Profits of the 7 totaled \$45.7 million in 1971 vs. \$6.5 million year earlier because of heavy losses by 2 firms. This year, every firm showed profit & sales increases over 1970's first 3 quarters, aggregate sales increase for period being 12.6%.

Tally of performance of 6 diversified firms, which includes consumer electronics in large product lines, shows less marked changes from 1970 to 1971. Profits of these firms were up 2.4%, sales up 7.7% in 3rd quarter. Four of the 6 reported increased profits, 3 increased sales. (GE, included in the list of 6 diversified firms, was not counted in tally of aggregate sales & profits because its huge size would dwarf all other firms, obscure numerical trends).

In first 3 quarters, diversified firm's sales gains far outdistanced profit comeback—just opposite performance of specialist firms. Profit increase was mere 4.7% from year earlier, while sales jumped 55.7%. Five of the 6 increased profits, and same number had sales increases.

Firms included in our tally: Specialist companies—Admiral, Craig (quarter only), Magnavox, Curtis Mathes (quarter only), Soundesign, Superscope, Warwick, Wells-Gardner, Zenith. Diversified—Arvin, GE, GTE Sylvania, Motorola, NUE, RCA (continuing operations only; computer write-off not considered).

RCA TO SHOW VTR: RCA hopes to hold first demonstrations of its proposed 3/4-in. home VTR system for other manufacturers within "couple of months," we were told last week by SelectaVision Business Development Staff Vp Robert Bitting. Company has now developed 2nd engineering model—no production prototype yet—and is enthusiastic about its performance & potential economy. "We haven't made any production commitment yet," said Bitting, "but if the response is good we think it will be a product." Although RCA system uses same width tape as Sony's VCR, other parameters are different.

Cartridge TV Inc.'s Cartrivision system has now gone into pilot production in preparation for mid-1972 marketing. Pre-production model had first public showing last week at Macy's main N. Y. store, along with Akai 1/4-in. VTR in products-of-future demonstration. Another advanced Cartrivision model showed up in Admiral exhibit at Hotel-Motel Show (see p. 10). CTI has placed \$1.7-million order with Motorola Semiconductor for ICs & discrete components to be used in 100,000 VTRs to be built by Avco Electronics Div., Huntsville, Ala.

Officials of House GOP Task Force on Education & Training, continuing its investigation into the need for legislated standards on videoplayer specifications (Vol. 11:45 p9), met last week with representatives of CBS & Motorola. Latter argued that standardization could throttle new medium in its infancy, and that development of standards was best left to industry. Motorola-CBS representatives said they got sympathetic hearing from Rep. Hansen (R-Ida.), chmn., and Martha Phillips, dir. of 15-member task force.

Columbia pictures has formed ColTape Div., to become exclusive U.S. distributor of blank video tape made by Japan's Fuji Photo.

Fate of Sylvania's Batavia, N. Y. plant hung in balance at last week's end as deadline for union's acceptance of 4th & "final offer" apparently passed with no action. Last-ditch meeting was scheduled Nov. 15 between Sylvania & IUE officials—latter apparently unable to respond earlier because of AFL-CIO convention in Miami. Sylvania earlier had stated it would close down Batavia plant unless union agreed to changes in contract (Vol. 11:44 p12). Company presented "final offer" to employees in letter distributed Nov. 10, saying if it had no response by Nov. 13 it would "begin plans regarding removal" of Batavia operations. Union local met Nov. 11, took no action on understanding deadline had been postponed until Nov. 15. Sylvania officials said this wasn't their understanding, but agreed to meet with IUE on 15th anyway.

Tape topics: Superscope & EMI Tape are newest ITA members... Muntz is phasing out of home tape player field to concentrate on auto units... Recorded tape accounts for about 25% of Columbia Records' business, according to Pres. Clive Davis... Viewlex & U.S. Banknote Corp. have developed magnetic ink stamping process which, it's claimed, will permit easy identification of pirate discs & tapes... Bell & Howell will continue marketing own-brand blank tape, though it has sold production plant to Mattel subsidiary Audio Magnetics. B&H will purchase tape from AM.

FTC screen-size regulation was amended last week, effective Dec. 10, to include these clarifications: (1) Single-plane measurements cover distance between outer extremities of picture area, don't take into account curvature of tube. (2) Use of asterisks, footnotes, etc. to disclose manner of measurement (i.e., diagonal) is verboten. Amendments were proposed last spring (Vol. 11:17 p10), drew few comments.

MORE TV PRICE CUTS: RCA, GE & Sylvania contributed more promotional color TV price cuts to history's most promotion-minded selling season (Vol. 11:45 p7), and some GE hotel-motel TV sets showed up at retail in N. Y. with wild & wooly results.

Featured in RCA's "Colorific Year-End Clearance Sale," Thanksgiving through early Jan., are new lows on four 25V" color sets—table model down \$50 to \$499.95, consoles down \$50 to \$549.95, down \$40 to \$559.95 and down \$30 to \$569.95. In late Nov. promotion, Sylvania will cut three 25V" table models by \$60—2 to \$489.95, remote to \$549.95. Four remote consoles are reduced from \$769.95 & \$799.95 to \$689.95. One color combination is down \$200 to \$995. GE's "Factory Bargain Days" sees 18V" color table models with doors cut \$50 to \$359.95 and 25V" door console down by \$112 to \$488.

Wild GE incident resulted when Alexander's dept. stores picked up more than 1,000 institutional-model 18V" color sets dumped by distressed hotel-motel supplier. Story, as pieced together from Alexander's & GE sources, happened this way: Alexander's bought sets at close to GE's contract price. GE found out, offered to buy sets back at "right price." Alexander's refused, but gave GE opportunity to put Alexander's private label on sets, at GE's expense. GE refused. To head off bargain price, GE then put fair-trade price of \$349.95 on set—but too late. Alexander's advertised set at \$249.95 including 90-day home service—"price-fixed to sell at \$349.95."

Then GE dropped fair-trade price to \$239.95, made same model available to other N. Y. area dealers (reportedly at \$210) to compete with Alexander's special. Set offered has fine tuning & AFT on back, volume limiter, 72-ohm antenna input and other hotel-set features. GE N. Y. spokesman told us "we're already getting calls from people who bought the sets, asking about the fine tuning and antenna installation. This type of merchandising doesn't serve the customer, the public or the industry."

New sets: Emerson introduced 19V" color portable with Permacolor tuning system at new low of \$358.88... **Teledyne Packard Bell** debuts first 16V" color, new 18V" color, 12V" b&w and series of console cabinets for 18V" color portables—no prices given... **Motorola** introduces AC-battery 6-band radio at \$99.95, desktop cassette recorder, \$49.95.

New Japan representative of Television Digest is Hideo Eguchi, ex-shipping Gazette, Shipping & Trade News, Japan Times, and most recently Japan mgr. of Warren Birkenhead Inc., which formerly represented Television Digest. Birkenhead is moving to Hawaii, where he will announce new electronics business venture. Eguchi will handle both editorial & business, may be reached at 1694 Hiyoshi-cho, Kohoku-ku, Yokohama.

Zenith has quit pocket paging business less than 2 years after entry. Company announced development of FM digital paging system and first customer—Bell of Canada—in Jan. 1970 (Vol. 10:9 p9). Earlier this year, Zenith stepped out of industrial CR tube field.

HOTEL TV DOLDRUMS: Exhibitors at last week's Hotel-Motel Exposition in N. Y. generally confirmed Philco-Ford's recent estimate that 1971 TV sales in lodging market would be down to about 200,000 this year from higher levels in 1969 & 1970 (Vol. 11:41 p9). With more building starts this year, however, they were looking forward to gradual increases in 1971 & 1972.

Among principal trends: (1) Market is moving to all-color, probably is already above 90%. (2) Virtually knobless set is on way, many models relying on various automatic circuits to permit them to move fine tuning, color & tint knobs to back of set or put them under lock & key. Both Admiral & Motorola locked in their automatic pushbutton systems (Color Monitor, Instamatic) so that customer couldn't change setting. (3) Universal size is 18V", with 19V" sets just making first appearance. Again this year, exhibitors offering TV were Admiral, GE, Motorola, Philco-Ford, RCA, Telerent, Westinghouse & Zenith. Panasonic was listed as exhibitor, but didn't show.

We spotted no foreign-made sets at this year's show. Westinghouse, which dropped TV manufacture in Canada as in U.S., now is featuring color sets made especially for its hotel-motel business by Curtis Mathes in Puerto Rico. Monochrome sets, for first time, were either completely missing from exhibits or shoved into corner.

Age of specialized hotel-room programming was heralded by 2 displays. Admiral showed new prototype of Cartrivision, and company spokesman said there were plans to install VTR player at head end of hotel equipment, with 7 inns already committed.

Computer TV Inc., fresh from successful test in Newark (Vol. 11:44 p3), displayed its hotel-room movie system, using Sony Videocassette player (but officials said final playback device might be something different). Here's proposal company was making to innkeepers: 5-year lease package which specifies that hotel pays \$5 per room per month, collects \$2.50 for each movie showing, of which it pays Computer Cinema (div. of Computer TV) 60% (\$1.50). In return, Computer Cinema bears cost of installation & maintenance, supplies films & promotional materials. Breakeven point for hotel will lie at 65-70% occupancy, company says. Company hopes to start its hotel movie operation next March or April in about 10,000 rooms in hotels & motels around country.

Warranty bill containing controversial section strengthening FTC powers passed Senate last week and there's outside chance House may act before adjournment. Warranty section of bill, unopposed by most industry spokesmen provides that, to be labeled "full" warranty, manufacturer's policy must promise repair, replacement or refund. Terms must be spelled out in simple language, and written warranties couldn't be used to disclaim implied warranties. All consumer products selling for \$5 or more are covered. FTC section of bill, opposed by most industries, would give Commission's rules force of law, authorize FTC to ask courts to assess penalties up to \$10,000 for each violation of law against unfair or deceptive practices and to seek redress for aggrieved consumers.

Trade Personals

Arthur Hausman, former Ampex exec. vp & chief operating officer, named pres. & chief exec., succeeding **William Roberts**, who relinquished posts for health reasons, continues as chmn. **A. David Russell**, a Sylvania senior counsel, elected secy., succeeding **Robert Anderson**, retired. **Neal Welch**, former vice chmn., elected chmn. of Sprague, succeeding **Robert C. Sprague**, who resigned at age of 71, but continues as honorary chmn. & chmn. of newly formed exec. committee.

Donald Johnstone promoted from acting gen. mgr. to gen. mgr., GE Home Entertainment Div. TV Receiver Products Dept.; **Richard Gralton** advanced to gen. mgr., Audio Electronics Products Dept.; **Lyle Spalding** appointed Div. finance mgr.; **Richard Montmeat** named mgr., Home Entertainment Industrial Design Operation. **Philip Wood**, former vp-mktg. mgr., named to new Zenith Sales post of customer relations vp; **Alex Stone** advanced from mdsg. mgr. to mktg. services vp.

Jeff Berkowitz, Panasonic national sales mgr. for tape equipment, adds duties as asst. gen. mgr., Merchandising Div.; **Richard Lovisolo** appointed asst. national sales mgr., tape equipment; **Nobuo Shiihashi** appointed gen. mgr. of newly formed Panasonic Finance Div. Other new div. gen. mgrs. named were **Ira Perlman**, Personnel, and **John Doyle**, Data Processing. **Juichi Kadera** appointed gen. mgr. of Sony's planned San Diego color TV assembly facility.

Yozo Ishizuka, Pioneer (Japan) exec. vp, named to succeed **Nozomu Matsumoto** as pres.; Matsumoto continues as chmn. **Clyde Wilson** appointed mgr. of new TEAC America Customer Relations Dept.; **Ralph Gline** named asst. mgr., **Ben Wilson** sales engineer; **John Cook** joins TEAC as asst. mgr., ad & sales promotion. **Stephen Kasbeer** named Bell & Howell staff vp, personnel administration. **George Coleman**, former Avco industrial relations vp, shifts to same post with affiliate Cartridge TV Inc.

Frank Casey appointed product mktg. mgr. for TV picture tube phosphors, masks & electronic chemicals, Sylvania Chemical & Metallurgical Div., succeeding **David Lundy**, resigned; **Shuford Alexander** appointed semiconductor materials product sales mgr. **Robert Goodell**, Teledyne Semiconductor group exec. & former pres. of Packard Bell subsidiary, appointed Teledyne Philbrick gen. mgr., succeeding **Maurice Hartley**, shifted to corporate staff post. **Norman Miller**, Alpha Wire mktg. dir., named vp.

Donald LaBenda advanced to N. Y. region mgr., **Daniel Nagler** to N. Y. metropolitan mgr., Sylvania Entertainment Products. **Martin Mannin**, ex-Admiral Philadelphia branch vp-gen. mgr. and more recently an independent rep, joins Morse as sales mgr. for mid-East Coast area. **Terry Haddock**, former Teledyne Packard Bell Houston branch mgr., named Fla. rep.

John Deans, premium-incentive sales mgr., Singer North Atlantic Consumer Products Group, adds duties as sales promotion mgr.; **Anthony**

Browne, ex-U.S. Plywood, joins as mktg. information & planning dir., new post. **V. Frank Jones** promoted from distributor sales mgr. to gen. sales mgr., University Sound; **Isaac Golin** now mktg. mgr. **Martin Baer**, ex-International Rectifier ad mgr., named ad & sales promotion mgr., ITT General Controls. **Hank Fenenbock** advanced from operations vp to exec. vp, Muntz Stereo, succeeding **Perry Winokur**, resigned; **Jack Baker** promoted from west coast sales mgr. to sales dir. **Abraham Wiesel**, ex-asst. controller, named CBS Columbia House mktg. planning & administration vp.

Charles Dodson, ex-Opelika, Ala. plant production supervisor, promoted at Ampex to mgr. of new Juarez, Mexico cassette manufacturing plant. **John Eargle**, ex-Mercury Sound, appointed Altec Lansing dir. of commercial sound products. **James May**, ex-TEAC, named James B. Lansing Sound asst. sales mgr. for consumer & musical products. **Herb Dale**, ex-Superscope Tape Div. & Columbia Records, joins Audio-Video Communications as vp-mktg. dir.

Jean Caffiaux, EIA staff vp, wins Meritorious Service Award of Society of Engineering Standards and American Society of Testing & Materials. **Jonathan Mack**, ex-Navy, appointed staff asst. to **Tyler Nourse**, staff vp for EIA Parts & Distributor Products Divs. **Jerry Joseph**, founder & operator of SEE 70 (N. Y. C. hi-fi showroom), presented IHF award "for outstanding achievement" in promoting hi-fi industry. **Richard Hunt** advanced at Transatron to mktg. dir., new post; **Al Berry** promoted to semiconductor product mktg. mgr.

Consumer Products provided 28.7% of Avnet sales in fiscal 1971 (to June 30), 36.8% of profits, largest of any of 5 operating groups, according to preliminary prospectus for stock offering. Firm had sales of \$296.2 million with pre-tax profits of \$25.3 million in period; consumer sales were \$85.1 million, profits \$9.3 million. Avnet owns Channel Master (TV, radio, color tube rebuilding, antennas) and British Industries (Garrard changers, Wharfedale speakers, BIC/Lux receivers), also markets musical instruments & toiletries. Stock statement says Garrard distribution contract was renewed this year, expires in 1974. Some of sale proceeds are being used to acquire 70% of Garrard manufacturing licensee in Mexico (Vol. 11:37 p12). Original offering plan of 3 million shares has been amended to 1.5 million shares because of unfavorable market conditions.

IUE has filed appeal on dismissal last month of \$67.5-million antitrust suit against Japanese TV manufacturers. Original action claimed that existence of Japanese TV dumping conspiracy cost jobs of workers at Emerson's former Jersey City TV plant. N. Y. Federal District Court Judge McLean ruled that union had no standing in court (Vol. 11:41 p9).

