

WEEKLY

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ADAMS NAMED NBC CHMN. as Scott fulfills desire for early retirement. Goodman continues as chief exec., named to RCA board. (P. 8)

BUILDUP ON RENEWALS, ACCESS, FAIRNESS: With FCC starting to discuss renewal-policy revision Dec. 7, it received some input from OTP Dir. Clay T. Whitehead that has broadcasters cheering more than ever. Whitehead has followed up his startling "get-rid-of-govt.-regulation" concept, expressed most forcibly in IRTS speech (Vol. 11:41 p1), with directions on how to "fine-tune" his ideas, given in Dec. 3 speech before Ariz. Bcstrs. Assn. Points he made last week:

(1) Radio de-regulation—FCC should take cross-section of markets, approve sales on pro forma basis, renew licenses "without a review of program & commercial practices...I predict that such an experiment would prove that broadcasters are responsible and can serve their communities without detailed supervision from Washington." Same day, N.M. Bcstrs. Assn. offered its members as "volunteers" for "pilot test" of de-regulation.

(2) Fairness doctrine & access—Public would have "statutory right of paid access to the 10-16 min. in each TV hour which the broadcaster sets aside for sale... The right would be enforced through the courts and not by the FCC. Views stated in ads would not have to be bal-

Consumer Electronics

DISCRETE 4-CHANNEL FM, as companion to RCA disc, faces dim outlook. FCC gives it low priority and many broadcasters can be expected to oppose rulemaking. (P. 9)

ANOTHER CARTRIVISION licensee—Packard Bell entering the 'big way' next year, is 5th brandname signed up. Ampex's Instavideo sales postponed till 1973. NEC adopts Sony cassette system. (P. 9)

OCT. TV IMPORTS surge to record high as 611,000 sets pour into U.S. Color at 185,000, b&w at 426,000 set new monthly records. Ten-month color imports topped million, b&w at 3.2 million. Tariff Commission opens new industry probes. (P. 10)

INDUSTRY'S TRADE DEFICIT in consumer electronics grew by \$44 million to \$498 million in 9 months. Color TV exports by U.S. firms rose 47% in period, b&w 4%. Color tube exports slumped. (P. 11)

NEW UHF TUNERS of 70-channel detent type promised by General Instrument for 1972, miniaturized version readied for 1973. Standard Kollsman specializing in memory & varactor types. (P. 12)

PACKARD BELL'S EASTWARD PUSH keyed to new marketing strategy. Super-distributors to serve large areas, selling from factory warehouses. Finance program coming. (P. 13)

anced in program time. Advertising time & program time would be 2 separate forums, and the willingness & ability to pay would determine access... That is not a shocking concept. No one gets free access to the ad space even on publicly owned bus lines, let alone newspapers, magazines or billboards...

"In the program-time forum, an issue-oriented access mechanism would control... The totality of the programming that is under the licensee's control... would be reviewed by [FCC] at renewal time to determine whether the licensee has met his fairness obligation... And during the license period, if the licensee badly fails—or doesn't try—to be balanced & fair, a petition for revocation of the license would be entertained by the FCC."

(3) License renewals—Whitehead repeated, in new words, position stated before IRTS: "I suggested that we eliminate all government-conceived program categories, percentages, formats & other value judgments on specific program content. Then let the Commission strictly enforce a meaningful ascertainment requirement... let them judge you by your audience's criteria rather than their own. If that means that N.Y.C. stations will have no agricultural programs, and Phoenix stations will have Spanish-language public affairs programs, so be it. And if it means one channel in a large market carries little news while others provide a lot, who are we in Washington to impose our judgment and say no?... FCC should consider new applicants only when the incumbent's license is not renewed or is revoked."

When FCC talks about renewals this week, it isn't likely to get into most controversial sections yet. Now before it are recommendations of Broadcast Bureau (BB) and consultant Barry Cole—who agree, after considerable compromising. Instead of 8-day rule in pending proposal—which would require announcement that renewals come every 3 years and invite complaints to FCC about performance—BB-Cole now suggest every 15 days. There's good chance FCC will go for 30 days or even longer. In addition, Commission is expected to reject proposal that such announcements come in prime time—and it's likely to change wording of announcements to something less inviting to potential station critics.

Meanwhile, after going through half-dozen drafts, NAB last week adopted new proposal to offer Congress. Earlier measure assured renewal if licensee's programming "has been attuned to meeting the needs & interests of its area" and station operation "has not been characterized by serious deficiencies." New language—adopted after Tex., Okla. & Ark. broadcasters complained that bill was too weak (Vol. 11:47 p2)—grants renewal if "broadcast service... has reflected a good faith effort to serve the needs & interest of its area as represented in its immediately preceding & pending license renewal applications." NAB would give renewal applicant a comparative demerit if it "demonstrated a callous disregard for law or the Commission's regulations." Washington attorney who helped work on bill called it "too protective of broadcasters. It will have a much tougher time in Congress than the 'attuned to needs' proposal."

NAB GRIPE SESSION OFF 'TIL JAN.: Plans of unhappy group of NAB Radio Board members to hold "rump" meeting in Denver Dec. 13 (Vol. 11:48 p1) to discuss continued tenure of Pres. Vincent Wasilewski have been canceled. It will be replaced by special meeting of NAB Radio Board at Marco Beach (Fla.) Hotel Jan. 17—day before regular Joint Board meetings there. Leaders of dissidents—William Merrick & Jerry Lee—agreed to proposal of NAB Radio Chmn. Andrew Ockershausen that special meeting be held in Fla. instead of unofficial session in Denver.

Denver meeting had been called to discuss continuation of NAB Pres. Vincent Wasilewski's contract (it expires Jan. 31), primarily because of unhappiness with performance of govt. relations dept. "I don't think there's any cooling of the whole matter," Merrick told us last week. "The issues are still the same... But the [Television Digest's] 'Dump Wasilewski' head wasn't exactly right. That's not the way I look at it. The real issue is the administration of the NAB."

Lee, commenting on postponement of Denver session: "We have alerted the industry to the fact that something is wrong. Now, when we go down to Marco Island, everybody will be aware that we have some big problems that we must solve. We'll get it all out on the table." In wire to Radio Board, Ockershausen said "any and all matters pertaining to NAB can be discussed." Observer from TV Board probably will be invited (NAB chmn. Richard Chapin also will attend as observer), but Merrick said he would be "violently opposed" to inviting full TV Board.

Effort of ex-NAB Chmn. Bill Walbridge, who signed Wasilewski to 26-month agreement 2 years ago, to clarify contractual situation appears to be backfiring. Walbridge put in writing his understanding of conversation with NAB pres. year ago:

"Neither the spirit of the agreement, nor indeed, the language...had any intention of limiting your tenure to just those 2 years... You assured me that you intended to make the NAB your life's work and that as far as you were concerned you would let the agreement lapse and continue indefinitely with or without a contractual relationship... The tenure of the pres. in the past has existed with or without contractual agreement, and absent any action by 3/4 of the Board... I must observe that your tenure is not limited to the contractual letter now on file."

Several who know contents of letter—both friend & foe of current leadership—take issue with what they said was Walbridge's "contention that Vince has a lifetime tenure, short of 75% of Board voting to oust him," as one put it. It's known that both sides have lawyers studying NAB bylaws—which are silent on subject of re-employing pres. whose contract expires. Some maintain 1/4 of Board can dismiss Wasilewski simply by refusing him new contract. Others say it takes simple majority of Board present & voting to dismiss him. Some support Walbridge contention that he continues as pres. "absent any action by 3/4 of the Board."

Regarding govt. relations dept. status, Wasilewski agreed at Nov. Exec. Committee meeting to report back with recommendations Dec. 8. It's understood from reliable sources that he would like to make Grover Cobb, now exec. vp for station relations, senior vp over all staff and to boost TV Vp William Carlisle to Cobb's spot. "But that won't fly without Board approval because of the reorganization a year ago," we were told by a dir. close to situation. "It would be foolish for Vince to react while this is boiling [and] no one really has an axe out for Comstock, but his govt. relations dept. isn't performing up to expectations."

Current furor has caused talk of separate TV & radio associations, to surface again. When idea was debated hotly 2 years ago, it was radio members who were backing proposal (Vol. 10:2 p1). This time, TV men seem to like idea. One prominent broadcaster, who served several years on TV Board but isn't now a member, told us: "Within 18 months, it's likely NAB will become a federation consisting of 2 separate trade associations that will join only to deal with matters that are clearly common to both. The reason I believe this is because you can't have an effective organization when you have such diverse members as a 250-watt radio station and a 50-kw TV station. It's also bad that radio, with 29 NAB directors, can always outvote TV. Radio & TV are almost competitors. They may be more different than N. Y. & N. J."

Countered Merrick: "Whenever this separate association idea has come up, I have tried to put it down. I think this is the worst thing that we can do... Most of our fights are going to have to be together, whether we like those guys or not." He complained, however, that "NAB is very strongly controlled by TV interests." Another NAB dir., with TV & radio, said TV would be big loser in such a spin-off because "it's the radio guys that are effective in grass-roots politicking, particularly with members of the House."

DENOUEMENT IN TELEPROMPTER CASE: TelePrompter chief Irving Kahn received 5-year sentence, and Jack Kent Cooke won control of company—as company's saga climaxed last week. Kahn's sentence is stayed (as is \$10,000 fine for TPT) pending appeal, which will take several months. Kahn & his attorneys sought sustenance in following aspects of case, hoping they enhance prospects in appeal: Judge Motley noted that there are "many substantial questions;" she acknowledged receipt of "many, many letters from prominent citizens of this country" urging suspended sentence, saying Kahn can contribute much to use of cable in public interest; some attorneys also thought that severity of sentence was intended as flag to invite closer Appeals Court scrutiny.

Cooke is largest stockholder, with 508,000 shares (16.5%), will have 8 members on 14-member board. Agreement to call off proxy fight came last week as Hughes Aircraft officials persuaded TPT Pres. Hubert Schlafly to negotiate with Cooke. (Schlafly doesn't wish to continue as chief exec. officer, will stay on as employe for at least a year, and Cooke is seeking replacement. Rumors concentrate on network executives.)

Cooke's board members, plus himself: Former Pa. Gov. Raymond Shafer; Berle Adams, ex-MCA; Marvyn Carton, Allen & Co.; Ralph Lewis, Harvard Business Review; Philip Lowe, management consultant, ex-ITT; Charles Luckman, Ogden Development; Maurice Mitchell, Denver U. chancellor.

Schlaflly is on board, and Hughes Aircraft, reflecting high interest in cable, put its No. 2 & 3 men on slate: Dr. Allen E. Puckett, exec. vp; John H. Richardson, senior vp. Jack Wrather, Wrather Corp., another substantial shareholder, is on board, along with attorney Monte E. Livingston, of Kaplan, Livingston, Goodwin, Berkowitz & Selvin, and attorney T. Newman Lawler, of Lawler, Sterling & Kent.

Kahn, 53, was sentenced to 5 years on each of 5 counts of bribery, conspiracy & perjury—to run concurrently. The 2 men who pleaded guilty to having accepted bribe from Kahn—Johnstown, Pa. Mayor Kenneth Topkins & Councilman J. Howard Deardorff—are to be sentenced Feb. 4. Councilman Robert McKee is fighting case, retaining noted trial attorney F. Lee Bailey.

Asked if he had statement, Kahn read from prepared material, telling Judge Motley he "jotted it down" because "I wasn't sure of my composure." Said he, in part: "During the preparation of this case, I was given full well to understand that my sentence might be lighter if I pleaded guilty rather than insisting upon a trial in which I might be convicted. Perhaps the practical thing for me to do was to plead guilty. But regardless of the practicalities, and regardless of the risk, it was impossible for me to bring myself to plead guilty to a crime I strongly felt, and still feel I did not commit... I yielded to the pressure of these corrupt officials solely to keep them from harming TelePrompTer, not to gain favors for the company and certainly not for myself."

Most industry observers thought sentence was unduly harsh. If Kahn wins appeal, it's generally believed he'll be a significant figure in industry. But it's thought it would be miracle if he made major comeback after serving prison term. He'd be eligible for parole after serving 20 months. TPT staff is still rather numb, and top people haven't indicated changed plans—if indeed they have changed—in light of Cooke's takeover.

CAMPAIGN REFORM NEARS FINALE: Last week, Congress and White House appeared ready to put it all together, as House reported out campaign spending bill similar to measure passed by Senate (Vol. 11:32 p6), and conferees put off controversial tax checkoff plan until 1976.