TEAC & Mitsubishi of Japan have reached technology swap agreement. TEAC will contribute audio & magnetic tape know-how; Mitsubishi will offer VTR, computer hardware & communications knowledge.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Advance Ross			
1971-9 mo. to Sept. 30	11,916,825	(358,435)	--
1970-9 mo. to Sept. 30	9,761,519	(830,738)	--
1971-qtr. to Sept. 30	3,354,973	(147,201)	--
1970-qtr. to Sept. 30	3,397,554	(220,376)	--
American Electronic Labs			
1971-9 mo. to Aug. 31	22,913,899	383,039 ^a	.23
1970-9 mo. to Aug. 31	20,902,352	(706,117)	--
1971-qtr. to Aug. 31	7,379,789	105,411 ^a	.06
1970-qtr. to Aug. 31	6,801,188	132,746	.08
ASI Communications			
1971-9 mo. to Sept. 30 ^b	7,369,153	428,436 ^a	.24
1970-9 mo. to Sept. 30 ^b	6,183,683	(114,146)	--
John Blair & Co.			
1971-9 mo. to Sept. 30	46,980,000	1,805,000	.70
1970-9 mo. to Sept. 30	47,731,000	2,648,000	1.02
1971-qtr. to Sept. 30	16,402,000	517,000	.20
1970-qtr. to Sept. 30	16,719,000	851,000	.33
Citizens Financial			
1971-9 mo. to Sept. 30	13,141,000	1,018,000	.60
1970-9 mo. to Sept. 30 ^c	11,351,000	920,000 ^a	.57
Columbia Pictures			
1971-14 wk. to Oct. 2	54,630,000	(1,130,000)	--
1970-13 wk. to Sept. 26	53,320,000	464,000	.07
Cowles Communications			
1971-9 mo. to Sept. 30	8,452,000 ^d	2,794,000 ^a	.70
1970-9 mo. to Sept. 30 ^c	7,654,000 ^d	319,000 ^a	.08
Cypress Communications			
1971-qtr. to Sept. 30	2,256,400	166,600 ^a	.07
1970-qtr. to Sept. 30	2,097,900	(43,500)	--
Downe Communications			
1971-9 mo. to Sept. 30 ^e	76,924,000	1,222,000 ^f	.24
Esquire Radio & Electronics			
1971-9 mo. to Sept. 30	14,743,898	490,689	.75
1970-9 mo. to Sept. 30	12,859,171	553,741	.86
Lafayette Radio & Electronics			
1971-qtr. to Sept. 30	15,613,666	513,363	.21
1970-qtr. to Sept. 30	14,716,978	430,451	.18
Morse Electro Products			
1971-6 mo. to Sept. 30	44,416,901	1,390,108	.56
1970-6 mo. to Sept. 30	30,423,576	748,429	.32
1971-qtr. to Sept. 30	25,602,206	823,288	.33
1970-qtr. to Sept. 30	16,563,581	461,602	.20
National General			
1971-9 mo. to Sept. 30	428,662,000	14,150,000 ^a	2.68
1970-9 mo. to Sept. 30	407,338,000	506,000 ^f	.10
1971-qtr. to Sept. 30	154,671,000	5,831,000 ^a	1.10
1970-qtr. to Sept. 30	144,794,000 ^c	(6,354,000) ^f	--
Pacific & Southern Bcstg.			
1971-9 mo. to Sept. 30 ^c	12,679,996	609,216	.37
1970-9 mo. to Sept. 30 ^c	9,937,768	894,082	.55
1971-qtr. to Sept. 30 ^c	4,932,483	194,341	.12
1970-qtr. to Sept. 30 ^c	3,465,545	321,421	.20
Pemcor			
1971-6 mo. to Sept. 30	35,072,608	(14,522)	--
1970-6 mo. to Sept. 30 ^c	30,920,775	158,158	.10
1971-qtr. to Sept. 30	18,424,912	94,439	.06
1970-qtr. to Sept. 30 ^c	17,914,818	170,566	.10
Philips Lamp9			
1971-9 mo. to Sept. 30	3,183,934,000	43,090,000	.30
1970-9 mo. to Sept. 30	2,908,714,000	95,632,000	.73
1971-qtr. to Sept. 30	1,110,610,000	13,344,000	.09
1970-qtr. to Sept. 30	1,011,642,000	25,298,000	.19
Sonderling Bcstg.			
1971-9 mo. to Sept. 30	17,633,000	1,222,000	1.22
1970-9 mo. to Sept. 30	17,324,000	1,297,000	1.29
1971-qtr. to Sept. 30	6,293,000	521,000	.52
1970-qtr. to Sept. 30	6,406,000	584,000	.58

Company & Period	Revenues	Net Earnings	Per Share
Sprague Electric			
1971-9 mo. to Sept. 30	86,362,823	(6,850,147)	--
1970-9 mo. to Sept. 30	100,241,664	(3,692,757)	--
1971-qtr. to Sept. 30	29,084,782	(1,483,031)	--
1970-qtr. to Sept. 30	31,718,321	(1,744,709)	--
Technical Operations			
1971-year to Sept. 30	9,275,000	(1,612,000) ^f	--
1970-year to Sept. 30 ^c	11,728,000	(1,701,000) ^a	--
Tenna			
1971-qtr. to Sept. 30	8,655,585	441,005	.15
1970-qtr. to Sept. 30	8,700,944	500,335	.17
Terminal-Hudson			
1971-9 mo. to Sept. 30	11,813,000	200,250	.15
1970-9 mo. to Sept. 30	12,791,000	183,621	.14
1971-qtr. to Sept. 30	5,053,000	59,913	.04
1970-qtr. to Sept. 30	3,675,000	671	--
Vikoa			
1971-9 mo. to Sept. 30 ^c	9,881,000	(2,656,000) ^f	--
1970-9 mo. to Sept. 30 ^c	10,536,000	(1,886,000) ^f	--
1971-qtr. to Sept. 30 ^c	3,284,000	56,000	.02
1970-qtr. to Sept. 30 ^c	3,048,000	(440,000)	--

Notes: ^aAfter special credit. ^bPro forma. ^cRestated. ^dFrom continuing operations. ^eNo comparable figures available. ^fAfter special charge. ^gBased on 27.8¢ to guildler.

Warwick will shut down for week in 4th quarter to take inventory, instead of first quarter as in past, according to Whirlpool Controller John Hunter, as quoted in Wall Street Journal. Hunter said Whirlpool's 4th-quarter performance won't meet optimistic Wall Street projections, giving as one reason lower incoming 4th quarter orders at Warwick from Sears, as result of switch in Sears' production timing. He forecast, however, that Warwick would be in black next year. Warwick will discontinue furniture production (desks, tables, buffets) at Saginaw, Mich. by year's end, but will remain in furniture.

Consumer electronics prices showed no increases from July to Aug., according to Labor Dept.'s Consumer Price Index. Based on index figure of 100, representing 1967 price, TV sets stood at 99.9 in Aug., unchanged from July, but up 0.4% from Aug. 1970. Table & portable radios, at 98.4, were unchanged from July, down 0.7% from year earlier; tape recorders, 93.6, were down 0.5% from July & 0.3% from year earlier. TV replacement tubes stood at 122.1, drop of 0.1% from July, but up 2.6% from Aug. 1970.

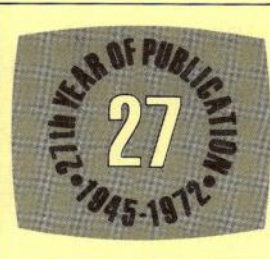
Philco's Rentertainment—now being tested in Greensburg, Pa. (Vol. 11:38 p7, 11:39 p8)—will use independent service technicians if it becomes regular operation, Philco-Ford hinted last week in response to concern expressed by service associations over its TV set rental project. Philco pointed out that it is handling installation & service during experimental period, but has "no intention" of doing so "on a permanent basis."

First technical details of Electro-Voice's universal matrix 4-channel stereo decoder are expected to be revealed Nov. 16 when co-inventor Leonard Feldman addresses AES in N. Y. . . **Pioneer & Toshiba** of Japan have been licensed to produce Dolby Type B cassette recorders. Nippon Columbia said all future recorded cassette releases will be in Dolby format.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NAB HITS RENEWAL BUZZSAW as Tex., Ark. broadcasters attack legislation as 'weak & ineffectual'. Resolution of opposition switched to one of guarded support after lively debate in Dallas. Chapin reveals political fact of life. (P. 1)

CABLE AGREEMENT—THE FOLLOW-UP: Industry reaction generally reflects parties' votes. Leaders to meet in New Orleans for 'informal' efforts to 'clarify' compromise. (P. 2)

CPB APPEALS TO CONGRESS to bail it out of financing dilemma. Macdonald proposes \$575 million for Public Fund, giving CPB discretion in money distribution. OTP calls bill 'unacceptable'. (P. 4)

POLITICS vs. ELECTION REFORM: Senate Democrats vote tax checkoff to finance Presidential elections. Scott calls move 'scandalous', predicts Nixon veto. House delays spending bill debate until Nov. 30. (P. 4)

MEDIA REAP 'DISTRUST, DESPAIR', Asst. Secy. of State tells BPA in Seattle. Promotion men attack CATV. (P. 5)

INCIDENTS OF NEWS FAKERY 'are getting worse', House subcommittee spokesman tells us following 2nd L. A. news probe. Staggers committee mapping strategy, may hold hearing soon. (P. 6)

NAB HITS TEX. RENEWAL BUZZSAW: Unexpected & vociferous opposition to NAB's license bill (Vol. 11:45 p2) erupted in Dallas Nov. 17 at final fall conference. Nearly dozen Tex. & Ark. broadcasters rose to blast bill as too weak and accomplishing little or nothing. However, by close of day, a semblance of unity had been restored, and Tex. Assn. of Bcstrs. promised to support NAB efforts.

Eruption came immediately after Mark Evans, chmn. of NAB's Renewal Task Force who was winding up tour of 10 cities during which he spoke to broadcasters from 34 states, made an evangelistic pitch for support of NAB position. TAB Pres. Thomas Whitehead got floor next to read resolution adopted previous day, opposing bill as "inadequate, unsuitable, weak & ineffectual."

Ark. had adopted similar resolution earlier, and both states wanted NAB to support bill sponsored by Rep. Broyhill (R-N. C.)—which prohibits comparative hearing unless Commission finds renewal applicant hasn't served public interest. NAB Pres. Wasilewski, Chmn. Chapin, Evans and NAB staff executives maintained that industry was going in with strongest bill it

Consumer Electronics

TV IMPORT RELIEF BID REJECTED by Tariff Commission. In surprising 5-1 vote, panel rules industry not injured by concession-generated increase in TV imports. Foreign & domestic producers hold comment pending release of full report. Matsushita loses in Customs Court; dock strike spreads. (P. 7)

TAPE PLAYERS BOUNCED BACK in Detroit during 1971 model year, survey of big 4 auto makers shows. Factory player installations at 289,000, up 17% from 1970 model year to new record. GM player sales jumped 50%, Chrysler installations off sharply. (P. 8)

RCA CORPORATE MARKETING dept. bullish on VTR. RCA system, claimed to be cheaper & more reliable than others, will be shown to manufacturers soon in hopes of establishing standard. RCA taking 'another look' at CATV equipment field. (P. 9)

SYLVANIA WORKERS REJECT 'final proposal' to keep plant in Batavia; spokesman says TV output will be moved to N. C. GE starting phaseout of Utica operations, closing last large-scale radio plant in U.S. by June. (P. 10)

HOME PROJECTION TV still in works at Advent, with 4.5-x-6-ft. picture from system which could be sold for less than \$1,000. Initial model, at about \$2,500, scheduled for next year. Arthur D. Little handling licensing. (P. 11)

could possibly get through Congress. Support of Broyhill bill "would bring automatic & immediate opposition. . . and charges of racism," Evans said.

Answering question concerning protection licensees will get from NAB bill (which provides for renewal in competitive hearing if licensee can show his programming "has been attuned to meeting the needs & interests of its area"), Exec. Vp Paul Comstock predicted there will be "practically no" competing applications and "virtually every broadcaster in the country will be home free." He said it would be "a very destructive force" for Tex. & Ark. groups to oppose NAB in Congress. Added Wasilewski:

"If we go in with only the Broyhill bill, the chances of our getting a hearing are very, very remote. . . The committee chairmen are against the Broyhill bill. . . I've been running around up there [Congress] a lot testifying." Asked what NAB had been doing to get hearing on its bill, Chapin said: "We didn't have [House Communications Subcommittee Chmn.] Torby Macdonald to Las Vegas [fall conference] because we like the way he parts his hair. We spent a lot of time with Torby Macdonald in Las Vegas."

Evans said he had "personal commitments" from Senate Commerce Committee Chmn. Magnuson (D-Wash.) & Communications Subcommittee Chmn. Pastore (D-R.I.) to hold hearing on renewal bill if NAB could garner support of FCC Chmn. Burch & OTP Dir. Clay T. Whitehead. Former should be no problem, since NAB language essentially was drafted by Burch. And it's known several members of NAB Board placed considerable weight on hope of obtaining positive White House attitude on renewals in return for approving CATV compromise (Vol. 11:46 p1).

There was much criticism of NAB from floor for allegedly adopting renewal stance without consulting station members & state associations. Vann Kennedy, KZTV Corpus Christi, urged NAB Board "to go back into session again." Instead, TAB Board had another meeting, adopted new resolution to "endorse & support efforts of NAB to secure suitable license renewal bill." At week's end, NAB was trying to come up with new language incorporating some of Tex. & Ark. points and at same time forestalling "racist" charge.

Speaking at lunch in Dallas on CATV agreement (see p. 5), OTP Dir. Whitehead was asked what chance Pastore bill (pushed hard in Congress 2 years ago and very similar to Broyhill bill) would have in Congress, and he said: "There's no possibility of reviving the Pastore bill." Wasilewski brought hearty laughter when he quipped: "We sure could have used you during a little discussion this morning." Afternoon panelist Wallace Johnson, FCC Bcst. Bureau chief, said he was "puzzled" that broadcasters didn't ask Whitehead more questions. "You missed a great opportunity." On renewals, he said "the good broadcaster has nothing to fear," but Commission always will keep open avenue to petitions to deny and to competing applications.

Last week's closing conferences drew 283 in Denver, 262 in Dallas—bringing total for all 6 to 1,718, compared with 1,610 in 1970. NAB Exec. Committee reactivated 5-man group to evaluate fall tour, decided to hold future conferences on Tues. & Thur., deleting Mon. & Fri. which often caused weekend travel. Committee also was told to consider Washington, San Antonio & St. Louis as 1972-73 sites—in addition to six 1971 cities.

Exec. Committee also has instructed Secy.-Treas. Everett Revercomb to investigate Las Vegas, New Orleans & Miami as sites for 1975-77 conventions. Recommendations will be made at Jan. Board meeting. Convention shifts from Chicago-Washington axis in 1974 move to Houston.

CABLE AGREEMENT—THE FOLLOW-UP: Aftermath of last week's CATV compromise (Vol. 11:46 p1) is about same as atmosphere surrounding agreement itself—general approval, with minority dissents. Both NAB TV Vp A. Louis Read and NCTA Chmn. John Gwin reported good reactions—though Read noted that Rocky Mountain Bcstrs. Assn. (representing smaller telecasters) is unhappy, and Gwin reported that George Barco, of Meadville, Pa. (smaller cablemen) remains dissatisfied.

Leaders of industry factions, meanwhile, are to meet in New Orleans Nov. 24 for "informal" session to seek "clarification" of compromise. Parties say there's no intention of changing basic agreement, but, as one put it: "If there are some changes that can be made, inconsequential to one group but helpful to the other, we want to explore them." In addition to Read & Gwin, fol-

lowing are expected to attend: Vincent Wasilewski, NAB; Jack Harris, MST; Bruce Lovett, ATC; Alfred Stern, TVC; David Horowitz & Gerald Phillips, copyright owners. Actually, OTP Dir. Clay T. Whitehead had tried to get principals together for such discussion last week, but Gwin, for one, demurred, saying NCTA Board had made decision, and he couldn't "negotiate" further. However, OTP then dropped out, and parties decided there may be some value in informal confab. To punctuate that, groups' attorneys are being left home, principals said.

Rocky Mountain group's Pres. Robert E. Kreuger, KTVB Boise, issued statement: "The small market radio & TV broadcaster was sold down the river by the Whitehead CATV compromise," and he cited the factors affecting small markets mentioned by Wasilewski in his letter to Whitehead (Vol. 11:46 p2).

(Note: At Nov. 10 meeting in Las Vegas when NAB Board approved CATV compromise, CBS's new TV Dir. Richard Jencks argued mightily against approval. He said NAB has given up too easily on CBS copyright suit against TelePrompTer, which was tried month ago, and expressed great confidence that CBS would win. He said suit was brought to assist stations, not network, and that if CBS is winner then CATV operators will be running to Congress for legislation with a very poor bargaining position. He also didn't like pressure from White House. Many directors said motivating factor in their reluctant "yes" votes was hope of currying favor from Administration in license renewal fight [see p. 1]. Although Jencks argued against agreement, he and CBS Radio Dir. Sherril Taylor abstained.)

FCC CATV Bureau is working on specific rules, with issuance by year end still goal—effectiveness Feb. or March. Incidentally, OTP & FCC, right after compromise was voted, asked industry groups to have their attorneys submit proposed Commission rules. All said "no, thank you," fearing endless hassle, so FCC is doing the job. Among other cable developments:

(1) Whitehead advised Sen. Pastore (D-R.I.) & Rep. Staggers (D-W.Va.) of compromise, said it will enable CATV to grow. But he said, other aspects of broadband technology should receive congressional guidance: Federal preemption, FCC role in programming, channel usage, new services, etc.

Discussing cable programming at NAB regional meeting in Dallas, Whitehead asked: "But where's the programming going to come from? What incentives are we going to use to encourage new program sources? Will the availability of many channels simply illuminate the scarcity of attractive programs or will it spur the development of programs of a kind not feasible today? These are the appropriate questions government can ask about programs—not how can we manipulate each station's or cable system's programming, but how can we encourage program diversity and choice so we won't have to manipulate content."

(2) Mass. Gov. Sargent is about to sign CATV-regulation law, which is described as compromise between too-restrictive & too-lenient bills. In Wis., Govt. Lucey has appointed 53-member commission to study cable. (3) Congress has passed bill extending current copyright protection another year, providing time for general revision, including cable provisions.

N. Y. IRTS debate included these comments from FCC Comr. Nicholas Johnson & CBS Washington Vp Richard Jencks: Johnson—"Favors experiment in de-regulation of radio..." "The business community & broadcasters are aligned against free enterprise" by opposing fairness doctrine, access & CATV... Every President "would like to run the medium as a proprietary arm of the White House." Jencks—"Public broadcasting can't be as independent as commercial." It's important for commercial broadcaster to continue as vigorous critic of govt... CATV compromise "sets a rather sheltered basis for CATV"... Regarding fairness doctrine, "we must get away from the situation where the D. C. Appeals Court is the ultimate journalistic editor"... Prime-time rule has been "almost a total failure in terms of the FCC's objectives."

FCC decision on Viacom spinoff from CBS was approved by 9th Circuit Appeals Court which dissolved its June 4 stay (Vol. 11:23 p4). Judges Weick, Browning & Eugene A. Wright, in decision by Wright, said FCC "made a reasonable interpretation of its regulations, supported by substantial evidence... We defer to the Commission's interpretation." FCC decision had been appealed by Marino Iacopi, et al., minority stockholders in San Francisco cable system which had been controlled by CBS. Still pending is Iacopi's district court appeal against CBS, alleging securities & antitrust violations, breach of fiduciary duty, etc.

Justice Dept. has reversed itself, no longer opposes legislation permitting TV-radio advertising of lotteries in states where they are legal.

CPB APPEALS TO CONGRESS: CPB, under increasing attack from Administration over its role in public broadcasting, is going to work on Congress, getting key Democrats to introduce financing legislation more to its liking. Latest move came last week from House Communications Subcommittee Chmn. Macdonald (D-Mass.), who claimed that public TV must be "insulated against this Administration's intimidation" and introduced 5-year financing bill establishing Public Broadcasting Fund maintained by \$575 million in federal appropriations.

Legislation was written by CPB and hailed by Pres. John Macy as "a great step forward." But OTP labeled bill "unacceptable," indicated it would oppose it on Hill. Earlier, Corporation received agreement from Senate Commerce Committee Chmn. Magnuson (D-Wash.) and Communications Subcommittee Chmn. Pastore (D-R.I.) to sponsor "stop-gap" bill extending CPB funding at present \$35 million level through June 30, 1973 (Vol. 11:45 p3). Thinking is that if Macdonald bill gets hung up in Congress next year, CPB could fall back on Senate bill.

Latest congressional action is directed at OTP, which hasn't been able to work out funding agreement with CPB. OTP likes idea of Public Broadcasting Fund, although not as much money as Macdonald proposes, also thinks funding bill should include section on facilities program, which Macdonald's doesn't. But real bone of contention between CPB & OTP is in distribution of federal funds. OTP thinks bill should specify that money goes directly to stations, bypassing CPB. Macdonald & CPB strongly disagree. "The Corporation must be free in its decision-making responsibility," Macdonald said. He expects to schedule hearing on bill early next year.

Here's how Macdonald bill works: Appropriates \$65 million for Fund in 1973, \$90 million in 1974, \$120 million in 1975, \$140 million in 1976, \$160 million in 1977. Each year, CPB would receive base grant from Fund of \$35 million in 1973, \$40 million in 1974 and \$50 million in each of next 3 years. Remaining money in Fund is for matching purposes. Govt. will match 1/2 of all non-federal contributions to "public broadcasting" (not just CPB) to extent of money available in Fund that year.

Bill also stipulates that not less than 30% of total received by Corporation from Fund each year shall be distributed to local broadcasters. Their eligibility standards "shall be established by the Corporation after consultation with representatives of public broadcasting organizations."

FCC Comr. Johnson believes complainants in Sec. 315 & fairness doctrine cases aren't being fully informed of their rights, and he wants Commission to do something about it. He's unhappy that rulings of Complaints & Compliance Div. which deny complaints don't inform losing party that they have 30 days to ask Commission for reconsideration. He asked that complainants' rights be spelled out in each staff decision.

Capital Cities Bestg. is buying daily trade publication American Metal Market and monthly Metal-Center News for unannounced sum.

POLITICS vs. ELECTION REFORM: Republicans are fighting tooth-&-nail against Democratic-supported campaign spending legislation. In Senate, Democrats have attached Presidential campaign fund provision to Administration's billion dollar tax-cut bill. Sponsored by Sen. Pastore (D-R.I.), rider allows each taxpayer to indicate on tax return whether he wants \$1 of his payment diverted to political fund for Presidential candidates. This could give each nominee \$20.4 million, less to minor-party candidates.

"In my 20 years in Congress, I have never seen a worse political grab than this," Minority Leader Scott (Pa.) fumed. "It's outrageous, it's scandalous, it's indefensible, and I will vote against it." But Democrats mustered enough votes (49-46) to block GOP motion to strike proviso from tax bill. Scott promptly predicted Nixon would veto it. Democrats, however, argued that when combined with bill Senate has passed (Vol. 11:32 p6), it would reduce candidate's dependence on wealthy corporations.

House Republicans were having own problems with spending legislation. Faced with threat of filibuster by Republican quorum calls, House leaders postponed further action on legislation until Nov. 30. GOP is trying to build support for Senate version which combines spending ceiling with strict disclosure provisions. They oppose separate bills reported out by Commerce & Administration Committees. "This whole mess is so squirrely that anything could happen," GOP observer told us. "But if they can report out the Senate version and it hasn't been butchered up too much by amendments" then it has good chance of passage before adjournment.

Videocassette joint venture TEAC Video Corp., was announced last week by Sony (51%) & TEAC (49%) to manufacture magnetic video recording equipment. At outset, new company will make 10,000 Sony brand color videocassette players annually. Firm is capitalized at about \$1.2 million, with Sony Pres. Akio Morita as chmn., TEAC Pres. Katsuma Tani as pres. It's not known whether new firm will also sell equipment under TEAC brand. Meanwhile, Mitsubishi announced EVR player for Japanese market at about \$850, somewhat higher than Hitachi's (Vol. 11:44 p9), with player-monitor (20V") combination \$1,400, or \$50 per month on 3-year lease. Mitsubishi says it will fill 1,000 export orders this year, produce 10,000 EVR players in 1972.

Broadcast of regulatory agency proceedings is recommended by a committee of Administrative Conference of the U.S. for discussion at plenary session Dec. 6-7. Excluded would be adjudicatory proceedings "in which individual past culpable conduct or other aspect of personal life is a primary subject... and the person in question objects to coverage." Also on agenda is recommendation of greater public participation in agency proceedings—including appointment of agency personnel to help.

Proposed 4% advertising tax on Washington media to help finance D.C. govt. (Vol. 11:45 p5) was killed by House. In Senate, meanwhile, Banking Committee rejected NAB proposal to exempt all news media from Phase II of price controls.

MEDIA REAP 'DISTRUST,' 'DESPAIR': Public doubt & distrust of mass media & govt. is growing, Asst. Secy. of State John Richardson told BPA convention in Seattle last week. In fact, he said, "mass media have helped to produce disillusion, distrust & even despair as we have allowed ourselves to fall, first for too many rosy dreams and then later for too many alleged disasters."

Substituting for White House Communications Dir. Herbert Klein (in South America), Richardson said TV & radio have presented "the appearance of more division & discord than has actually occurred and the actual occurrence of more division & discord than was at all necessary." This has resulted, he implied, in public becoming "frustrated & angry" and searching for individuals & institutions to blame.

BPA's poorly-attended meeting (registration of about 270 was down over 100 from Houston year ago), featured: (1) Sharp attack on CATV by promotion men. (2) Warnings that consumer movement will have substantial impact on TV. (3) Disagreement between seers on how much new technology will change TV. (4) Actual taping of spots promoting TV viewing by Arthur Hill of ABC's "Owen Marshall" and David Hartman from NBC's "Bold Ones." In 30-sec. spots, to be sent to stations, they asked: "What has TV done for you? Keep watching, it'll come to you."

Many from audience disputed Cox Cable's G. L. Davenport when he said that "the fears of the broadcaster are unfounded when they worry about cable." Promotion men were worried about audience fragmentation, non-payment for programs, exclusivity, loss of advertisers. Xenophon Mitchell, TelePrompTer, said cable will attract only "the nitty-gritty" local advertiser who doesn't use TV. Panel got this question from floor: "Could somebody comment very briefly on what kind of federal regulation there is for cable TV?" No answer was given, since nobody on panel had seen recent compromise agreement (see p. 2).

Harrison Wellford, an original Nader's Raider, said consumer crusade is made up of "studious, cautious, salvage men... of the capitalistic system." He questioned safety of many products advertised on TV, said "the consumer should be given the facts to decide his own risks." Senate Commerce Committee Chief Counsel Michael Pertschuk gave tongue-in-cheek address: "You broadcasters certainly carry off the trophy as the most radical of all. You entered our homes by stealth, sat down in our living rooms, seized hold of our children's minds and virtually supplanted all traditional sources of knowledge & wisdom... Consumerism is nothing more than a 100% red, white & blue reaction to business radicalism." In answer to question, he said new National Advertising Review Board "is the right response at the right time but it must be able to make hard & unpleasant decisions and make them stick." AAF Pres. Howard Bell explained function of NARB, attempted to shoot down what he described as 10 misconceptions about consumerism & business. "The consumer movement is not a new phenomenon and it won't go away," he said. "It is really a social revolution."

TelePrompTer developments: (1) In Dallas, in suit brought by stockholder Charles W. Weisenburg, Federal Dist. Court Judge Robert M. Hill ordered TPT to show cause why it shouldn't be prevented from distributing "false & misleading" proxy material. Complaint charges TPT failed to advise stockholders that line of credit has been impaired by Chmn. Irving Kahn's conviction for bribery & resignation and that TPT hasn't reported that Kahn no longer has right to vote Hughes Aircraft stock. (2) TPT changed annual meeting from Nov. 24 to Nov. 30 (Kahn is due to be sentenced latter date). (3) Jack Kent Cooke, 16% stockholder, said his slate of directors in proxy fight will include E. William Henry, Management TV Systems; Charles Luckman, Ogden Development; Michael Roth, N.Y. attorney. (Former FCC Chmn. Henry had been prepared to appear as Kahn character witness if Kahn testified, but Kahn didn't take stand.) (4) In lawsuit, L.A. stockholder William D. Lawry charged that Kahn will continue with \$200,000 salary, yacht, apartment, limousine.

Court clobbered FCC again last week, and again, decision was written by Judge J. Skelly Wright. Speaking for himself and Judges Tamm & Robinson, Wright said Commission erred last year in ordering CBS to give GOP time to answer Democrats' answer to Nixon's addresses on Vietnam (Vol. 10:33 p1). FCC had said that CBS must give the GOP another access because Democrats had strayed beyond Vietnam issues when attacking Nixon policies. Wright said Commission failed to consider TV appearances by Nixon in addition to 5 specific addresses on Vietnam—such as press conferences and appearances by Nixon spokesmen. FCC's rejection of press conferences, etc., Wright said, "not only blinks reality; it is directly contrary to the Commission's treatment of press conferences in the past." Said he: "The Commission's handling of this case does not mark its finest hour. Put to the test under pressure it waffled." In concurring opinion, Tamm said FCC "has outdone itself by giving 4 reasons for its action—albeit different reasons at each step... This court will not be made a party to the type of sham proceeding the FCC has attempted to create..." He concluded that FCC "has taken a political role of interference..."

NAB thinks it has caught FCC with its bureaucracy showing. On Nov. 9, Commission ruled that individual didn't have to identify himself when asking station for its public file. NAB sent attorney William Koplovitz to FCC's public reference room to ask for "WMAL-TV" file. When he refused to give his name, FCC official refused to give him file. So, NAB has asked Commission to reconsider its order and permit stations to obtain name & affiliation of those checking files. "It would be reasonable to expect the Commission to require that each licensee adhere to the same procedure in dealing with the public and in granting them access to the station's records as the Commission does in its office in Washington, D.C.," NAB said.

Laser Link has received 10-claim patent for multi-channel microwave system.

Personals

NBC Pres. **Julian Goodman** will receive IRTS 1972 Gold Medal Award at March 9 anniversary banquet, Waldorf-Astoria, N.Y.; **Weston Harris** promoted to programs vp, NBC-TV Stations Div.

Charles Brakefield, WREC-TV Memphis, elected chmn. of CBS-TV Affiliates' Board, succeeding **Ves Box**, KDFW-TV Dallas; **Edwin Pfeiffer**, WPRI-TV Providence, succeeds Brakefield as secy.

E. Boyd Seghers, WGN-TV-AM Chicago, elected BPA pres., succeeding **A. Richard Robertson**, KRON-TV San Francisco; other officers: **Calo O. Mahlock**, WKJG-TV Ft. Wayne, pres.-elect; **K.C. Strange**, WFBM-TV-AM-FM Indianapolis, vp; **Maury A. Midlo**, WDSU-TV New Orleans, secy.; **L.C. (Babs) Pitts**, CFCF-TV Montreal, treas.

John Haberlan elected pres., WESH-TV Daytona Beach-Orlando; **Walter Strouse**, vp-mgr., elected a dir. . . **Ralph MacFarland** promoted to station relations vp, Hughes TV Network; **Jack Beebe** elevated to regional mgr.

John Serrao, ex-United Artist broadcast pres., named asst. gen. mgr., KTLA L.A., succeeding **Hal Dasbach**, resigned. . . **Joel Heller** promoted to exec. producer of children's broadcasts, CBS News.

Charles Moyer, ex-WIIC-TV Pittsburgh, named program dir., WAVY-TV Portsmouth-Norfolk-Newport News. . . **Vic Skaggs**, ex-WIIC-TV Pittsburgh, named program mgr., KTV St. Louis. . . **John Nagle** elevated to gen. sales mgr., KWGN-TV Denver. . . **Norris Reichel**, ex-WNEM-TV Bay City-Saginaw-Flint, appointed gen. sales mgr., KPHO-TV Phoenix. . . **Eugene Klumpp** elevated to operations mgr., WBEN-TV Buffalo.

George Hoover leaves own PR agency to become Group W information services dir. . . **Ruth Ross** elevated to research vp, WOR-TV N.Y. . . **Rodney Ford** elevated to editorial services dir., WAVE-TV-AM Louisville; **Roy Meyer**, ex-WSPD-TV Toledo, succeeds Ford as news dir.

Thomas Whitehead, KWHI(AM) Bremen, elected pres. of Tex. Assn. of Bctrs., succeeding **Michael McKinnon**, KIII-TV Corpus Christi. . . **Walter May**, WPKE(AM) Pikesville, elected Ky. Bctrs. Assn. pres., replacing **Robert Doll**, WFKY(AM) Frankfort.

Cable information service, being established in Washington to aid cities and other groups with franchise data, etc.—funded for 5 years at \$1 million yearly by Ford Foundation—is due to start soon. Service has awaited appointment of head. It's understood that leading candidate is Bowman Cutter, young Chicago attorney who is asst. to Ben Heineman, head of Northwest Industries.

Lamb Communications has bought KFBC-TV Cheyenne (plus KSTF Scottsbluff, Neb. & KTVS Sterling, Colo.) from McCracken family's Frontier Bcstg., in divestiture ordered by FCC. McCrackens will keep KFBC-AM-FM and Cheyenne cable system, to be headed by Frontier Exec. Vp William Grove. Price wasn't disclosed, but is reportedly about \$3 million. Broker: Blackburn & Co.

Incidents of news fakery "aren't becoming fewer, in fact they are getting worse," House Investigations Subcommittee spokesman told us following recent trip to L.A. by Acting Chief Counsel Daniel Manelli and staff attorneys James Broder & Mark Raabe to investigate incidents. "We tried to get as much information as possible without making a federal case out of it. . . There was no compulsion involved" in talking with network employees, he said. Last Aug., Broder questioned cameramen, soundmen, film editors & correspondents in L.A., most of them from CBS, about alleged news deception (Vol. 11:32 p4). Networks reacted then by accusing Chmn. Staggers (D-W.Va.) of harassment following House rejection of his contempt motion against CBS & its Pres. Frank Stanton (Vol. 11:29 p1). Following month in L.A., CBS suspended one correspondent and demoted bureau chief (Vol. 11:38 p5). Issue has been simmering on back burner ever since, but latest trip by Subcommittee investigators may indicate that Staggers is preparing to go ahead with public hearing into incidents of alleged news deception. "This was the original concept before the Subcommittee got sidetracked with the CBS-contempt issue," spokesman said. "The result has been a temporary holding action." Subcommittee, meanwhile, is expected to meet soon informally, discuss latest findings which spokesman it declined to identify.