Using Senate bill as base, House: (1) Voted 10¢ limit per voting age resident or \$50,000, whichever is greater, for all federal candidates in both primaries & general elections. No more than 60% can go to broadcasting, but all could be spent on print. This would limit Presidential candidates to about \$13.9 million in all media in 1972, or \$8.4 million in broadcasting. Measure is similar to Senate bill which also has 10¢ limit, but not more than 6¢ for any single category—broadcast or print. House also expanded limits covered in Senate bill (TV, radio & newspapers) to include magazines, billboards, computerized telephone campaigns and postage on mass mailings.

(2) Voted against repealing equal-time Sec. 315 for any federal candidates. Senate voted repeal for all federal candidates, and this disagreement will be major factor when conferees meet Dec. 6. Also to be straightened out is language of Senate bill which makes it unclear whether limits apply to both primaries & general elections. (3) Amended Senate provision requiring all media to offer politicians "lowest unit cost" to "comparable time" charged any other customer.

An \$85 million govt. ad campaign—mostly on TV—to promote highway safety has been proposed in legislation sponsored by Sen. Williams (D-N.J.) & Rep. Murphy (D-N.Y.), but ranking Commerce & Public Works committee members in both houses appear reluctant to schedule hearings. "We cannot depend on public service spots to combat this greatest of American tragedies," Murphy said. "We propose a new positive approach to the use of our national media to reach all... on a continual basis with thoroughly researched, psychologically tested, expertly prepared one minute capsules." Bill would authorize Dept. of Transportation to spend \$85 million in 1972, same amount for each of next 2 fiscal years. When Army announced it would spend \$10.6 million on broadcast ads to attract volunteers, many congressmen protested spending govt. money for TV, and House Communications Subcommittee held hearing (Vol. 11:17 p5).

FTC sent shiver up advertisers' spines last week when it issued proposed consent order requiring Sugar Assn. to run new ads saying that Commission found its weight-loss claims false. Previous FTC complaints, including one against Sunoco, proposed similar disclaimers, but only as part of advertising firm planned to run anyway. Sugar case marked Commission's first attempt to require advertiser to buy new ads, whether he wants to or not, to advise consumers of alleged deception.

ETV & WHITEHEAD—SAME DIFFERENCES: Administration's bid for broad-based support from local public broadcasters in much-publicized dispute with CPB & PBS over direction of public broadcasting received major setback from Public TV Managers Council. During recent meeting with OTP Dir. Clay T. Whitehead, 13-member Council submitted letter, responding to Whitehead's NAEB convention address in Miami (Vol. 11:43 p1), in which they opposed attempt to eliminate CPB discretion over distributing federal money to stations and rejected charges that PBS was muzzling attempts at more local programming.

Whitehead made it clear in Miami that he was speaking for White House in direct appeal to local broadcasters to reject CPB & PBS alleged efforts to create "centralized, national network." Both before & since, he traveled extensively to talk with public broadcasters, apparently still believes there's major dissatisfaction with CPB & PBS. But while Council's response was low-keyed and avoided charge of political interference that marked response from CPB Activities Dir. John Witherspoon (Vol. 11:45 p3), letter said it was "deeply disappointed" that OTP hadn't submitted permanent financing plan to Congress long ago, blamed that for most of industry's shortcomings.

"Nothing was done to resolve the basic disagreement... There was no change in our thinking," OTP spokesman said after meeting. He insisted that any long term CPB bill earmark general support grants directly to stations, eliminating CPB right to determine eligibility. Council's attempt to get around OTP objection—by suggesting higher percentages of federal money flowing through CPB to stations, coupled with greater Council influence with CPB in determining eligibility—apparently didn't satisfy Whitehead. (Talking before National Press Club last week, Whitehead said any long-range bill OTP eventually

sent to Congress would cover 3-year period. He doubted Congress would approve 5-year plan recently introduced in House [Vol. 11:47 p4].)

Council letter was written by Robert Schenkkan, KLRN-TV San Antonio-Austin, and NAEB ETS Div. Dir. Presley Holmes and had no advance clearing from CPB. On issues of funding & structure, Council proposed: (1) "Resume immediately full-scale negotiations" with CPB to resolve differences and propose financing legislation. (2) Financing bill should list specific percentage of funds which should flow through CPB to stations. It suggested 30% "minimum" to "at least" 50%.

(3) Policy-making procedures of CPB have already been revised to provide more effective station participation in CPB financial activities. Presumably, this refers to greater participation by Council. (4) It urged that PBS board consist only of ETV station managers to make it more "insulated" from CPB. This means that CPB Pres. John Macy would leave PBS board, a move he favors. (5) Separate grants should be provided by CPB to stations for school & home instructional programming. This would mean substantial increase in money flow to stations. (6) Include funds in facilities program for color VTRs for each station.

Rebutting accusations that Whitehead made in Miami, Council (1) denied it was programming "exclusively to the upper middle-class white audience," or that "Sesame St." represented "a step in the wrong direction;" (2) denied it was obsessed with ratings, but defended use of ratings to justify money requests to Congress; (3) said that Ford Foundation exercises no content control; (4) defended balance & objectivity of news & public affairs programming, said it was preparing journalistic standards on which both stations & producers must agree (Vol. 11:43 p2).

Test of FCC's proposed program exclusivity rules will be undertaken on Newport News (Va.) CATV system, FCC said last week in granting system authority to carry 3 network affiliates from Richmond until March 1. Newport News is in Norfolk market (44th), and Richmond stations put Grade B signal over area. After Court of Appeals affirmed FCC order that system stop carrying Richmond outlets, they were dropped Oct. 31. Cable system said it would go under without Richmond signals, asked authority to experiment with exclusivity rules, and told FCC it would cease operation Dec. 31 unless granted relief. "It does not seem appropriate to allow a cable system to fail a short time before new rules are adopted," Commission said in approving test. Comr. H. R. Lee dissented.

Add NCTA pres. candidates: John B. Fisher, Washington management consultant since 1956, previously administrative asst. to Sen. Saltonstall (R-Mass.). Recent activities include Capitol Hill representation of industrial & labor union clients. Native of L. A., he studied at American Institute of Banking 1934-37, has 1941 A.B. from Harvard, served in Navy during World War II, taught & raised funds in Boston before joining Saltonstall.