Attacks on broadcast news which "reached prominence with Vice President Agnew in 1969 continue to increase," SDX Freedom of Information Committee reported at close of national convention in Washington. Written by CBS Washington Bureau Chief William Small, report continued: "The hostility toward broadcasters by elected & appointed officials becomes more verbal and, in terms of the Congress, threatens future actions to inhibit & harass full news coverage on the air." In N.Y., 20th Century Fund Task Force issued report "Press Freedom Under Pressure" which roundly condemned use of police undercover agents posing as reporters and employing journalists as paid informants. Panel also called for broad legal shields to protect newsmen, and in divided opinion majority favored privilege that would keep reporters free from entering grand jury room if it would damage their news gathering capacity. Even then, according to majority, prosecutor would have to show compelling need for such testimony. Majority also recommended that laws specify which crimes would require journalists' testimony. Discussing broadcast journalism, particularly CBS documentary "Selling of the Pentagon," panel recommended that "a group of experts undertake a careful study of these problems."

Film Society of Lincoln Center (N.Y.) is presenting "Retrospective of CBS News Broadcasts" Nov. 29-Dec. 4. Many famous & controversial CBS documentaries produced between 1952-71 will be shown. Twice-a-day screenings are planned, and each afternoon session will be followed by panel discussion. For schedule, write Library & Museum of the Performing Arts, Lincoln Center, 111 Amsterdam Ave., N.Y.

Rep appointments: KXTV Sacramento & WISH-TV Indianapolis switch from Blair TV to TeleRep.

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Nov. 5 (44th week of 1971):

	Oct. 30- Nov. 5	1970 week	% change	Oct. 23-29	1971 to date	1970 to date	% change
Total TV.	253,520	236,645	7.1	312,060	8,862,197	7,617,058	16.3
color.	153,847	122,427	25.7	178,263	4,870,072	3,887,010	25.3
monochrome.	99,673	114,218	-12.7	133,797	3,992,125	3,730,048	7.0
Total radio.	372,956	289,421	28.9	611,722	15,907,576	13,468,391	18.1
home, portable.	172,325	163,368	5.5	384,124	7,103,378	6,509,915	9.1
AM-only.	81,662	89,937	- 9.2	234,619	3,983,792	3,966,348	0.4
FM & FM-AM.	90,663	73,431	23.5	149,505	3,119,586	2,543,567	22.6
auto.	200,631	126,053	59.2	227,598	8,804,198	6,958,476	26.5
Total phono.	91,752	110,672	-17.1	183,693	3,455,816	3,153,807	9.6
portable-table.	69,100	90,844	-23.9	154,391	2,679,599	2,286,351	17.2
console.	22,652	19,828	14.2	29,302	776,217	867,456	-10.5

Color TV 5-week moving average: 1971-159,114; 1970-130,034 (up 22.4%)

TARIFF REJECTS IMPORT RELIEF FOR TV INDUSTRY: By unexpectedly lopsided 5-1 vote, Tariff Commission at last week's end rejected union-originated bid to impose quotas or higher tariffs on TV imports, drawing restrained expressions of pleasure from Japanese and claim of "politics" from domestic producers.

In other developments last week, Matsushita lost first round in court battle to have TV dumping decision overturned, dock strike spread to new ports as union & management officials met in Miami Beach negotiations and IUE began to seek support for anti-import legislation.

Lone dissenter from Tariff verdict was, not surprisingly, Comr. Moore, who has consistently voted in favor of granting relief in past import adjustment assistance cases. Negative votes of Comrs. Leonard & Sutton similarly were no surprise. Big question marks had surrounded views of Chmn. Bedell, Vice Chmn. Parker & Comr. Young, all of whom were appointed this year, have no long-term voting records.

Full impact of decision can't be determined until issuance of complete findings report, expected this week. Verdict itself only indicates conclusion by majority that duty rate reductions and other concessions granted by U.S. trade negotiators over past years are not "in major part" responsible for any increase in imports which threaten "serious injury" to U.S. industry.

Big question now is whether other members agreed with Moore's finding that industry is indeed suffering serious injury from growing TV imports, but simply could not attribute that growth directly to trade concessions. It's understood that report will cover unprecedented 100 pages, every commissioner having added written opinion on case. Opinions, we're informed, cover all aspects of domestic industry's problems, including assessment on effect of Japanese TV dumping, overseas assembly by U.S. producers and growth of small-screen TV market have had on manufacturers here.

Uncertainty over injury finding caused Japanese to mask obvious pleasure behind "no comment." EIA-J officials in Tokyo said no statement would be made until report could be evaluated. Similar "no comments" came from EIA and available industry leaders here. All are aware that issue is far from dead if at least 3 commissioners have found that imports do threaten future of domestic TV production. Such a finding would lend strong support to claim that present laws simply don't offer adequate protection to domestic producers & workers from complete market

loss to low-wage imports, and provide dramatic evidence of need for new avenues of import relief, such as quotas.

Political considerations were deciding factor in vote, charged one industry spokesman, who expressed belief that Administration pressure was brought to bear on Commission. He indicated that govt. officials didn't want positive injury finding & resulting import restrictions for fear that such a move would jeopardize world currency & trade-policy reforms being sought by Nixon. Complaint of political interference in Commission ruling was made earlier in week by Comr. Leonard. In open letter to Nixon, he said Bedell & Parker illegally changed votes in an adjustment-assistance case. Switches, he indicated, were in response to calls from a senator.

Matsushita's legal loss came in N.Y. Customs Court where Judge Rao dismissed its challenge of procedures followed by Treasury Dept. & Tariff Commission during TV dumping investigation. Rao ruled, in effect, that Matsushita couldn't bring case to court until dumping duties were actually assessed on its TV sets. Matsushita is expected to appeal. Similar attack on dumping procedures was carried unsuccessfully through federal courts to Supreme Court by J. C. Penney.

Import-hindering dock strike situation worsened last week as West Gulf longshoremen walked off jobs. Although workers at about 10 ports from Maine to Tex. were under court order to return to work, only 5 or 6 are actually open, and those are operating slowly, as are reopened West Coast ports. Also, St. Lawrence Seaway authorities have warned ship owners that freighters may enter system only at own risk. Some 240 ships, about double normal number, are in Seaway. Officials said Seaway is scheduled to close for winter Dec. 12, and any ships entering now face possibility of becoming icebound until spring.

IUE is launching nationwide campaign in support of Hartke-Burke bill (S-2592 & HR-10914), which would establish import quotas to protect import-threatened industries, limit foreign sale of U.S. technology and repeal Tariff Schedule Sec. 807 which exempts U.S. content of imports from duty. Local unions will circulate petitions in support of bill under banner "Save Our Jobs." IUE caravan will tour nation early next year to pick up petitions for submission to Congress. At same time, pressure will be brought on state legislatures to pass resolutions in support of import-restrictive legislation.

STEREO TAPE BOUNCES BACK IN DETROIT: Best year yet for auto stereo tape installations was logged by Detroit's big 4 car makers in 1971 model year, according to our own survey which shows factory installations up 17% from 1970, passing 1969 record. Model year normally starts in mid-Sept.

Automotive OEMs installed nearly 289,000 tape units in 7.2 million cars produced in 1971 model year, giving tape 4% new-car rate. In 1970 & 1969, when 7.6 million & 8.4 million cars were manufactured, respectively, penetration was 3.3%. Despite increase in popularity, tape still ranks well down on list of options, according to Ward's Automotive Reports, leading only power antennas, which are not offered on most cars.

Virtually all of increase was logged by GM, whose tape installations jumped 50%, and much of gain was by Cadillac, which offered factory tape option for first time. Ford's increase of 16% was large disappointment to tape proponents. Strikes at Ford in 1970 were blamed for sharp 1969-to-1970 declines in installations and strong comeback had been expected in 1971.

Chrysler spokesman attributed 55% slump to greater emphasis on economy by consumers. Decline, he said, was felt in Plymouth & Dodge Divisions, while installations in Imperials held up. Chrysler offered choice of 8-track or cassette as option, and success of cassette may indicate strong challenge to 8-track's dominance in auto field in after-market installations of this coming year and in Detroit by 1973.

Following table was compiled by Television Digest from reports of auto manufacturers. Totals include factory installations only of tape players & radio-tape players, exclude original equipment installations at dealer level:

AUTO OEM TAPE PLAYER INSTALLATIONS BY MODEL YEAR

Manufacturer	1971	1970	1969	1968
General Motors (Total) . . .	197,200	131,100	117,700	103,700
Buick	37,400	22,700	24,300	27,200
Chevrolet	50,800	58,000	41,000	28,000
Oldsmobile	33,800	27,500	27,900	19,500
Pontiac	21,700	22,900	24,500	29,000
Cadillac	53,500	—	—	—
Ford Motor Co. (Total) . . .	63,100	54,500	99,400	59,900
Ford	19,500	14,000	22,100	N.A.
Thunderbird	4,600	7,500	29,600	N.A.
Mercury	13,600	9,300	13,300	N.A.
Mustang	7,600	7,200	12,700	N.A.
Cougar	6,000	4,800	N.A.	N.A.
Lincoln	5,900	6,700	N.A.	N.A.
Mark III	5,900	5,000	N.A.	N.A.
Chrysler Corp. (Total) . . .	27,100	59,600	55,300	15,000
8-track	11,000	59,600	55,300	15,000
Cassette	16,100	—	—	—
American Motors (Total) . .	1,400	2,100	2,100	3,200
GRAND TOTAL	288,800	247,300	274,500	181,800

RCA CORPORATE MARKETING HIGH ON VTR: RCA's corporate marketing organization is giving high priority to videoplayer development—continuing work on holotape SelectaVision while mapping campaign to promote own approach to VTR as industry standard for play-&-record systems.

Company is now very close to demonstrations of its 3/4-in. VTR system to competing manufacturers, we were told last week by Mktg. Vp. James J. Johnson, former IBM executive who now heads RCA's corporate-level marketing policy. "We believe our system has cost pluses which make it better than anyone else's," he said. "If we can't interest the industry, it will mean that someone else has a better approach." In this event, he said, RCA "will work with others, and we'd have no hesitancy to espouse another's system if we believed it to be the best." But he clearly feels this won't happen.

RCA's SelectaVision project, Johnson said, "is not funding-limited. We're moving as fast as we can and pursuing a variety of technologies. We're extremely excited about our approach to VTR in terms of reliability & cost." He sees company's first effort as "definitely" a consumer product, and feels that consumer market will exist with or without software—because of record-it-yourself feature. SelectaVision tape system, Johnson said, can be priced "to have immediate appeal to segments of the consumer market."

There's relatively little really valid market research in video-player field, Johnson added, mainly because product itself doesn't yet exist. RCA plans to be guided by in-home experience of consumers—will manufacture sufficient number of prototypes to place in cross-section of homes, following up with interviews & questionnaires.

Although SelectaVision some day may be product of Consumer Electronics Div., currently it's corporate project. Johnson used this example to explain division of marketing labors between corporate & division levels. "One of our functions is to help the Consumer Electronics Div. get ready for the future," he said. "It's difficult to think about the next 10 years when you're overwhelmed with next Tuesday." Major marketplace decisions are reviewed jointly by corporate marketing & division chiefs. Example was decision to go heavily to solid-state TV, which involved major gamble. Corporate staff also is involved in such product areas as important styling developments.

While corporate marketing executives coordinate efforts of individual divisions, there's some indication these operating units have greater autonomy than in recent past. We asked

Johnson about RCA Records' espousal of discrete 4-channel disc system in conjunction with Japanese manufacturers Panasonic & JVC, to the apparent disinterest of RCA's own Consumer Electronics Div. (Vol. 11:46 p7). At present, there apparently will be no significant move to force RCA Records & CED to hew to same line. "If there's a demand which the division can profitably & acceptably satisfy"—such as matrix disc player—"we will go ahead & satisfy it. Our divisions are in lockstep only when not to do so would be disastrous."

RCA corporate planners are studying CATV very closely. Having once announced entry into equipment field, then getting out, doesn't mean any die is permanently cast. "We are taking another look," Johnson told us, "and looking hard."

SYLVANIA'S ZERO HOUR: Sylvania was making plans to shut down Batavia, N. Y. hq plant at last week's end, according to company spokesman, after IUE local voted overwhelmingly to reject company's "4th & final proposal" for formula to keep production going there. Remaining TV production lines in Batavia, spokesman said, would be moved to Smithfield, N. C., where Sylvania has color TV plant.

Day-shift workers voted 450-18 to turn down proposal after some 80 night employees had reached undisclosed decision. Nearly 1,400 workers would be affected by move. Sylvania had proposed to eliminate some benefits and future scheduled pay increases in order to make Batavia wages more "competitive within the TV industry."

GE revealed timetable for phaseout of Utica, N. Y. manufacturing operations in letter to workers last week. Shutdown program is expected to be complete by June. Virtually all radio production will be discontinued in favor of offshore procurement—including purchase from GE's Singapore facility—while portable phono manufacturing will be consolidated into present Decatur, Ill. operation. Union representative (IAM) told us phaseout will cost 500-700 jobs. He said GE told union consumer electronics activity at Utica will be limited to warehousing & warranty repairs on portable electronics. When GE completes action it will mark end of large-scale home radio production by U.S. industry. In related development, GE gave up attempts to remove radio speakers from strikebound Brooklyn docks. Armed with court order for release of 125-carton shipment (Vol. 11:45 p10), GE officials went to pier, but abandoned effort in face of intransigent attitude of longshoremen and because of difficulties in locating speakers.

Hitachi & Sharp have joined growing ranks of major Japanese manufacturers planning color TV production cutbacks next year. Hitachi said output would be reduced 15% starting next month at plants in Japan & Taiwan. Sharp plans 25-30% cut in first quarter. Matsushita & Toshiba previously revealed plans for 15-20% reduction. In addition to lower export sales, manufacturers are expecting domestic slowdown—color TV household penetration has now hit 50% and there are indications Finance Ministry will double TV commodity tax April 1 to 20% on over-19V" color and b&w sets, boost from present 10% to 15% tax on 12V"-19V" models.

GE TV plant employees in Portsmouth, Va. voted against representation by IUE, 1,810 to 894. IUE lost representation election there in 1969.

RCA FAIR-TRADE IN N. Y.: RCA distributor Bruno-N. Y. last week established fair-trade prices for all 40 RCA solid-state color models in N. Y. & Conn. Bruno RCA Div. Vp-Gen. Mgr. David Schmeer said other RCA products may also be fair-traded. Bruno last year acquired Krich-N. J., which traditionally had fair-traded line in N. J.

Fair-trade prices generally are higher than RCA's "retail guide prices" (suggested lists). Here are N. Y.-Conn. RCA fair-trade prices for selected models, with RCA Consumer Electronics Div.'s retail guide prices in parentheses: 19V" 110-degree table model \$499, remote \$579 (open list); 21V" table \$539 (\$529.95), remote \$599 (\$599.95); 25V" table \$629 (open), remote \$748 (\$719.95); 21V" consolettes \$579 (open); 25V" consolettes \$688 (\$639.95), remote \$788 (\$749-\$759); single-ended consoles \$728 (\$695); compact door consoles \$748 (\$725); double-ended consoles, \$798 (\$795), remote \$898 (\$950); pedestal remote with doors \$948 (\$995); 21V" component combination \$998 (\$1,050); 25V" horizontal combinations \$948 & \$998 (\$895 & \$995); vertical remote combo \$1,550 (\$1,700); horizontal remote combos \$1,700 (\$1,850).

Japan Pioneer's plan for establishing manufacturing operation in U. S. is still in earliest development stage, spokesman for firm's U. S. marketing subsidiary said. He indicated Pioneer was considering speaker assembly facility, similar to one now operating in Italy for Common Market sales. But, he said, no commitments of any kind have been made, noting that Pioneer hasn't even decided whether to go it alone here or seek U. S. partner for possible joint venture.

CBS has licensed Sherwood Labs to produce & market SQ 4-channel stereo disc matrix decoder. Other hardware licensees are Lafayette Radio and Sony, latter being joint developer with CBS of SQ system. Software licensees include CBS Records, Vanguard & Ampex in U. S., CBS-Sony Records in Japan. . . **3M Wollensak** has introduced 4-channel 8-track tape cartridge player intended for hook-up with existing stereo system, at \$119.95.

Matsushita Canada plans to start color TV assembly in 1972, according to Vp Lew Shoskes, who said Canadian-made Panasonic models may be on sale there by Christmas 1972. He indicated that picture tubes, plus some cabinets & components, would be purchased from Canadian manufacturers. Matsushita Puerto Rico has already begun assembly of 21V" color sets—using RCA picture tubes—for sale in U. S. & Canada.

9-MONTH IMPORTS: Shift in emphasis by Taiwan TV exporters from chassis to completely assembled sets is evident in comparison of average import pricing for first 9 months with those of same 1970 period. Prices of large-screen Taiwan TVs have jumped sharply, while smaller TV pricing remained relatively stable, as did prices on sets from other major source countries.

Average price of 11V"-17V" Taiwan color was \$116.36, compared with \$75.38 average in 1970, while average of over-17V" b&w jumped from \$29.36 to \$40.53. Big-screen Taiwan color averaged \$178.94. In contrast, 11V"-17" Taiwan b&w price rose just \$4 to \$45.80, while price on smaller b&w was up about \$1 to \$42. Higher prices reflect increased activity of Japanese (Hitachi, Matsushita) in Taiwan, and fact that U.S. assemblers there (Admiral, Philco-Ford, RCA, Zenith) are using more locally produced TV picture tubes.

Despite unit import declines in 3rd quarter when

U.S. Imports

	Jan.-Sept. 1971		Jan.-Sept. 1970			Jan.-Sept. 1971		Jan.-Sept. 1970	
	Units	\$ Value	Units	\$ Value		Units	\$ Value	Units	\$ Value
Color TV, over 17V"	333,862	59,961,229	244,291	44,525,285	Tr. rad., AM, batt.	6,493,648	22,914,188	7,169,512	24,393,408
Japan.....	312,315	55,885,843	235,677	42,448,501	Japan.....	1,822,143	10,263,607	1,385,163	9,105,276
Taiwan.....	18,030	3,109,057	—	—	Taiwan.....	931,181	2,780,621	770,531	2,669,189
Canada.....	3,492	954,907	8,594	2,069,592	Hong Kong.....	3,513,292	9,143,493	4,478,245	11,279,100
Color TV, 11-17V"	492,114	71,175,164	290,732	39,801,481	Tr. rad., batt., other	8,035,310	88,204,694	9,025,971	94,969,526
Japan.....	455,476	66,882,527	262,587	37,659,305	Japan.....	3,223,999	54,929,756	3,687,133	64,322,037
Taiwan.....	36,156	4,207,389	28,073	2,116,163	Taiwan.....	645,172	6,562,045	1,108,436	8,371,614
Color, 10V" & under.	33,397	4,771,501	109,559	16,191,246	Hong Kong.....	3,916,245	23,684,992	3,719,917	19,734,570
Japan.....	33,393	4,770,151	109,454	16,175,250	Auto radio.....	1,324,668	19,527,027	863,146	14,140,704
B&w, over 17V"	611,727	36,294,371	468,149	25,681,793	Transceiver.....	1,755,317	20,092,623	1,563,461	15,691,709
Japan.....	273,602	16,707,120	229,060	13,835,413	Radio-phonos.....	1,165,843	39,021,740	1,133,131	30,709,570
Taiwan.....	91,721	3,717,508	91,079	2,674,132	Phono-stereo.....	176,993	3,944,525	232,485	4,371,775
Mexico.....	238,900	15,026,807	142,749	8,590,392	Phono-mono.....	79,290	1,220,564	104,097	1,261,139
B&w, 11-17V"	1,446,939	68,492,642	1,295,341	60,423,677	Record changers..	3,370,996	37,727,548	2,715,397	29,216,902
Japan.....	925,437	44,610,974	866,472	40,826,834	United Kingdom..	3,120,446	31,830,740	2,347,617	23,113,730
Taiwan.....	506,061	23,178,896	372,363	15,578,122	West Germany....	178,711	5,372,303	350,134	5,831,208
S. Korea.....	13,500	553,500	—	—	Recorder, AC, stereo, cart.....	248,253	9,744,917	232,898	8,118,485
B&w, 10V" & under.	710,095	33,807,891	807,741	38,404,350	Recorder, AC, stereo, reel.....	267,383	18,053,638	464,967	23,963,395
Japan.....	552,012	27,098,964	652,559	31,971,006	Recorder, AC, mono, cart.....	724,607	14,018,215	781,121	15,363,417
Taiwan.....	156,924	6,590,297	149,393	6,093,570	Recorder, AC, mono, reel.....	164,878	5,349,363	197,624	6,220,516
Clock radio.....	3,057,556	31,086,414	2,457,378	28,290,497	Rcldr., batt., cart.	3,065,324	52,587,658	2,392,823	41,469,732
Japan.....	1,236,346	14,811,760	1,463,663	19,633,615	Rcldr., batt., reel..	219,924	5,311,672	511,810	6,180,661
Taiwan.....	403,808	4,608,607	280,770	2,900,699	Radio-recorder...	953,872	36,935,726	1,018,559	39,916,358
Hong Kong.....	907,394	7,418,316	549,134	4,368,981	Tp. player, auto...	1,875,611	35,207,568	2,058,459	44,700,174
Tr. rad., AM, AC...	771,708	4,370,008	1,034,617	4,808,437	Tp. player, other..	2,090,080	43,828,150	1,714,404	41,691,010
Japan.....	179,391	1,666,641	280,619	2,307,904	Tp. player comb...	1,161,541	46,434,863	697,876	33,133,716
Taiwan.....	91,751	370,808	108,982	423,725	Video recorder....	21,821	5,962,218	16,818	6,112,574
Hong Kong.....	435,281	2,076,418	576,401	1,825,900					
Tr. rad., AC, other	2,312,021	55,331,081	2,916,183	64,136,854					
Japan.....	1,708,181	48,116,642	2,222,287	55,731,293					
Taiwan.....	289,464	4,251,112	309,827	4,115,163					
Hong Kong.....	177,752	1,415,891	273,473	1,930,591					

HOME PROJECTION TV? "This is something which is obvious. It ought to have been done before." So said Advent Corp. Pres. Henry Kloss last week in noting that his company is now working full-speed on project which had been delayed because of its success in hi-fi field—development of home color TV projection system (Vol. 9:21 p11).

Advent has signed agreement with Arthur D. Little Co. for latter to handle licensing of system to other manufacturers, although Advent also plans to produce system on its own. Production is scheduled for 1972, with initial price too high for consumer market—\$2,500—but system "potentially can be sold for less than \$1,000." System gives 4.5-x-6-ft. picture, uses standard 3-tube Schmidt-type optics

West Coast ports were strike-bound, most major consumer electronics classifications closed out 9-month period with totals ahead of those for same 1970 months. Exceptions were home radios, off 8.6% to 22.6 million (though clock radios were up 24.4%) and phonos, down 3.2% to 1.4 million.

Audio tape units climbed 7% to 10.8 million, including 5.6 million recorders (up 0.8%), 5.1 million players (up 14.7%). Cartridge recorders, including those with radio, rose 12.8% to 4.99 million, while open-reel declined 44.5% to 652,000. In players, auto units fell 8.9%, radio combinations soared 66%, others were up 21.9%. Cartridge units accounted for 88% of recorder imports, compared with 79% last year. Among other gainers were auto radios (up 53.5%), transceivers (up 12.3%), record changers (up 24.1%).

Following are U.S. imports of selected consumer electronics for first 9 months, with comparable 1970 results for comparison, from Commerce Dept.:

but has been computer-engineered for application of low-cost entertainment-grade manufacturing techniques to reduce costs.

One of Advent's major contributions to development of low-cost projection system, according to Kloss, has been development of flat high-gain projection screen, using, in effect, 1.6 million mirrors. Initial tooling of screen, in small segments, is now under way. Another advance is capability of operation with no more deflection & scanning power than direct-view 25V" set. Advent has been demonstrating developmental model to some manufacturers.

Advent, meanwhile, has moved into new 113,000-sq.-ft. hq at 195 Albany St., Cambridge, Mass.

COLOR'S BEST SELLERS: New NARDA service, byproduct of its computerized market data program, lists each manufacturer's best-selling products, based on reports by retailers. NARDA released its Sept. "Hotsheet" of color TV models recently, showing what's selling best at NARDA members' stores among 12 brands.

We've combined NARDA's information with some of our own data (type of model, last announced suggested list price). NARDA's table gives make, model, percentage of individual manufacturers' unit sales accounted for by that model in reporting stores, percentage of dollar volume, average selling price. Here are Sept.'s color best sellers:

Admiral 5L5158 (25V" console, open list), 11.5% of units & 13.9% of dollar volume, average selling price \$517.65. GE WM264 (18V", list about \$329.95), 8.9% (units) & 7.3% dollars, average price \$306.98. Magnavox C7186 (25V" console, \$699.95), 3.5% & 4.2%, average price \$624.30. MGA CH141 (14V", fair trade \$289.95), 22.9% & 18%, average \$245.44. Motorola WP572 (18V" promotional at \$369.95), 13.5% & 10.7%, average \$371.21. Packard Bell 20954WL (25V" console, \$589.95), 53.6% & 52.7%, average \$484.27. Panasonic CT97P (18V", minimum retail \$359.95), 19.4% & 20.5%, average \$353.82. Philco-Ford C4561 (18V", about \$379.95), 8.5% & 6.2%, average \$327.05. RCA EQ405W (18V", open list, about \$379.95), 3.8% & 2.7%, average \$351.08. Sony KV1710 (17V", fair trade \$399.95), 36.4% & 41.5%, average \$396.26. Sylvania CL862P (25V", closeout, recently \$599.95), 7% & 9.1%, average \$651.77. Zenith C3910W (18V", about \$359.95), 5.6% & 3.8%, average \$339.78.

Trade Personals

Ralph Spang, Zenith senior vp-treas., named pres. of Zenith Credit Corp., newly formed dealer financing subsidiary; **John Nevin**, Zenith pres., elected vice chmn., Council of Better Business Bureaus... **James O'Toole**, Admiral controller, adds post of secy., succeeding late **Jordon Listick**... **Charles B. Ryan**, MPI Industries pres., retires to devote time to personal projects, including development in Miss. industrial.

John Kearney promoted from Harman-Kardon sales administrator to national sales mgr.; **Steve Phillips** named asst. to Kearney... **J. Anton Hofmann**, a founder of Acoustic Research and the "H" in KLH, joins Advent Corp. as vp-treas., reuniting with Advent Pres. Henry Kloss, the "K" of KLH... **Robert Hurford** advanced at RCA Records from industrial relations dir. to International Div. vp; post had been held temporarily by Pres. **Rocco Laginestra**.

Caleb Shera, Panasonic vp, appointed gen. mgr. of Special Products Div., replacing **T. Fujimori**, who returns to Matsushita Electric in Japan; **Robert Elmgren** succeeds Shera as Chicago region gen. mgr... **Glenn Thompson**, former Arvin pres. & retired chmn., resigns from board; **Richard Helse**, vp-treas., elected to vacant seat... **Frank Pinkela Jr.**, data processing specialist, joins Cartridge TV as information services mgr.

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
Allied Artists			
1971-qtr. to Oct. 2	818,300	(697,500)	--
1970-qtr. to Sept. 26	727,400	(222,600)	--
Ampex			
1971-6 mo. to Oct. 31 ^a	155,290,000	(3,399,000)	--
1970-6 mo. to Oct. 31	138,960,000	136,000	.01
1971-qtr. to Oct. 31	82,315,000	(2,625,000)	--
1970-qtr. to Oct. 31 ^a	74,432,000	139,000	.01
Bartell Media			
1971-9 mo. to Sept. 30	31,200,000	522,000	.23
1970-9 mo. to Sept. 30	28,900,000	267,000	.12
1971-qtr. to Sept. 30	11,000,000	101,000	.05
1970-qtr. to Sept. 30	9,900,000	(9,000)	--
Elgin Natl. Industries			
1971-9 mo. to Sept. 30	88,821,337 ^b	(3,004,105)	--
1970-9 mo. to Sept. 30	79,852,235 ^b	1,027,326 ^c	.30
1971-qtr. to Sept. 30	38,017,052 ^b	(494,476)	--
1970-qtr. to Sept. 30	30,196,211 ^b	595,616 ^c	.17
Jervis			
1971-year to Aug. 31	34,732,000	(350,000)	--
1970-year to Aug. 31	38,939,000	(887,000) ^d	--
Lee Enterprises			
1971-year to Sept. 30	37,705,504	3,410,326 ^e	1.16 ^e
1970-year to Sept. 30	34,639,383	4,383,915 ^c	1.49 ^e
1971-qtr. to Sept. 30	9,717,047	829,002	.28 ^e
1970-qtr. to Sept. 30	8,297,316	732,967	.25 ^e
MCA			
1971-9 mo. to Sept. 30	224,548,000	9,952,000	1.22
1970-9 mo. to Sept. 30	226,705,000	9,907,000	1.21
1971-qtr. to Sept. 30	80,227,000	2,499,000	--
1970-qtr. to Sept. 30	88,286,000	3,565,000	--
MovieLab			
1971-9 mo. to Oct. 2	14,457,207	(1,478,319)	--
1970-9 mo. to Oct. 3	20,214,760	(2,115,998)	--
Oxford Electric			
1971-9 mo. to Sept. 30	22,338,088	(236,373)	--
1970-9 mo. to Sept. 30 ^a	21,302,619	37,740	.02
Rollins			
1971-6 mo. to Oct. 31	69,852,051	5,110,395	.62
1970-6 mo. to Oct. 31	63,191,945	4,518,449	.55
Starr Bcstg.			
1971-qtr. to Sept. 30	2,254,779	185,111	.27
1970-qtr. to Sept. 30 ^a	1,431,559	101,188	.22

Notes: ^aRestated. ^bFrom continuing operations. ^cAfter special credit. ^dAfter special charge. ^eAdjusted.

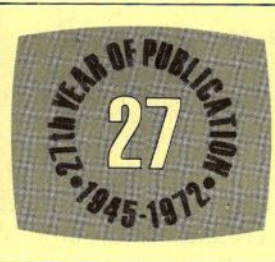
EIA has abandoned effort to develop white paper on foreign trade policy. Study group to formulate position paper was appointed at June convention in Chicago, under leadership of EIA Chmn. J. Frank Leach. Nine-point proposal was submitted to Board of Governors at Oct. meeting in Beverly Hills, but adoption vote was postponed pending review by Consumer Electronics Group. CEG met in Washington because of Tariff Commission TV injury hearings. Objections since then have forced relegation of document to file cabinet of Pres. V. J. Adduci, who said paper's only use now is as guideline for possible stands on future foreign trade questions.

Motorola raised prices on group of ICs average of 10%. Move follows 3%-5% general increase posted last month to reflect 10% import surcharge.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

MOVE TO DUMP WASILEWSKI launched by several Radio Board members, who call for Dec. 13 'rump' meeting in Denver. NAB president's supporters fire back. Govt. relations dept. is main issue. (P. 1)

COUNTER-COMMERCIALS vs. BANZHAF: Networks reply to NCCB demand for free & paid counter-commercials, accuse consumer groups of crippling TV, ignoring 'practical suggestions'. NCCB answers. (P. 3).

FACTORS IN VALUING STATION after purchase, in seeking IRS approval, devised by Forward Communications' Anderson. (P. 4)

TELEPROMPTER'S ADJOURNED annual meeting is ordered delayed again by N. Y. federal judge. Nov. 30 meeting held up 35-60 days. Cooke offers new slate of directors. TPT's countersuit seeks \$32 million damages. (P. 4)

Consumer Electronics

SCREEN-SIZE CRACKDOWN imminent, says FTC, consent orders going out after Dec. 10 to 'willful violators' of ad rules, with no further warnings. Spot check shows 17 of 24 manufacturers & importers violating rules. (P. 7)

MOVE TO DUMP WASILEWSKI DEBATED: A "rump" meeting has been called for Dec. 13 at Denver's Sheraton Airport Inn "to discuss whether Vincent Wasilewski's contract [as NAB pres.], which expires Jan. 31, should be renewed," according to principal sponsors—Radio Board members Jerry Lee, WDVR(FM) Philadelphia, and William Merrick KBMN(AM), Bozeman, Mont. "That is the sole purpose of the meeting." They claim over 20 NAB directors—nearly all from Radio Board—have agreed to attend, but at week's end a crossfire by Wasilewski supporters had developed, and several directors who originally planned to go to Denver told us they're having 2nd thoughts.

NAB Chmn. Richard Chapin has agreed to attend as "observer"—though he won't chair meeting—if minimum of 15 other directors attend. Merrick will preside, and Lee added: "We are committed to this meeting. We will have it regardless, but I have no doubt that we'll have more than 15. So far as I know, there have been no defections and we have over 20 commitments."

Many who have agreed to attend, however, made it plain that they aren't committed to firing Wasilewski. "I want to go to hear the problems aired," one told us, "and the biggest problem is not Vince but the govt. relations department." Chapin is only member of Exec. Committee planning to attend. "When you have 15 Board members, that is a fairly representative

JAPAN'S COLOR EXPORTS of TV pass million for 1971 with 2 months yet to go. Oct. color shipments totaled 119,700. while b&w exports declined. Tariff report on TV injury case delayed, but domestic manufacturers probably will find little solace in opinions of commissioners. (P. 7)

COMPARABLE-TUNING RULE eased by FCC to permit compact, low-cost 70-channel tuner without memory fine tuning. AFC not required until 1974. Some manufacturers will feature new tuner in sets this spring. (P. 8)

VIDEOPLAYER RULE comments by industry oppose FCC's signal strength proposals as too low, seek compliance self-certification instead of type approval. FCC permits Sony Videocassette marketing. (P. 10)

FREEZE SQUEEZE EASED in Price Commission rulings that increase in import prices may be passed along with normal markups. (P. 10)

PICTURE TUBES & TUNERS led gain in component imports in first 9 months. Color tube imports rose 147%, b&w 222%, tuners 119%. Speakers, receiving tubes, ICs gain; transistor imports decline. (P. 11)

TUBE, SEMICONDUCTOR SALES posted declines in first 8 months. Receiving tube loss held to 1% as OEM buying increases. (P. 11)

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group, and I feel an obligation to go and report back to the Exec. Committee," he told us. "I also told them that I would tell Wasilewski what takes place."