ABC has asked NAB TV Code Board, meeting this week in Phoenix, to approve 1/3 cutback in commercials permitted in Sat. morning kid programming. ABC suggested new time-standard category—Children's Weekend Programming—allowing maximum of 11 min. non-program time per hour (present maximum is 16), no more than 2 interruptions per half-hour (now allowed 4). NBC, meanwhile, announced plans to produce half-hour Mon.-Fri. afternoon series directed toward 3-6-year-olds. Commercial time in each half-hour will be reduced by 2 min., according to NBC Pres. Julian Goodman.

A better mousetrap! ABC-TV's college football "game of the decade" Thanksgiving Day swamped its competition from NFL divisional leaders L. A. & Dallas. For 2 hours & 15 min., Neb.-Okla. game was head-to-head against professional brand on CBS, and Neb.-Okla. had 20.3 rating, 48.9 share; L. A.-Dallas 8.5 rating, 21 share. Figures are from Nielsen 70-market MNA.

National & regional advertisers spent \$328 million on spot TV during 3rd 1971 quarter. TvB & BAR report. P&G was largest with \$21 million. Figures are based on 75 markets and 259 stations, don't provide comparison with 1970.

MEDIA SEEK PHASE 2 EXEMPTION: After huffing & puffing about go-go girls and topless dancers, Senate voted last week to exempt news media from Phase 2 of President's wage & price controls, but refused to exempt show business. Day later, however, House Banking Committee reported out similar bill without media exemption. Measure will reach House floor early this week where effort will be made to restore amendment.

Amendment to economic package was first suggested by American Newspaper Assn. and backed with strong lobbying by NAB & networks. Introduced by Sen. Cranston (D-Cal.), amendment exempted broadcasters, CATV, newspapers, magazines, periodicals and show business from controls. Cranston & Sen. Ervin (D-N.C.) argued that regulation of news media prices & wages threatens First Amendment. But when Sen. Pastore (D-R.I.) objected: "We have these X pictures and the topless girl pictures. We are going to exempt them?... If an actress is going to act, they say that they will double her salary if she goes topless. They can do that. But we cannot increase the salary of a schoolteacher. That does not make sense to me."

Bill was first defeated 44-42, but when Cranston removed show business exemption, it passed 50-36. Although unspecified, Senate intended to permit challenges if govt. thought media increases were out of line. Both ABC & NBC have already applied to hike rates frozen last summer. Even if Congress does approve exemption, it won't become effective until next April, and one network spokesman told us he hopes Price Board will "just decide the hell with it" in interim.

CBS spokesman said that with predicted upsurge in economy next year, stations & networks would profit by amendment. "A lot of uncertainty about the economy has rubbed off on the advertising business," he said. "We're not looking for loopholes to raise rates," NAB spokesman cautioned. "But there's a strong possibility any time the government controls the media's income to exert undue influence... Broadcasters must not willy-nilly raise prices... Anything unrealistic will be questioned."

FCC is about to turn down petition for reconsideration filed by National Citizens Committee for Broadcast., against decision last May, which rejected NCCB's request for declaratory ruling. NCCB had sought establishment of Commission policy stating that a station was guilty of a violation if it "altered its programming... as a direct & proximate result of governmental pressure, whether from White House officials or other members of the federal govt." Commission seems to be still of view that it shouldn't crack down unless there's "extrinsic evidence" that station deliberately distorted news. It believes policy sought by NCCB would inhibit broadcasters' freedom, making it tough to decide whether to use any govt. material—even if it's in public interest.

Warning that "restrictions [on] advertising can be legislated and could be in force in 5 years," Herbert Zeltner, Needham, Harper & Steers senior vp, has called for committee to study problem of clutter in all ad media.

WILEY IS IN AT FCC: Appointment of FCC Gen. Counsel Richard Wiley as commissioner is official—announced by President Nixon last week—and he'll take office immediately when Congress adjourns, expected this week or next.

It's called "recess appointment," meaning Wiley can take office without Senate confirmation now. When Congress returns in Jan., he'll go through regular hearing & confirmation. He takes seat vacated by resignation of Robert Wells, and term runs to June 30, 1977.

Republican Wiley gets appointment with understanding—largely between Sen. Pastore (D-R.I.) and White House—that next member will be a black Democrat to succeed Comr. Bartley. Latter's term expires next June 30; there's talk that he may retire before then, but it isn't coming from him.

Welcome mat for Wiley is huge. Most of industry likes his conservative philosophy. Extremely hard working, he came to Commission in Sept. 1970 from Chicago law firm Burditt, Calkins & Wiley. Previously, he served as Bell & Howell asst. corp. counsel & asst. secy. Protege of Sen. Percy (R-Ill.), onetime head of Bell & Howell, Wiley has been vigorous GOP worker.

Knowledgeable about all major FCC issues, Wiley can move in and vote right away. Appointment restores Commission 4-3 GOP majority, also beefs up its complement of lawyers. Only he, Burch & Johnson are attorneys. Rarely have lawyers been in minority. Wiley is 37, father of son & daughter, with 3rd child imminent.

Chmn. Burch has been interviewing candidates as new gen. counsel—people in Commission, other govt. agencies, outside govt.—says he hasn't chosen one yet. Apparently still a possibility is John Powell, black gen. counsel of Commission on Civil Rights. A Republican, he tried for commissionership, and at one point White House aides brought up possibility of FCC gen. counselship instead.

Sale approvals: KTXL-TV (Ch. 40) Sacramento from Colony Corp. to Business Men's Assurance Co. for \$530,325, including debts. KBMA-TV (Ch. 41) Kansas City from William Grant to Benno C. Schmidt for \$438,500, including \$350,000 in loans. In both, FCC denied charges of trafficking, waived 3-year rule. Richard Leghorn (N.E. & Fla. CATV owner) purchased CP for Ch. 50 Washington for \$55,000 in bankruptcy sale from estate of late Theodore Granik. Leghorn said he's giving "serious consideration" to seeking pay-TV authorization for Ch. 50.

Sloan Cable Commission reports findings in news conference Dec. 8, Caspary Auditorium, Rockefeller U., 66th St. & York Ave., N.Y. On hand, from 16-member group: Chmn. Edward S. Mason, Harvard Public Administration dean emeritus; Carl Kaysen, dir., Institute for Advanced Study, Princeton; Jerome B. Wiesner, MIT pres.; James Q. Wilson, Harvard govt. prof.