Rump movement first began with meeting of half-dozen directors in Las Vegas 2 weeks ago following special NAB Board meeting on CATV compromise (Vol. 11:46 p1)—though dissidents stressed that cable wasn't major cause of dissatisfaction. Said Merrick: "No one thing is behind it, but it centers on the administration of the NAB. Some guys have griped about different things. In Las Vegas, they were bitching about things in general... The decision was that maybe we ought to get together in a meeting. So we called other people to see if they were interested in doing the same thing. We found there were a substantial number of Board members with the same thoughts. Nothing may come of it, but there seems to be a general dissatisfaction with the NAB leadership."

Both leaders of dissidents and supporters of Wasilewski agree that central issue is leadership of govt. relations activities by Exec. Vp Paul Comstock—and president's failure to deal with situation. Comstock was criticized last week by Board members we talked to about the Denver affair, primarily on grounds (1) 'he talks down to broadcasts; (2) is a loner, refuses to work with and keep his own staff informed; (3) is unpopular in too many offices on Hill."

Exec. Committee, at Nov. meeting, discussed situation with Wasilewski—who agreed to investigate and report back at Dec. 8 meeting. There are others who just as strongly support Comstock, and Wasilewski supporters say he isn't about to fire or move Comstock while both are under heavy fire. "Paul is doing one hell of a fine job," TV dir. said. "I would hate very much to see him made a scapegoat."

Other Board members were invited to Denver via telephone Nov. 24. Then, on Thanksgiving morning, one of group called Wasilewski at home, gave him names of those who reportedly would attend. He suggested that Wasilewski save himself embarrassment by not seeking a contract renewal. "Thanks, but no thanks," NAB pres. said, before hanging up. Wasilewski refused further comment, but he will continue to fight ouster attempt as long as he feels he has support of majority of Board. "There's no doubt he has support of substantial majority today," TV dir. told us.

One dissident claimed that they can oust Wasilewski with only 12 votes, since his contract expires Jan. 31 and since NAB by-laws require 3/4ths vote of directors present & voting to "elect a president." And, he contended, approving new contract would be same as "hiring a new president." Pertinent part of Wasilewski's 2-paragraph agreement, dated Dec. 16, 1969, reads: "You agree to serve as our president for a term of 2 years ending Jan. 31, 1972, and if, at that time you decide to terminate the present relationship at the end of the contract, we would appreciate having you give the chairman of the Board at that time no less than 6 months, but preferably one year's notice of intention."

Since Wasilewski hasn't given required notice, his backers maintain, only way he can be removed is by majority of Board. "And they are a hell of a long ways from having a majority," a dir. told us.

All but one or 2 of dissidents are on Radio Board—where Wasilewski also has some staunch supporters. Commented Kenneth Marston, WDXI(AM) Jackson, Tenn., in letter to Lee stating why he wouldn't attend: "To have such a meeting at this time would be extremely unfortunate... Steady progress is much better than flamboyant but high risk action. The meeting in Denver is not well founded, surely not timely in view of significant pending legislation, and could have far reaching consequences of shattering impact on an already nervous industry." Other comments, some from those who said they'd go to Denver:

Forward Communications' Richard Dudley: "I agreed to go, but now I'm having second thoughts. If I go, I'll go to support Vince." Leslie Arries, WBEN-TV Buffalo: "Just to say that you want to get rid of somebody is not the answer to anything. You first have to put down the qualifications for president. After you do, you may find that Vince is the best qualified. I won't be a party to any meeting the sole purpose of which is to fire Wasilewski." At same time, Arries didn't hide fact that he's unhappy about some things at NAB, particularly govt. relations.

TV Board Chmn. A. Louis Read, WDSU-TV New Orleans: "I completely disagree with what they are trying to do and the way they are trying to do it...I think it is a very foolish thing to do...It could be very destructive...I would be completely behind Vince and feel certain that the problems of the dissident group can be worked out within the framework of the NAB."

NAB Radio Chmn. Andrew Ockershausen, WMAL-TV-AM Washington: "If a majority of the NAB Board doesn't want to renew Wasilewski's contract, the time and place to discuss that fact is at the Jan. meeting—not in an unofficial, rump session a month earlier in Denver. The Exec. Committee already has plans to discuss a renewal of Vince's contract with him and to present its recommendation to the Board. We should follow that procedure, and let the majority rule."

Countered a dissident: "The NAB is a rotten business organization. We [meaning NAB] will not fire anybody. We are an inbred organization. We need strong leadership. Vince is one fine guy but he's not a leader."

Denver affair adds new dimension to RAB Board meeting this week in Palm Beach, Fla. RAB-NAB have several common directors—including Chapin & Read. "This whole thing could be settled in Palm Beach, and there'll be no need for anybody to go to Denver," joint director told us. "It sure as hell will give us something to talk about in Fla."

COUNTER-COMMERCIALS VS. BANZHAF (PART 2): FCC received another dose of comments last week on fairness doctrine inquiry, public interest access and counter-commercials. Replies were mostly rehash of earlier comments (Vol. 11:42 p1), with NCCB defending its demand to subject all commercials to free or paid counter-commercials, while networks said consumer groups are interested only in crippling commercial TV and fail to offer "practical suggestions" on applying fairness doctrine to commercials.

"The contention is that advertising as a business technique is a detrimental force in contemporary society," ABC said of consumer comments, specifically NCCB. "We believe that this aspect of the inquiry has been helpful in demonstrating the utter futility of broad applicability of the fairness doctrine...to product advertising...The critical need is to structure a policy which would recognize the legitimate role of advertising but makes necessary provision for abuses or other contingencies that may require fairness doctrine application."

NBC accused NCCB of showing "complete indifference" to economics of broadcasting and "studied disregard" to large volume of news and public affairs programming. "The essential thrust of these comments appears calculated to provide an island of time within the broadcaster's daily schedule for the presentation of their views." CBS argued that NCCB proposals could cost networks almost \$263 million based on 1970 revenue. CBS then called for outright reconsideration of FCC "Banzhaf" ruling which required stations to carry anti-cigarette warnings. "Nothing short of such action can extricate the medium from the morass into which 'Banzhaf' has led," it noted.

Said CBS: "Nothing that has been proposed suggests a definition of those product advertisements which are subject to reply obligations that is not susceptible to indefinite expansion. So long as the Banzhaf doctrine remains, no such limited definition is likely to appear. It should be enough simply to note that the Commission erroneously thought it had supplied such a definition in Banzhaf itself."

But NCCB "disagrees most emphatically" with CBS comments. "Indeed, NCCB submits that the fairness doctrine or a reasonable equivalent is compelled by the First Amendment...and that elimination of a right of rebuttal to product commercials would abridge the right...The CBS attempt to roll back the fairness doctrine as it applies to product commercials must fail, for it blinks the realities of communication inherent in 'commercial' speech. NCCB urges the Commission to develop & refine its standards & guidelines for applying the fairness doctrine to product commercials through case-by-case adjudications and general rulemaking proceedings—not cast it out entirely."

12 FACTORS IN VALUING STATION: Forward Communications' Finance Vp Gene Anderson—unhappy because IBFM hasn't devised formula for valuing assets when station is bought or sold—has come up with own 12-factor method. Reportedly, it has been used successfully at IRS and is causing some comment among brokers & financiers.

Here's how Anderson values major imponderables for buyer: FCC license, 30% times broadcast revenue; advertising contracts, 40% of sales value remaining to be broadcast; technical staff, \$8,000 per employee; feature films, original contract cost divided by total runs originally licensed, multiplied by runs remaining; network affiliation (1) one network, 2,400 times gross hour rate; (2) 2 networks, 1,300 times hour rate for primary affiliation, 1,100 times hour rate for secondary; (3) 3 networks, 900 times hour rate for primary, 800 times hour rate for secondary, 700 times hour rate for tertiary.

Network affiliation is "by far the most important intangible held by a TV station," according to Anderson. "By using a multiple of the network rate, effect is given to such items as market size, uhf, vhf, and relative importance in the market... FCC license—the 30% of broadcast revenue calculation is based upon estimates of revenues earned by the mere possession of a license. He puts no value at all on "goodwill." For copy of "How to Allocate the Purchase Price of a TV Station," write Anderson at WSAU-TV, Box 1088, Wausau, Wis. 54401.

Mich. court is using TV cameras to keep more vivid records of criminal trials and speed up appeals. Experiment in Mason circuit court was endorsed by State Bar and State Supreme Court and financed by \$15,000 federal grant. Plan is to reduce average of 5.3 months time between criminal trials and filing of appeal, largely owing to delays in preparing type-written transcript. "So far, it has been moving along smoother than smooth," said Judge Sam Hughes. "The cameras are noiseless. I have noticed no interference at all with the traditional procedures." In Sandusky, O., where TV cameras recorded civil case, Judge James McCrystal called it "a success beyond my expectation."

Since D.C. Appeals Court ruled that FCC erred in concluding that commercials for large-engine cars and high-test gasolines didn't represent just one side of controversial issue (Vol. 11:34 p4), Commission has given WNBC-TV N.Y. and Friends of the Earth 14 days to file comments on how FCC should resolve case. Commission wants to know what sort of remedial action is required if NBC hasn't treated issue fairly, also asks if ads for small engine cars and unleaded gasolines are part of discussion.

Measurements of 54-220 MHz in Las Vegas area, for purpose of studying possible hazardous radiation, are reported in document issued by HEW's Bureau of Radiological Health. Conclusions say nothing about health, but conclude that measured results are generally below theoretical—-10 to +2 db "at a confidence level of 95%." Copy of 78-page report—DHEW Publication No. (FDA) 72-8012, BRH/DEP 72-4—is available for 75¢ from GPO.

Variety TV-radio Editor Les Brown, at BPA convention in Seattle, (Vol. 11:47 p5), said biggest threat to future of TV "is the broadcast industry itself." He said "the electronic marvels waiting to muscle in" won't hurt, added: "The government, consumerist groups, minority coalitions & public interest firms have all taken to ranging up on TV & radio. And the old guard of those media still doesn't get the point. They feel put upon and can't understand why they shouldn't be allowed to wring more profits out of their medium every year the way they used to, freely, without peril to their licenses..." Fellow panelist Alan Nourse, science-fiction writer, said "the imminent appearance of audio-visual cassettes and the certain popularity of home video cameras [means] the end is clearly in sight for radio & TV broadcasting organizations as the originators of mass-audience entertainment... People will no longer be imprisoned as captive audiences for a few mediocre mass-entertainment programs." Disagreeing with Brown (who said people won't pay for TV they are accustomed to getting free), Nourse saw bright future for pay TV: "Cassette-recorded programs... can become commercially feasible as pay TV takes over from sponsor-supported programming."

TelePrompTer's adjourned annual meeting has been ordered further delayed by N.Y. Federal Judge Charles Brieant, who also ordered firm to give dissident shareholder group led by Jack Kent Cooke list of stockholders of record Oct. 28. Cooke has list of record Aug. 18. Meeting had been scheduled for Nov. 30. Now judge has directed meeting be delayed not less than 35 days nor more than 60 days from Nov. 23. Meanwhile, Cook presented new slate of directors headed by former Pa. Gov. Raymond Shafer and including former FCC Chmn. E. William Henry. Others: Berle Adams, former MCA vp; Marvyn Carton, Allen & Co.; Bernard Goldstein, United Data Centers; Ralph Hart, Heublein Inc.; Ralph Lewis, Harvard Business Review; Philip Lowe, management consultant; Charles Luckman, Ogden Development; Michael Roth of N.Y. law firm Roth, Carlson, Kwit, Spengler & Goodell; Maurice Mitchell, U. of Denver chancellor. Meanwhile, TPT has filed countersuit against Cooke, seeking damages totaling \$32 million, alleging Cooke has issued false & misleading statements and engaged in improper proxy solicitation.

Children's TV Workshop (CTW), producers of "Sesame St." and "Electric Co.," has formed new dept. to sell records, books, toys, comic strips, calendars, etc., patterned after programs. Dept. is headed by Christopher Cerf, son of late publisher Bennett Cerf. Latest item, comic strip "Sesame St." by Cliff Roberts, is now distributed by King Features in some 225 newspapers. Sales from all items next year are expected to total about 10-15% of \$13 million budget for both programs. Over half of CTW's total budget is public money.

FCC's inspection-of-records rules are being changed, it's understood, to require that person seeking look at station files give his name & address—but not name of his organization. NAB and several stations had sought change of rules (Vol. 11:47 p5).

Campaign financing plan for Presidential candidates has been approved by Senate, as expected (Vol. 11:47 p4), despite strenuous GOP opposition. Rider to Nixon's multi-billion dollar tax-cut bill won final approval 52-47, but measure still must be approved by joint House-Senate conference committee, then again by both chambers before reaching President. Day after vote, Senate GOP leadership met with Nixon, recommended he veto whole tax bill. Rider allows each taxpayer to indicate on tax return whether he wants \$1 of his payment diverted to political fund for Presidential candidates. This could give major party candidates \$20.4 million each, less to minor-party candidates. In last minute attempt to gain some GOP support, Senate Democrats agreed to amendment offered by Sen. Mathias (R-Md.) allowing taxpayer to designate which party he wanted \$1 to go to.

Across-the-board reduction in non-program time on TV has been proposed to NAB TV Code Board by Corinthian Bcstg. In letter to Board, which meets Dec. 9-10 in Phoenix, Corinthian asked that time standards be amended to require cutback. Board also will again take up hemorrhoid product advertising (subscribers have voted better than 2-1 to accept such spots), tougher rules to reduce clutter recommended by special subcommittee (Vol. 11:41 p4), relaxation of ban against several types of personal product advertising.

"Dramatic reduction in the cost of transmission" is claim of MCI-Lockheed in proposal to TV networks for special domestic satellite system. MCI said it would provide service for \$28.37 million annually, less than 40% of current network payment to AT&T. Applicant said it would provide 155 earth stations, of which 29 would be capable of sending & receiving. FCC is expected to meet soon—in face of criticism from OTP Dir. Clay T. Whitehead for delay in approving domestic satellites (Vol. 11:44 p2)—on 8 satellite applications.

AWRT will host panel on "Children & TV: In Search of an Answer" at 6:30 p. m., Dec. 13, NAB hq, Washington. Moderator is ex-FCC Comr. Kenneth Cox; panelists include HEW consultant Lilian Ambrosino, active in formation of ACT; TIO Dir. Roy Danish; Ray Hubbard, program vp, Post-Newsweek Stations. For reservation: Dorese Bell (202-966-4124).

"Television--The Business Behind the Box," account of network program decisions in 1970, has gone into 4th printing. By Variety TV-Radio Editor Les Brown, book also takes public TV to task. It's published by Harcourt, Brace, Jovanovich (\$8.95, 365 pp.).

Alfred I. duPont-Columbia U. Awards will be presented Dec. 9 at Columbia U. Speaker is Sir William Haley, former BBC dir. gen. and editor of London Times, discussing "Broadcasting, Government & Freedom of the Press."

Rep appointments: WTCG Atlanta, Turner Communications; WGR-TV Buffalo, Electromedia Sales Ltd. of Canada.

Kinney Services deal to acquire TV Communications (Vol. 11:42 p4) has been revised to include only CATV & recording studio operations (no stations) in exchange for about 1.2 million shares of Kinney stock valued at \$33 million. Previous price was for 1.26 million shares—value, \$42.3 million. However, TVC is spinning off WKJG-TV Ft. Wayne, KNWA(FM) Fayetteville, Ark. and WBNB-TV St. Thomas, V.I., into newly-formed Federated Media Inc. of Del., will distribute new stock to TVC shareholders. New deal is subject to TVC stockholders' approval, but not Kinney's. At close of transaction, TVC would become Kinney subsidiary with TVC Pres. Alfred Stern a dir. and chief of all CATV operations.

No significant changes in CATV agreement were achieved, or appear in works, following informal meeting of industry groups in New Orleans last week (Vol. 11:47 p2). Representatives went through document, item by item, each stressing changes desired. NAB pushed revisions for small-market stations. NCTA objected to "graveyard" clause which limits FCC's authority to increase distant signals. Copy-right owners urged greater exclusivity in top 100 markets. Parties agreed to explore each others' requests—but chances of major revisions are dim. FCC, meanwhile, meets Nov. 29 to discuss details of compromise.

Sept. & Oct. network billings declined 2% & 2.5% respectively over same 1970 months, TvB & BAR report. Sept. sales totaled \$135,817,600 vs. \$138,639,600 last year. Oct. sales were \$178,358,200 vs. \$182,967,700. However, if cigaret advertising were subtracted from 1970 figures, 1971 billings would show 6.7% & 6.9% gains, respectively. Network billings through Oct. totaled \$1,303,741,500, of which ABC had \$368,144,600, CBS \$483,377,100, NBC \$452,219,800.

Interference has appeared on schedule, will get worse, N.Y. stations told FCC recently, urging Commission to approve shift of stations to World Trade Center (WTC). Stations asserted that WTC is trying to escape its expensive commitment to move stations to WTC by asking Commission to conduct hearing on shift. Stations submitted 3 engineering studies to bolster its contention that reflections from WTC are producing serious interference.