New CBS affiliates KTVN Reno and satellite KECO-TV Elko, Nev. replace KOLO-TV Reno

Salaries paid public TV personalities—including \$85,000 annually to newsmen Sander Vanocur and \$75,000 to Bill Moyers—have caused concern among members of House Commerce Committee. Last week, Chmn. Staggers (D-W. Va.) ordered Investigations Subcommittee staff to probe matter with eye toward possible public hearing. CPB Pres. Macy then provided Committee list of salaries for major performers and executives at CPB, PBS & NPR. But Rep. Van Deerlin (D-Cal.) and others called salaries too high. "I should have hoped that this new medium would build up its own air personalities rather than seek to compete on the commercial market," Van Deerlin said, adding: "I'm afraid that [CPB's] hope for future success on Capitol Hill has not been improved by these revelations." That brought quick reaction from NAEB Exec. Dir. Chalmers Marquis, who called salaries "significantly lower than commercial enterprise," hoped Congress wouldn't use salary issue to kill long-range financing plan for CPB. But by week's end, Communications Subcommittee Chmn. Macdonald (D-Mass.) had apparently squelched move for Investigations hearing, said that while he was "a little bit shocked" at salaries, proper time for raising questions would be when his Subcommittee considers CPB funding bill early next year. "If they are doing something unreasonable, it will come out," he said, adding that his hearing wouldn't be turned into "a witch hunt."

CATV is far superior in serving education than over-the-air broadcasting, according to Rand economist Leland Johnson's report "CATV and Higher Education: Two Contrasting Experiences." His conclusions are based on study of arrangements between Ore. State U. and Corvallis TV Cable and Ore. U. and TelePrompTer. Recommendations: (1) CPB & PBS offer educational cable systems same services they provide public broadcasters. (2) HEW should provide facilities grants to allow CATV originations on campus. (3) Cable's ability to successfully aid education depends on school's environment, attitudes of faculty members & administrators.

Quality color kine recordings are being produced by laser beam method in system now being tested by CBS-TV, CBS Labs Exec. Vp Renville McMann told Society of Information Display meeting in N. Y. CBS Labs-developed system uses red, green & blue laser beams to transfer color TV signal to color film, with sound track transferred to magnetic stripe by laser. McMann said system, under development for more than 2 years, produces low-cost, high-quality kine-scope recordings, and several Hollywood production firms & U.S. govt. have expressed interest.

Uhf "taboo" study of N. Y. C. area has been released by FCC, available from Office of Chief Engineer. Report concludes that more uhf channels can be made available for TV or other services "if modifications or deletions in the taboos are technically & economically feasible."

CATV sale: Systems in Waco, Temple & McGregor, Tex., from Bruce Merrill's American Cable TV, to Bill Daniel's CableVision Properties, price undisclosed. Systems have 11,300 subscribers, with 539 miles of plant passing 47,500 homes.

CATV & STATION COVERAGE ATLAS

Immediately available is Television Digest's unique 1971-72 CATV & Station Coverage Atlas. One of most versatile reference tools for entire cable, telecasting & manufacturing industries, Atlas features most extensive changes ever, caused by FCC's new methods for computing station coverage contours. Volume is expanding, runs 316 pages.

Among features this year is complete text of FCC's letter to Congress detailing plans for CATV regulation, including market rank & signal carriage in top 100 markets—plus other pending proposed Commission rules.

Among exclusive sections of Atlas are: (1) Grade A contours of all stations. (2) Grade B contours of all stations, displaying location of all operating CATV systems. (3) 35-mile zones for all TV markets—in 3 colors—to distinguish among top-100 markets, all others, and ETV stations. (4) Directories of NCTA, regional & state associations, FCC Cable TV Bureau, Copyright Office, translator stations, equipment manufacturers. (5) Two-page map of CATV microwaves plus directory of microwaves serving cable systems.

Combined with our Television Factbook & its 364-page CATV directory, Atlas provides you with just about all the basic reference equipment for working on cable & related matters. Use enclosed order card to start immediate shipment of your copies.

Upcoming FCC agenda: Renewals, Dec. 7; CATV, Dec. 9, 10, 17; satellites, Dec. 14. During weeks starting Dec. 20 & 27, only emergency items will be considered—no regular agenda. Incidentally, Chmn. Burch is now talking about panel-type proceedings later—so successful with CATV—for discussion of major topics such as satellites, fairness, renewals, etc. If plan is adopted, Commission would invite participants from industry, govt., education, etc.

Laser Link's CATV technical training seminar, Dec. 14-16, Woodbury, L.I., is open to CATV operators & technicians. Topics include microwave, basic systems operation, processing FCC applications, planning & installation, etc. Arrangements: Laser Link, 303 Crossways Park Dr., Woodbury, Long Island.

Social impact of broadband technology is subject of symposium of American Assn. for Advancement of Science Dec. 29, Bellevue-Stratford Hotel, Philadelphia. Participants: Edward Mason, Sloan Cable Commission; Peter Goldmark, CBS Labs; George Mansur, OTP; Paul Baran, Institute for the Future; William Wright, BEST.

Hamlin International, Seattle CATV equipment manufacturer, plans to establish wholly-owned Tokyo branch. Reports from Tokyo say firm hopes to do about \$500,000 business annually in import & export of CATV equipment, will also offer technological knowhow to Japan's budding cable industry.

Personals

House Commerce Committee Chmn. **Harley O. Stagers** (D-W. Va.) has announced he'll seek re-election next year to seat he's held for 23 years. Stagers squelched rumors that he'd not run again with announcement that "my experience will be of benefit to the people of the 2nd district as this country faces many challenges..."

Carl Ward promoted to CBS-TV affiliate relations vp effective Jan. 1, succeeding **William Lodge**, retiring; **Harvey Struthers** promoted to management development vp, CBS Bcst. Group... **David Poltrack** promoted at CBS TV Stations National Sales from mktg. services mgr. to sales research & promotion dir... **Sheldon Perry** elevated to talent & program negotiations dir., CBS TV Business Affairs; **Arnost Horlik** promoted to contract negotiations dir... **Robert Hynes**, minority counsel, House Rules Committee, joins NBC Washington as dir. of govt. relations, new post.

Charles Meehan advanced to vp & national sales mgr., WNEW-TV N. Y. ... **Jack Sander** promoted to local sales mgr., WTOL-TV Toledo; **James Foley**, ex-WIS-TV Columbia, named national-regional sales mgr., succeeding Sander.

Michael Schreter elevated to finance & administration vp, KTLA L. A.; **Robert Sponseller**, ex-Signal Companies, named controller; **Frank Chappell** promoted to asst. to pres., Kansas State Network... **Robert Gnelser** elevated to editorial dir., WMAL-TV-AM-FM Washington... **Charles Buzzard**, ex-Central Dynamics of Canada & former WLS-TV Chicago chief engineer, named midwest sales engineer, Philips Broadcast Equipment Corp.

Robert Wilson elected pres. & chief exec. officer, Collins Radio; **W. W. Roodhouse** rejoins Collins as exec. vp; he had resigned Nov. 23... **Joel Reese** promoted to gen. mgr., Superior Continental's Cable & Equipment Div.; **John English** elevated to head sales efforts of Superior Cable & Equipment, Whitney Blake and Republic Wire & Cable... **Lee Simpson** promoted to gen. mgr., Rollins CATV; **Thomas Bird** advanced to engineering dir... **Arthur Zeiger**, ex-American Leisure Industries, named development & business affairs vp, Viacom Enterprises; **Merrill Grant**, ex-Grey Advertising, appointed national sales vp.

Robert Hallahan, NAB PR staff, promoted to dir. of newly-formed Bcst. Bureau... Novelist **Charles Flowers** ("It Never Rains in L. A.") joins TIO as assoc. editor... **Lewis Shollenberg**, ex-CBS News and recently information dir., Small Business Administration, appointed vp-Washington dir., Advertising Council, succeeding **Ellen O'Sullivan**, resigned.

Oscar Lubow, ex-pres. of Anaiel Starch and formerly chmn. of C. E. Hooper Inc. and Roper Research Assoc., appointed asst. to chmn., Doyle Dane Bernbach... **Thomas Atkins** elevated to pres., Independent Communications Sales Ltd., Ontario... **Herbert Lazarus**, ex-20th Century Fox TV, appointed sales vp, Screen Gems International.

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with
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ADAMS FOR SCOTT AS NBC CHMN.: Highly respected veteran NBC executive David Adams has been appointed chmn., effective Jan. 1, succeeding Walter Scott, who is fulfilling desire for early retirement at 57. Julian Goodman remains as pres.-chief exec. officer and will be elected to Scott's place on parent RCA board.

Scott said he will remain "an active" NBC dir. and is expected to be available for special assignments. Adams, 58, moves up from exec. vp, and actually there will be very little change in his functions. He retains supervision over legal dept., program standards, advertising, PR, affiliate relations, Washington operations and several non-broadcast divisions. "Julian is my boss," Adams said. "I will continue to work with and for him just as I have in the past." He took year's sabbatical in 1969, has been at NBC (except for 6 months with RCA Communications) since 1947. Before that, he was div. chief in FCC Common Carrier Bureau.

Ex-FCC Chmn. Newton Minow is co-authoring another book—this one on Presidential use of TV and its impact on Congress and political system. Work is being done under grant from 20th Century Fund, and Minow hopes to have it published before 1972 election. Co-authors are law partner Lee Mitchell and Northwestern U. Prof. John Martin, ex-White House speech writer.

FCC rules "were thrown like a blanket over the whole industry and the time has come to consider radio's problems separately," FCC Exec. Dir. John Torbet told NAB Small-Market Radio Committee last week. He suggested that NAB form special committee to work with Commission in improving radio regulations.

ABC is selling Marine World on San Francisco Bay to Resorts International for unannounced price.

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Nov. 19 (46th week of 1971):

	Nov. 13-19	1970 week	% change	Nov. 6-12	1971 to date	1970 to date	% change
Total TV.....	288,034	250,816	14.8	263,424	9,413,655	8,098,656	16.2
color.....	172,067	131,107	31.2	150,630	5,192,769	4,130,651	25.7
monochrome....	115,967	119,709	- 3.1	112,794	4,220,886	3,968,005	6.4
Total radio.....	424,285	370,945	14.4	408,276	16,740,137	14,164,841	18.2
home, portable..	211,684	240,075	-11.8	181,984	7,497,046	6,943,934	8.0
AM-only.....	107,009	135,744	-21.2	94,276	4,185,077	4,214,947	- 0.7
FM & FM-AM..	104,675	104,331	0.3	87,708	3,311,969	2,728,987	21.4
auto.....	212,601	130,870	62.5	226,292	9,243,091	7,220,907	28.0
Total phono.....	119,022	116,460	2.2	87,775	3,662,613	3,380,372	8.3
portable-table...	93,656	89,953	4.1	64,294	2,837,549	2,465,087	15.1
console.....	25,366	26,507	- 4.3	23,481	825,064	915,285	- 9.9

Color TV 5-week moving average: 1971-161,060; 1970-131,112 (up 22.8%)

OUTLOOK DIM FOR DISCRETE 4-CHANNEL FM: RCA Records' espousal of discrete 4-channel disc format raises this question: What are prospects for reasonably speedy approval of companion discrete quadrasonic stereo-FM system? Discreet inquiries at FCC produce this answer: Lousy.

Currently pending FCC action is petition for commercialization of Dorren multiplex system, which has been tested on KIOI San Francisco. GE is testing own system on its WGFM Schenectady but hasn't petitioned for FCC acceptance. Toshiba has developed discrete 4-channel FM system in Japan, and undoubtedly others will crop up.

But FCC feels no sense of urgency. Harold L. Kassens, chief of Broadcast Bureau's Rules & Standards Div., says issue is "way down on the list" because of FCC budget problems, lack of personnel for such a large proceeding. When proceeding does start—and it's by no means certain for 1972—FM broadcasters can't be depended upon to support it. Many may actively oppose it because switch to FM stereo was more expensive than anticipated and resulted in little or no increase in revenues. Four-channel threatens more expense, including cost of relocating SCA (background music) subcarrier, converting SCA receivers to new frequency, etc.

Any record companies which cast their lot with matrix 4-channel systems (including CBS) also can be expected to oppose new broadcast standards. Matrixed 4-channel material, live or recorded, can be transmitted over regular stereo-FM outlets without FCC permission and can be played back in 4-channel mode through decoder. About 70 stations are believed to be broadcasting encoded 4-channel music now.

If FCC should eventually start 4-channel stereocast proceeding, it will be lengthy process, with plenty of systems proposed, field-testing, etc. It took 7 years from start of stereo recording to FCC's establishment of FM stereo standards in 1961.