NAB Task Force on Renewals met last week in effort to draft new language for renewal bill to satisfy complaints voiced at Dallas fall conference (Vol. 11:47 p1). Amended version, due this week, will call for renewal if licensee has "made a good faith effort" to meet needs of public. Present language would grant renewal if programming "has been attuned to meeting the needs & interests of its area."

Management study of FCC, requested by Commission and to last 10 weeks, has been started by 4-man team from Office of Management & Budget. Purpose is to examine FCC organization, relations with other govt. agencies, management policies & practices. Study doesn't include FCC policy matters, budget or personnel requirements. Team chief is Dr. John Culbertson.

Personals

FCC Gen. Counsel Richard Wiley's appointment as commissioner now is expected to be sent to Senate this week, though confirmation hearing isn't expected until new session starts in Jan. In interim, White House is expected to give Wiley recess appointment, make commitment to Senate Communications Subcommittee Chmn. Pastore (D-R.I.) to replace Comr. Bartley (whose term expires June 30) with a black.

Rep. William Springer (R-Ill.), ranking minority member of House Commerce Committee, won't seek re-election next year. He represented 22nd district for 22 years, has been on Commerce Committee since 1953; next ranking minority member is **Rep. Samuel Devine** (O.), elected in 1958, on Committee since 1959.

Sen. Warren Magnuson (D-Wash.), chmn. of Senate Commerce Committee, will be honorary chmn. of campaign for Democratic Presidential nomination of colleague **Sen. Henry (Scoop) Jackson** (Wash.).

Drew Brinckerhoff promoted to CBS manpower management vp; **James Sirmons** to personnel & labor relations vp... **Reid Shaw**, vp & gen. mgr., GE Bcstg. and GE Cablevision, elected pres... **William Branch** promoted to gen. sales mgr., WMAL-TV Washington... **Leonard Biegel** promoted to vp & program dir., WTTG Washington.

Walter Konjolka, ex-TvAR, Chicago, named gen. sales mgr., KDKA-TV Pittsburgh... **Raymond Simko**, ex-WKBF-TV Cleveland, named business mgr., WKBD-TV Detroit, succeeding **Theodore Lon**, resigned; **Michael Cefaratti** promoted to WKBF-TV business mgr., succeeding Simko.

Dave Uhrich elevated to operations mgr., WQXI-TV Atlanta... **William Brackett**, ex-WAND Decatur, appointed operations mgr., WRAU-TV Peoria... **Martin Pollins**, ex-U.S. Communications, named broadcast vp, Sonderling Bcstg... **Bill Carter** elected exec. vp, KTRE-TV Lufkin, Tex.

Jim Karayn elevated to pres., National Public Affairs Center for TV(NPACT)... **John Kittross** promoted to asst. dean, Temple U. school of communications & theater... **John Bass**, asst. chief, FCC Rules & Standards Div., appointed chief, Office of Network Study, filling vacancy left by resignation of **Ashbrook Bryant**... **William Kehoe**, chief of FCC Bcst. Renewal Branch, elevated to asst. gen. counsel, Administrative Law & Treaties Div.

John Dale, ex-Ampex, appointed pres. & gen. mgr. of Coltape, formed by Columbia Pictures as exclusive VTR distributor for Fuji Photo Film... **M.G. Moon** appointed mgr., RCA broadcast advertising & promotion, succeeding **Paul A. Greenmeyer**, retired... **John Nuzzolo** promoted to sales mgr., Whitney Blake, succeeding **Robert Kelsey**... **Louis Arpino** promoted to mktg. mgr., Amperelex Electro-Optical Devices.

Sidney Topol, ex-Raytheon Data Systems, named pres., Scientific-Atlanta, succeeding **Glen Robinson**, who remains chmn. & chief exec... **James McKinney**, ex-May Co., appointed purchasing dir., Cypress

Communications... **Royce Busey** joins Anixter-Pruzan CATV sales staff.

Donald Kemp, ex-Benton & Bowles, joins Katz TV sales, N.Y. ... **Lawrence Deutsch**, ex-Katz TV, joins PGW west sales team, N.Y., replacing **E. Allan Jarrett Jr.**, who shifts to east sales team... **Robert Decker** elevated to vp, Vitt Media International.

International Video Corp. appointments: **Donald Diesner** promoted to midwest sales mgr.; **Richard Fletcher**, western sales mgr.; **James Holladay**, ex-Consolidated Electronic Systems, southern distributor mgr.; **Robert Marmirolli**, ex-Panasonic, eastern sales mgr.; **Donald Schmitt**, govt. contracts mgr.; **A. Erol Barut**, ex-Bell & Howell, Paris, French sales mgr.; **William Miller**, ex-Ampex Pan American, international field engineering mgr.; **Peter Sibbe**, German mktg. mgr.; **Didier Alexander**, ex-XHTM-TV Mexico City, Mexican gen. mgr.

Richard C. Hilton Jr., ex-Quantum Science Corp., forms Comlab Corp., 7040 Darby Ave., Reseda, Cal., to develop full line of TV translators & CATV/MATV modulators & demodulators... **Donald Wyckoff**, ex-Spencer-Kennedy Labs, joins United Scientific's Catel Div. as CATV sales mgr... **Joe Girard**, ex-WKBG-TV Cambridge-Boston, appointed account exec., Metro TV Sales, N.Y. ... **Tony Brown**, exec. producer, NET's Black Journal, appointed dean of Communications School, Howard U., Washington.

"Cities of the Future" project using new communications technology for urban improvement is expected to begin soon as one-year experiment in Windham, Conn. under direction of outgoing CBS Labs Pres. Peter Goldmark and financed through \$400,000 grant from HUD Dept. Details were submitted to HUD from National Academy of Engineering's Committee on Telecommunications, and govt. is expected to release funds in about 6 weeks. Goldmark told us that project will be coordinated from Fairfield U., using phone company's 2-way wideband link connecting Hartford & Windham. Last year, Committee undertook detailed study of city operations and recommended that pilot projects use one or more of 4 major networks: (1) Telephone network which can transmit pictures, voice & written material between 2 points. (2) Network based on existing CATV systems which can distribute information from central facilities to offices & homes with capacity equivalent to 30 TV channels and limited callback capacity for polling or making requests. (3) Broadband communications "highway" carrying up to 30 equivalent TV channels in both directions, interconnecting major public institutions and large commercial enterprises. (4) Multi-purpose city sensing network to collect data on weather, pollution, traffic & power status. Networks would aid in education, medical care, law enforcement, transportation, pollution, business, etc. Goldmark said Conn. experiment will focus initially on business, health & cultural services.

Two-way cable operation is subject of extensive article in Nov. IEEE Spectrum by Managing Editor Ronald K. Jurgen—copies available from NCTA.

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Nov. 12 (45th week of 1971):

	Nov. 6-12	1970 week	% change	Oct. 30- Nov. 5	1971 to date	1970 to date	% change
Total TV.	263,424	230,782	14.1	253,520	9,125,621	7,847,840	16.3
color	150,630	112,534	33.9	153,847	5,020,702	3,999,544	25.5
monochrome . . .	112,794	118,248	-4.6	99,673	4,104,919	3,848,296	6.7
Total radio	408,276	325,505	25.4	372,956	16,315,852	13,793,896	18.3
home, portable .	181,984	193,944	-6.2	172,325	7,285,362	6,703,859	8.7
AM-only	94,276	112,855	-16.5	81,662	4,078,068	4,079,203	-0.0
FM & FM-AM .	87,708	81,089	8.2	90,663	3,207,294	2,624,656	22.2
auto	226,292	131,561	72.0	200,631	9,030,490	7,090,037	27.4
Total phono	87,775	110,105	-20.3	91,752	3,543,591	3,263,912	8.6
portable-table . .	64,294	88,783	-27.6	69,100	2,743,893	2,375,134	15.5
console	23,481	21,322	10.1	22,652	799,698	888,778	-10.0

Color TV 5-week moving average: 1971—156,392; 1970—128,320 (up 21.9%)

SCREEN-SIZE ADVERTISING CRACKDOWN BY FTC: Impatient over what it considers "willful violation" of its TV screen-size measurement rules, FTC is preparing to send out batch of consent orders to set manufacturers. Crackdown effort will start after Dec. 10, date new clarifying amendments go into effect (Vol. 11:46 p9).

Commission has embarked on new program of monitoring all TV set advertising, we were told last week by staff attorney Carthon Aldhizer, who is supervising enforcement drive. "We're in correspondence with a lot of people now. Those who are on our regular correspondence list have had plenty of notice and will get no further warning. Those who haven't been on our mailing list in the past will be given warning and opportunity to change their practices right away."

FTC now has made it clear that where diagonal screen-size measurement is used, advertising and literature must use the words "XX-inch picture measured diagonally"—"absolute minimum acceptable to FTC is "XX-inch meas. diag." Not in compliance are such phrases as "XX-inch diagonal," commonly used in industry—nor is use of asterisks to indicate that measurement is diagonal.

Our own check of current line catalogs and other advertising by 24 TV manufacturers, importers & catalog houses reveals that there is, indeed, widespread non-compliance with letter of FTC's rule. We found only 7 of the 24 apparently in complete compliance, while other 17 varied in degree of departure from rules—some using no reference at all to "diagonal," most omitting word "measured," others using footnotes, a few complying scrupulously in catalogs' body type but using large caption such as "23-inch" at top of page.

EIA's Consumer Electronics Group, meanwhile, is making plans to testify at Feb. 14-16 hearings on proposed FTC trade regulation rule on franchising. Although designed to control abuses in franchise business operations, rule is sufficiently broad to cover consumer electronics manufacturers' relationships with distributors or dealers, in view of EIA. In FTC notice of hearings, it specifically asked witnesses to discuss "possible need for exemptions or exceptions."

JAPAN 10-MO. COLOR EXPORTS TOP MILLION: With strong Oct. push, Japanese 1971 color TV exports to U.S. crashed through million mark with 2 months yet to go, according to announcement in Tokyo last week, while in Washington Tariff Commission said there would be delay in re-

lease of eagerly awaited report on TV import injury case, and President Nixon moved to send striking East & Gulf port longshoremen back to work.

Japanese exported 119,690 color TVs to U.S. in Oct., marking 8th consecutive month shipments have topped 100,000, sending 10-month total to 1,115,000—first time million has been reached in any calendar year. Month's color shipments were up 15.7% from Oct. 1970, while 10-month total was up 48.2%. Finance Ministry figures show month's b&w exports at 267,453 (off 10.9%), putting cumulative total at 2.3 million (up 11.9%). Total Oct. TV exports were down 3.5% to 358,000, with 10-month figure at 3.4 million (up 21.4%).

Failure of Tariff Commission to release detailed TV injury case report on schedule was blamed by staff members on inoperative duplication equipment, mid-week holiday and need for extensive editing—latter to insure that all confidential material had been deleted from public document. By 5-1 vote, Commission ruled Nov. 19 that increased TV imports resulting from trade concessions had not caused serious injury to domestic TV producers—and so rejected request by unions (IAM-IBEW-IUE) that higher duties or import quotas be imposed on TV.

Some U.S. industry spokesman expressed hope, and Japanese representatives voiced concern, that commissioners who voted against import relief took official notice of depressed state of domestic industry in their opinions in the report. Such statements would be valuable as proof that current laws don't offer adequate protection to U.S. manufacturer from low-priced import competition, and they could be used as argument for new import-restrictive legislation.

But, we've learned, no strong injury declaration is likely to appear in those opinions. Report will contain some 100 pp., including mass of statistics in findings section, plus individual opinions of Comrs. Moore (who voted in favor of injury), Leonard & Sutton, Chmn. Bedell, Vice Chmn. Parker & Comr. Young signed combined opinion. Comr. Sutton is understood to have repeated position, expressed in adjustment assistance cases involving former RCA & Emerson workers, that Japanese dumping of TV and increased use of Sec. 807 imports by U.S. manufacturers assembling TV overseas were more responsible than tariff concessions for import growth. Comr. Leonard, also following past practice, found that most of concessions—mainly duty-rate reduction—became effective long before TV was important trade item and therefore couldn't have been major cause of import increase. He blamed, but did not detail, other causative factors. In none of opinions, except that of Comr. Moore, is there believed to be reference to any serious injury caused by increased TV imports.

Findings section of report, of course, contains statistics showing domestic industry's lost employment, production & market share. All conclusions, however, are left to individual readers. Negative vote on case and lack of support for injury in opinions doesn't mean fight to slow down TV imports is over. Unions, with some industry support, will continue to press for legislated import quotas. Magnavox Pres. Robert Platt, expressing disappointment over decision, said "we will continue to do anything we can to find effective relief under the law." As for Magnavox's pledge, made at Tariff hearings (Vol. 11:41 p7), to return all TV production to U.S. if duty rate is increased, Platt said "we have no obligation now," added that from here on in "I believe it's going to go the other way." Admiral, Philco-Ford, Motorola & RCA had withheld endorsement from EIA statement to Commission in favor of injury finding, probably wouldn't support any legislative push, either.

Nixon triggered mechanism Nov. 26 to get 80-day Taft-Hartley strike injunction against East & Gulf port workers who've been off job since Oct. 1. Similar injunction, which reopened West Coast ports after 3-months stoppage, runs out Dec. 24. President's decision to act was attributed, in part, to Commerce Dept. report showing Oct. foreign-trade deficit of \$821 million, vs. surplus in Sept. While certainly welcomed by importers, injunction comes too late to insure adequate supplies of many key consumer electronics items during Christmas selling season.

FCC EASES COMPARABLE-TUNING RULE: Long-awaited FCC ruling permitting lower-cost & more compact type of uhf tuner under its comparable-tuning regulation was issued at week's end, and should satisfy almost everybody.

Based on new tuner developed by Sarkes Tarzian (Vol. 11:12 p8 et seq.), Commission ruled that 70-position non-memory detent tuning system will meet requirements of comparable-tuning rules if: (1) Mechanism can receive each channel at correct detent position with deviation not to exceed 3 MHz. (2) Numerical readout is provided for each of the 70 uhf channels, or, if all vhf & uhf channel numbers displayed are always visible on face of set, readout is provide for at least every other uhf channel, with marks indicating channels not displayed. As of July 1, 1974, receivers made using this system must have AFC which can pull in desired channels without manual fine tuning.

Final ruling indicates slight relaxation of rule initially proposed last June (Vol. 11:26 p8) in 2 respects: (1) Original proposal envisioned footnote to rules providing use of 70-channel detent system "on a temporary basis pending development of a more nearly comparable system;" final version becomes part of rules with no mention of temporary nature. (3) Final version permits use of new tuner in both color & monochrome sets without AFC until 1974; original proposal stipulated that AFC be used in color sets. New section giving 1974 deadline for use of AFC in all sets with new tuner presumably takes care of both points.

New tuning system was proposed as alternative to bulkier & more expensive 6-channel detent systems with memory fine tuning. Until adoption of last week's rule, to be classified as comparable, memory fine tuning was required in uhf tuner if vhf tuner had memory tuning. Commission decided that advantage of positive 70-channel tuning without memory outweighed value of memory tuning in device which could be preset to only 6 channels. FCC also indicated it liked new tuner because it showed promise of bringing comparable tuning to monochrome & low-end color sets, heretofore virtually ignored because of high price of uhf tuners which conform to law.

As developed by Sarkes Tarzian, new tuner is priced lower than 6-channel detent versions and is virtually as compact as continuous tuner, requiring little cabinet or chassis redesign and permitting its use in sets as small as 12V", or even 9V". Tarzian plans to start pre-pilot runs of tuner within week or so, and it's believed that some manufacturers will introduce sets containing new tuner next spring. There are several methods of achieving 70-channel direct readout, but most popular one uses tiny reel of back-lighted 16-mm Mylar tape with each channel number printed on it. Tape is geared to tuner, proper number appearing in window.

Other tuner makers are working on own versions. Tarzian says it has filed for patents and will license others. In FCC proceeding, comments by set makers & uhf broadcasters generally favored proposal; 3 tuner makers opposed it. Under comparable-tuning rule, 10% of each TV set maker's models currently being manufactured or imported must have comparable uhf-vhf tuners; percentage is to increase to 40% next July 1, to 70% July 1, 1973 and 100% July 1, 1974.

Japan's consumer electronics factory sales will hit \$2.46 billion next year, up just 1% from \$2.44 billion in 1971, according to estimate in Electronics magazine. Color TV sales are seen declining from \$1.5 to \$1.45 billion, with b&w dropping from \$131.5 to \$113.3 million. Other projections by product (in \$ millions): Hi-fi components \$64.8 (up 27%), stereos \$304.5 (up 3%), home & auto radios \$204.2 (up 9%), audio recorders \$219.1 (up 12%), VTRs \$18.2 (up 50%) and electronic ranges \$84.9 (up 27%). Component sales decline of less than 1% to \$2.52 billion is forecast.

Color TV sales to dealers set record for 45th week of year, according to EIA domestic-label sales figures. Week ended Nov. 12 saw sales of 150,630 sets, 33.9% above comparable 1970 week (see State of the Industry) and 11.9% above previous 45th-week record, set in 1968. Monochrome sales lagged behind 1970 for 3rd week in row, probably due largely to slowdown in shipments of imported U.S.-brand sets as result of dock strikes.