ANOTHER SET MAKER FOR CARTRIVISION: "We're going into Cartrivision in a big way," Teledyne Packard Bell Sales Co. Pres. George Connor told N. Y. news conference last week—and Cartridge TV Inc. (CTI) chalked up 5th brandname for its scheduled mid-1972 consumer-market debut. In addition to TPB, Cartrivision home VTR decks are due in color TV combinations from Admiral, Emerson, Montgomery Ward and Sears Roebuck. And there are hints that

another big name could be on bandwagon before Jan.

TPB's alignment with Cartrivision didn't come as overwhelming surprise—system was shown at Packard Bell convention last May to gauge distributor-dealer reaction (Vol. 11:22 p8). At news conference to announce TPB's eastward expansion (see p. 13), Connor said Cartrivision models would be introduced at next May's convention and placed in national distribution shortly thereafter. It's understood that initial models will be in combination with 19V" & 25V" sets.

CTI meanwhile has dropped plans to market Cartrivision under own brandname, we were told by Mktg. Vp Donald F. Johnston—presumably because it has enough TV manufacturers signed up to cover initial production. First-year output will be about 50,000 units (Vol. 11:44 p9), of which Sears has contracted for minimum of 3,000, Admiral 10,000 for itself, Emerson & Ward, TPB undisclosed number. Johnston told us 6th & final version of Cartrivision deck has now been completed and development signed off in preparation for pilot production. CTI has still to supply details of its software marketing plans.

Elsewhere on videoplayer front, negative news came from Ampex, which announced 2nd postponement in production of its Instavideo cartridge system—this one until late 1972, with world marketing to begin in early 1973. Group Vp Robert L. Pappas said delay was necessary to conduct further performance & reliability tests and to assure conformance with FCC's upcoming radiation regulations. Instavideo line is scheduled for production in Japan by Toamco, joint Ampex-Toshiba venture.

Sony's 3/4-in. U-Matic videocassette system, meanwhile, shows signs of becoming Japanese standard. Latest to announce compatible unit is Nippon Electric Co. (NEC), following adoption of Sony standards by Panasonic & JVC for 3/4-in. machines. Three Sony videoplayers are prominently displayed in company's new N. Y. showroom, where they have been attracting continuous throngs.

Those anticipating early demonstration of Teldec color video disc in U.S. are in for disappointment. Originally scheduled for spring, it has been pushed back to fall 1972, on basis of decision to develop unit designed for NTSC color standards before any display in U.S. Virtually all U.S. set makers are impressed with this disc system, but royalty & license terms have not yet been worked out by proprietors AEG Telefunken, British Decca & joint venture Teldec. As to published reports that Zenith had taken option on Teldec system, London Special Projects Mgr. Leo Kofberg, who represents Teldec in U.S., had succinct comment: "Pure crap." Zenith has no-comment policy on all videoplayer rumors.

Videorecord Corp. of America (Vol. 11:25 p9), has declared itself operational despite shortage of cassette videoplayers. Firm is using Norelco 1/2-in., open-reel b&w VTRs, now claims 15 franchised dealers selling in approximately 25 territories in N. Y., N. J. & Pa. Initially VCA is offering 250 programs in 50 packages geared to health care & educational markets, leasing VTR along with program reels. Concept of regional distributors has been dropped, company using own field reps instead.

OCT. TV IMPORTS SET RECORD HIGHS: Monthly TV import totals crashed through 600,000 mark for first time in history in Oct. as reopening of strikebound West Coast ports released cargoes locked in since July. Also contributing to crush were sets actually imported in closing Sept. days, but included in Commerce Dept. Oct. totals. Sept. 30 was last day importers could remove merchandise from bonded warehouses without paying 10% duty surcharge and was also last day of work on many East & Gulf Coast docks. Paperwork glut forced delay in Customs entry reporting, we're told.

Virtually all monthly TV import records fell in Oct. At new high of 611,288, total TV imports were up 38.1% from Oct. 1970. New color monthly mark of 184,987 was up 71.4%, and record b&w total of 426,301 was up 27.4%. New highs were also set in month for total TV, color TV and b&w TV imports from Japan; total & color TV from Taiwan, TV (b&w only) from Korea. Oct. surge pushed 10-month total TV imports to 4.2 million, up 15.9%, with color just over million (up 38.8%), b&w at 3.2 million (up 10%).

Oct. TV imports from Japan were up 27.6% to 444,808, with color up 69% to 174,289, b&w

up 10% to 270,519. Taiwan TV imports of 128,040 were up 153%, color up 172% to 10,574, b&w up 111% to 117,466. Imports of b&w from Korea, 17,400, were higher than those of preceding 9 months combined. Bucking trend were b&w imports from Mexico—unaffected by strike—down 38% to 19,572. Ten-month totals show TV imports from Japan up 11% to 3 million, color up 37.2% to 975,500, b&w up just 1.4% to 2 million; Taiwan total at 937,000 (up 33.8%), color 64,800 (up 102%), b&w 872,000 (up 30.5%); Mexico at 258,500 b&w (up 26%), and Korea at 30,900.

Despite strong Oct. showing, importers of Japanese TVs reduced sets-in-transit backlog only moderately. We estimate that some 330,000 Japanese TVs were still tied up by dock strike at end of Oct. These, added to Japan's Oct. exports (Vol. 11:48 p7), indicate pipeline inventory of 690,000 sets, compared with about 800,000 at end of Sept.

* * * *

Continued delay in release of investigative report on TV industry was announced last week by Tariff Commission. On Nov. 19, Commission voted 5-1 that domestic TV industry was not entitled to relief from imports under escape-clause provisions of Trade Expansion Act (Vol. 11:47 p7). Relief request, filed by unions, was supported by EIA. Commission also announced opening of 2 new industry investigations for import relief. One, filed by IBEW, is to determine eligibility of workers at General Instrument diode plant in Newark, N.J. for import adjustment assistance. Other is to learn whether duty-free importation of electron microscopes & similar devices is harming domestic producers. Such scientific articles can be imported without duty by educational institutions when no comparable U.S.-made product is available. Diode case is 2nd involving GI employees. In Oct. 1970, President Nixon declared workers at GI's F.W. Sickles Div. plants in Mass. eligible for aid after Commission deadlocked on question.

End to 10% import surcharge may be coming soon. At meeting of 10 largest trading nations in Rome last week, U.S. spokesmen indicated willingness to devalue dollar if other countries revalued upward. New U.S. negotiating position eases way toward settlement of world trade reform, an Administration prerequisite for surcharge elimination. Group of Ten meets again in Washington Dec. 17. In Japan, officials imply yen would be revalued upwards some 15% if U.S. devalued 5%. Result would be 20% increase in cost of Japan's products to U.S. importers from pre-surcharge period—just about equal to increase now with surcharge & about 10% rise in value of floating yen.