Negotiations resumed last week on Sylvania's plan to shut down Batavia TV facility (Vol. 11:47 p10) when union & management were brought into talks by local "Citizen's Committee to Save Sylvania." Having rejected 4 Sylvania proposals for contract changes which company said would permit it to keep plant in Batavia, union said it would present own proposal in meeting scheduled for Nov. 29.

Philco will drop retail outlets which purchase less than \$18,000 worth of products annually. Exec. Vp Leo Beebe said move, which affects only retailers served by factory branch distributors, reflects policy of doing business only when it's profitable for dealer & Philco. Philco started dropping small dealers in May 1969 (Vol. 9:19 p11).

Tape piracy warning, alerting dealers to new music copyright law, is contained in full-page ads in trade papers by National Music Publishers Assn. & Harry Fox Agency. Ad reminds dealers that selling illegally duplicated discs or tapes risks civil & criminal penalties.

FCC VIDEOPLAYER COMMENTS: With almost complete unanimity—but not quite—manufacturers with videoplayer ambitions last week opposed FCC's proposed limits on RF output of VTRs, EVRs, closed-circuit devices and the like as too strict. Commission had proposed establishment of new category of "Class I TV Device" to cover all equipment designed to feed RF signal into antenna terminals of home TV set (Vol. 11:30 p10). Manufacturers were absolutely unanimous in their comments to FCC opposing proposal that prototype of each such device be submitted to Commission for type approval—all stating that manufacturers' own certification of compliance would be adequate, while type approval could be complicated and would delay introduction of new technology to consumer.

EIA Consumer Electronics Group, which has had engineering committee representing 21 members & non-members looking into subject, filed major document. In key section, it opposed FCC's proposal to limit signal strength at output terminals to maximum of 2,000 microvolts when fed into antenna terminal with impedance of 300 ohms. EIA group said this would be inadequate to provide strong enough signal for good picture on some TV sets and proposed 5,000-microvolt limit for vhf (8,000 uhf) as one which wouldn't cause unnecessary interference to TV reception. Not all those participating in EIA's committee agreed with findings. Motorola urged limit of 8,400 microvolts, while EIA-Japan proposed

20,000 microvolts. Although RCA didn't submit filing to Commission—and its name was missing from EIA document—it's known to favor far lower limit than the one proposed by industry group, not far from 2,000 limit proposed by FCC.

Sony last week became 2nd company to receive FCC go-ahead to market videoplayer designed for attachment to conventional TV set. Commission examined re-submitted videocassette player and granted waiver from its radiation rules to permit marketing. This means that Sony unit complies with proposed Class I TV Device standards, including 2,000-microvolt output. Motorola EVR player is only other device to receive FCC waiver (Vol. 11:37 p9).

In another videoplayer development, NCTA Managing Dir. Wally Briscoe has written RCA expressing "distress" that its 3/4-in. VTR won't be compatible with Japanese systems using same width tape. "The loser in this struggle," said Briscoe, "is going to be the small user who cannot afford a new proliferation of mismatched devices, and the American public which will not receive many programs & services that would be more economically possible with standardized equipment... [The CATV industry] may be forced to seek assistance from federal agencies in establishment of standards if domestic industry does not recognize the overwhelming public-interest implication."

FREEZE SQUEEZE EASED: First Phase II ruling of major importance to consumer electronics manufacturers across the board came last week from Internal Revenue Service in interpretation of Price Commission regulations. It generally eases strict freeze rules applying to pass-along & markups on price increases in imported products.

Phase I worked real hardship on some importers & domestic producers in these 2 respects: (1) Manufacturers incorporating imported components into end products weren't permitted to change prices to compensate for increases in component costs, including those resulting from changes in foreign exchange rates. (2) Importers who resold components or end products were permitted to pass along increases to customers but couldn't take markups on these increases.

New ruling permits increases in sale prices to reflect cost increases of imported goods, with full markups permitted, subject to standard Phase II formula that profit margin as percentage of sales may not be greater than average of best 2 of last 3 fiscal years prior to Aug. 15, 1971, and prices must be adjusted down to reflect productivity gains. Import surcharge, however, must still be outboarded and passed on without markup.

In general, industry sees no particular immediate hardship arising from limit of 2.5% average price increases permitted by Phase II rules—at this time—when main preoccupation is price-cutting. Philco-Ford Exec. Vp Leo C. Beebe reflected industry sentiment last week when he said: "I'd be delighted if we could get the 2-1/2%." Which no manufacturer would dare try in current market.

RCA last week asked Price Board for permission to increase receiving & industrial tube prices to parts distributors. Company had announced 6.6% price hike last summer, effective Aug. 16, rescinded boost when price freeze went into effect (Vol. 11:30 p11).

Labeling proposal by FCC provides that no radio-frequency device may be marketed unless all containers (inner & outer) are marked: "RF Device—This Equipment Complies with Applicable FCC Regulations." In addition to indicating that device complied with radiation requirements, label would obviate all-channel law requirement for special compliance statement on TV receiver cartons. Comments on proposal are due by Dec. 30, reply comments Jan. 17.

Eyeing Red China's vast market potential, Fuji Electric has severed ties with Taiwan TV licensee Taifu Electric. Fuji joins Toshiba & Hitachi, which previously announced policy of abandoning Taiwan in favor of mainland customers. All are producers of large electronic & electrical equipment which China is expected to buy in future. Small appliance manufacturers, such as Matsushita Sharp & Funai, are expected to maintain close ties with Taiwan.

"Calculator name game" is being played by most U.S.-brand marketers of desk-top electronic calculators, SCM Marchant says in business publication ads. SCM makes all its calculators in U.S., while others are buying some or all machines from Japanese suppliers, ad claims. Tie-ups reported by SCM: Burroughs-Sharp, Dictaphone-Sanyo, Friden-Hitachi, Monroe-Canon, NCR-Nippon Calculator, Remington-Casio.

9-MO. COMPONENT IMPORTS: With TV picture tubes & tuners leading way, imports of most electronic parts posted increases in year's first 9 months over same 1970 period. Showing declines were imports of transistors and variable capacitors & resistors, according to Commerce Dept.

Imports of TV tuners soared 119%, main sources continuing to be U.S.-owned offshore export assembly plants. Mexico shipped 6 million tuners, accounting for nearly 49% of imports; Taiwan with 3.9 million held 31% share; Hong Kong was supplier of 1.1 million for 8.8%. Japan, with 1.2 million, took 9.3% share.

Color picture tube imports jumped 147%, with value up 103%. Japan was predominant supplier, shipping 75,500 tubes at \$36.54 average value. Canada was supplier of 6,200 at \$36.38 average. In total b&w picture tubes, unit gain was 222%, with value up 139%; Canada, with 38,000 at \$10.69 average, was principal source, followed by Japan with 16,800 at \$17.49. Taiwan, now developing as tube exporter, accounted for 5,000 units at \$6.62 in period.

Increases were also logged in unit imports of speakers (up 7%), microphones (up 4.8%), receiving tubes (up 9%), ICs (up 10.5%), fixed capacitors (up 44.8%), fixed resistors (up 62.9%). Transistor imports slipped 17.4%, with variable capacitors off 19%, variable resistors down 26.6%. Following are 9-month imports of selected electronic components, with 1970 results for comparison:

U.S. COMPONENT IMPORTS

	Jan.-Sept. 1971		Jan.-Sept. 1970	
	Units	\$ Value	Units	\$ Value
Pic. tubes, color...	82,609	3,032,615	33,388	1,496,512
Pic. tubes, b&w...	61,091	738,227	24,835	308,659
TV tuners	12,411,768	34,006,020	5,611,498	16,289,850
Loudspeakers	24,941,906	27,961,596	23,214,005	23,254,654
Microphones	1,936,580	3,938,500	1,849,095	3,777,750
Receiving tubes	36,760,205	13,952,082	33,704,814	13,084,170
Transistors*	401,923	42,660,189	486,494	48,067,827
ICs*	217,339	64,342,334	196,654	52,736,275
Fixed capacitors*	542,535	20,564,042	374,619	16,366,447
Variable capacitors*	169,267	7,324,192	208,580	7,853,084
Fixed resistors*	1,149,967	10,859,807	705,913	6,882,150
Variable resistors*	46,395	4,465,252	126,447	4,244,613

*Units in 1,000's.

Improved version of CBS's SQ 4-channel disc matrix system circuit, known as "20-40 blend," is said to result in better front-to-back separation. System itself is unchanged. Sony spokesman, meanwhile, indicated that his company's first SQ products would be component decoder at about \$110, followed by 4-channel adaptor including decoder & 2-channel amplifier at approximately \$180, deluxe decoder with 4 output meters at about \$300. All will use logic decoder circuitry.

Diamond phono needle tips from United Kingdom are being dumped in U.S. market, Treasury ruled in final determination. Treasury issued tentative determination and ordered appraisal withholding in Aug. (Vol. 11:35 p8). Case goes to Tariff Commission for probe into whether dumping has injured domestic producers. Both dumping & injury must be found before dumping duty penalties can be assessed.

NEW SETS, NEW PRICES: RCA introduced 4 color consoles at distributor meeting last week in Chicago, where Consumer Electronics Div. Mktg. Vp William H. Anderson forecast 4th-quarter sales momentum would carry over into 1972. He said factory sales of RCA color sets during year's first 10 months were up 31% over 1970, with good sales at both high & low ends of line. He said that demand for solid-state sets at times has exceeded supply, despite tripling of production this year.

The 4 new 25V" consoles included one solid-state model and 3 "AccuColor 60" (hybrid) sets, all open-listed. Also introduced was 18V" b&w at new low of \$119.95 and 6 modular stereo systems—2 with 8-track cartridge player & stereo FM-AM at \$219.95 & \$279.95, one with cassette at \$329.95, others at \$139.95, \$179.95 & \$229.95. Eight stereo consoles with 8-track tape players are \$219.95-\$329.95. FM-AM pocket radio is \$13.95, AM digital clock radio is \$29.95.

Magnavox reduced another series of color sets—group of double-ended deluxe 25V" consoles, now \$598, down from \$699. When introduced last May, sets were priced at \$750, were cut for first time Aug. 18—so new prices represent total reduction of \$152. Company said these sets were being reduced because of inadequate stocks of other price-reduced models. These reductions originally had been planned for a later date.

Post-Thanksgiving bargains advertised in N. Y. papers: "Zenith & RCA 18-in. color TV, 1972 models, \$288.88"... "18-in. Philco portable color TV with rollabout stand, \$299".

COMPONENT SALES: Semiconductor sales by U.S. factories fell, while volume of receiving tube manufacturers held about even in year's first 8 months, compared with 1970, according to EIA. Totals include U.S.-made components as well as U.S.-brand imports.

Semiconductor sales totaled 1.84 billion units, valued at \$735.7 million, down 17.6% & 13.1% respectively. Monolithic IC, at 219 million, were up 6.6% as value dropped 7.7% to \$279.5 million, Hybrid IC sales were 66.2 million at \$57.9 million, off 24.1% & 5.6%. Sales of discrete devices fell 19.9% to 1.56 billion, with value off 17.8% to \$398.3 million.

Receiving tube volume of 146.3 million was off just 1%; value totals weren't announced. Only increase was in sales to OEMs, up 5.2% to 66.2 million. Sales to replacement market were off 5.3% to 66.6 million, exports fell 8% to 9.6 million, while direct govt. purchases were down 4.8% to 3.8 million.

Sales of capacitors in first 7 months totaled 1.69 billion units, up 7.3% from same 1970 period, with value off 14.3% to \$249.2 million. Sales by type, with units & dollar totals in millions: Paper & film, 321.4 units (up 0.5%) at \$91 (off 10.9%); tantalum, 141.7 at \$44.8 (off 24.1% & 32.5%); aluminum, 115.3 at \$44.2 (off 10.3% & 15%); mica, 94.9 at \$12.2 (off 12.5% & 3.2%); ceramic, 955.7 at \$46.2 (up 24% & 2%); other fixed, 26.1 at \$4.2 (off 10.9% & 23.6%); variable 32.4 (up 10.6%) at \$6.6 (off 4.3%).

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
Ameco			
1971-year to June 30	1,554,634	(237,858)	--
1970-year to June 30	3,193,786	(457,906)	--
1971-qtr. to Sept. 30	664,437	(77,185)	--
1970-qtr. to Sept. 30	486,577	(189,803)	--
Collins Radio			
1971-qtr. to Oct. 29	52,700,000	(8,800,000)	--
1970-qtr. to Oct. 31 ^a	77,100,000	(3,100,000)	--
Walt Disney Productions			
1971-year to Oct. 2	175,600,000	26,675,000	2.07
1970-year to Oct. 3	167,103,000	21,759,000	1.87
1971-qtr. to Oct. 2	57,200,000	10,300,000	.79
1970-qtr. to Oct. 3	54,244,000	8,254,000	.69
Electrohome			
1971-9 mo. to Sept. 30	46,179,922 ^b	1,724,081 ^b	2.80
1970-9 mo. to Sept. 30 ^a	34,428,393	668,258	1.25
Fuqua Industries			
1971-9 mo. to Sept. 30	245,372,000	5,667,000 ^c	.71
1970-9 mo. to Sept. 30 ^a	236,963,000	5,230,000 ^c	.68
1971-qtr. to Sept. 30 ^a	88,023,000	1,285,000 ^c	.15
1970-qtr. to Sept. 30 ^a	81,563,000	2,635,000 ^c	.34
Grey Advertising			
1971-9 mo. to Sept. 30	144,666,000 ^d	791,000	.64
1970-9 mo. to Sept. 30	141,597,000 ^d	739,000	.61
Republic			
1971-qtr. to Oct. 31 ^e	42,456,000	2,629,000 ^f	.28
Tele-Communications			
1971-9 mo. to Sept. 30	9,161,718	498,075	.14
1970-9 mo. to Sept. 30	6,044,808	230,425	.08

Notes: ^aRestated. ^bRecord. ^cAfter special charge. ^dBillings. ^eNo comparable figures available. ^fAfter special credit.

Trade Personals

James Haley, onetime Motorola Consumer Products pres., leaves consulting field to rejoin Philco-Ford as special markets office dir., with responsibility for major-account sales & mktg.; **Jeffrey Long** shifts from Ford corporate planning staff to Philco as color TV product planning mgr.; **George Grayley**, former Philco consumer products PR dir., reassigned to Ford corporate PR staff, successor unannounced... **Paul Dwyer** advanced at Zenith from mgr. of mfg. accounting to treas., title formerly held by **Ralph Spang**, senior vp & pres. of new Zenith Credit Corp.; **Jerry Pearlman**, ex-Behring Corp. & formerly on Ford & Philco corporate staffs, joins Zenith as controller, succeeding **Revone Kluckman**, now senior vp for Mfg. & Materials Group.

Mark Richeson promoted to mktg. mgr., GE TV Receiver Products Dept., from mgr. of national retail & contract; **John Weigel**, former GE International Mktg. & Support Operation mgr., named national account sales mgr. for GE brand TV, consoles & major appliances, replacing **Fred Curle**, now mgr. of dealer sales organization... **A. E. Last**, former WASSCO pres., advanced at Westinghouse to consumer service gen. mgr., Consumer Products Co... **Marvin Adler**, Morse finance vp, named to board.

Arnold Platt, ex-GE, appointed consumer sales vp, Benjamin Electronic Sound Corp.; **Henry Berlin**

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with
Consumer Electronics...

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promoted to sales administrator; **Steve Sussman** joins as ad mgr., succeeding **Berlin**... **Vincent Pusateri Jr.**, ex-Nobart (art studio), named sales promotion mgr., Bell & Howell Consumer Products Group.

Joe Mocarsky & **Joe Previte** resign as product mgr. & asst. product mgr. of Gillette's blank cassette mktg. organization... **Graham Powell** elected pres. of Audio Devices, succeeding **Wesley Estabrook**, who becomes resource planning vp for parent, Capitol Industries.

Cass Kowaleski, ex-Cook Electric & Warwick, joins Cartridge TV Inc. as quality assurance mgr... **Gilbert Robbins** joins Sanyo Office Equipment Div. as dealer sales mgr. for Southwestern states... **George Diedrick** resigns as mgr. of Transistron's Nuevo Laredo, Mex. semiconductor plant to form own business venture... **Daniel Bellack**, ex-GTE Lenkurt, appointed Raytheon Semiconductor mktg. services mgr.

Mergers & acquisitions: Magnavox has acquired **Ampeg Co.**, Linden N.J. manufacturer of music amplification equipment, for undisclosed number of shares. Ampeg will operate under present management within Magnavox's Selmer Div... **North American Philips** is considering sale of **Mercury Records** and ownership in Chappell music publishing firms in N.Y. & London to **Deutsche Grammophon** & **Philips Phonograph Industry** of Holland. DDG & PPI are partners with NAP in Chappell. Deal doesn't include NAP's disc manufacturing operation, Philips Recording Co.

Teledyne Packard Bell will announce in N.Y. its "master product & distribution plan for expansion into major eastern markets," as well as "other growth plans in the TV & stereo arena."