NUE got unexpected assist in \$360-million antitrust suit against Japanese TV manufacturers from U.S. Justice Dept., which last week received permission from Newark federal court to enter case on NUE's side. Justice is expected to limit its participation to arguing against Japanese motion to dismiss on grounds that suit is unconstitutional. In N.Y., U.S. District Judge Bonsal extended 10-day strike injunction against N.Y. dock workers to maximum 80 days, ordered port owners to continue guaranteed wage payments during period. Similar extensions, but without payment proviso, are expected to be ordered for other ports.

INDUSTRY TRADE DEFICIT WIDENS: Consumer electronics industry's unfavorable international trade balance grew in 1971's first 9 months even though value of exports increased at faster rate than imports, Commerce Dept. figures show.

Domestic manufacturers exported nearly \$55 million worth of TV, radios & radio-phonos through Sept., up 19% from \$46 million in same 1970 period. Value of 9-month imports of same products (Vol. 11:47 p11) rose 10.7% from \$500 million to \$553. As result, unfavorable trade gap grew from \$454 million to \$498 million. Comparison excludes trade in such items as transceivers, audio & video recorders-players, record changers—export & import statistical classifications differ—which would show even greater trade gap.

Color TV exports totaled 44,148 sets, up 47% from Jan.-Sept. 1970, with value up 44% to \$14.9 million. In b&w, unit gain was 3.8% to 53,722, as total value fell 7% to \$5.5 million. Top TV customer was Canada, which took 38,000 color & 18,000 b&w, with bulk of remainder going to Mexico (4,200 color, 7,550 b&w) and other Latin American countries. Exports of TV chassis & kits fell 6.7% to 480,081, though value held steady at \$14.9 million.

Auto radios proved 2nd largest foreign exchange earner among consumer electronics in period. Exports of 350,087 radios (up 8.2%) were worth \$9.2 million (up 33%). Foreign sales of complete home radios fell 2.1% to 178,886, valued at \$2.3 million (off 23.8%), while radio chassis & kit exports climbed to 399,462 units at nearly \$6.1 million (up 45% & 73% respectively). Unit exports of radio-phonos rose 11.5% to 13,973, with value rising 34.8% to over \$2 million.

Color picture tube exports plunged 51% to 127,840, valued at \$11.1 million (off 56%). Most of decline came from lost sales to West Germans, who purchased just 53,000 tubes this year, vs. 161,000 in 1970 period. Other large customers: Canada, 42,600; U.K., 16,000; Netherlands, 10,300. B&w tube exports were up 11.6% to 98,934, worth \$1.7 million, down 19%, with Canada (39,400) & Chile (13,000) leading purchasers. Also up were TV tuner exports, 4.4 million units at \$12.1 million (up 34.5% & 70%), but bulk (3.9 million) went to Mexico for finishing & return to U.S. either as complete tuners or installed in imported TVs.

NEW UHF TUNERS: Armed with new FCC order permitting use of 70-channel detent tuners without memory tuning (Vol. 11:48 p8) and facing July 1 deadline requiring comparable tuning in 40% of their models, set makers are expected to show some ingenious tuning schemes in 1973 lines.

FCC's order last week noted that both Sarkes Tarzian & General Instrument had indicated they could meet proposed standard that new 70-channel tuners pull in uhf stations with maximum variation of 3MHz from correct frequency. Last week, we reported on Sarkes Tarzian's plans. General Instrument tells us it, too, is in advanced state of readiness with complete line of positive channel-number displays, including tape systems, counters (resembling automobile odometers), knob & dial displays, along with new midjet drive unit which will be available for fall 1972 TV lines as manufacturers prepare for 70% comparable-tuning deadline of mid-1973.

GI Entertainment Products Group Vp William Firestone welcomed FCC's action. It was pointed out that GI had demonstrated 70-position detented tuner nearly 2 years ago. Company said its digital-readout tuner "has found acceptance among most OEM manufacturers for high-end b&w & color receivers which will form the bulk of production to reach the 40% FCC requirements." Tuner requires only 3.5 turns to cover entire uhf band, using digital readout based on "highly reliable counter technology." For every-other-channel readout on low-cost sets, GI has 330-degree shaft available.

Standard Kollsman said it currently has no plans to enter low-end 70-channel detent tuner business, is currently concentrating on preset 6-channel memory-tuning uhf system for color sets, with high degree of repeatability & resetability, as well as on varactor tuners. SK indicated, however, that if demand from its customers is sufficient, it will enter 70-channel non-memory tuner business.

Color TV sales to dealers continued strong in 3rd Nov. week, according to EIA domestic-label figures (see State of the Industry). Week ended Nov. 19 was 4th best of year and set record for 46th week of any year. Monochrome TV sales, however, lagged behind comparable 1970 week for 5th consecutive week.

SCREEN-SIZE REVISION: Responding to complaints by set manufacturers that ground rules had been switched without notice, FTC last week relented and decided it was okay to use phrase "19-inch diagonal" in referring to measurement of viewable picture on TV screen. Commission staffers informed EIA Consumer Electronics Group Vp Jack Wayman of the new interpretation after Wayman had submitted 1966 Television Digest screen-size Q-&-A supplement (Vol. 6:50) as evidence that FTC had previously approved use of phrase.

In most recent previous interpretation, reported last week (Vol. 11:48 p7), FTC had said it would require use of word "measured" in all advertising ("19-inch measured diagonally"). In response, many manufacturers told FTC they had already signed off ad copy using wording previously permitted. FTC's new interpretation eliminates requirement of use of word "measured" but no longer approves abbreviation of word "diagonal" (however, inch or inches may be abbreviated " or in.). New interpretation doesn't deter Commission's intention to police industry's ads, crack down immediately on violators.

FTC has approved staff recommendation for trade regulation rule specifying uniform power measurement system for wattage claims in advertising of audio equipment. Rule has been in works since last year (Vol. 10:31 p8). No information was available at press time as to contents of rule, but it's known that FTC will shortly issue proposal for uniform test conditions. Allowing time for comments, counter-comments and possible hearings on test proposal, it's not expected that final rule will be issued before next spring at earliest, probably becoming effective some time in 1973.

Product safety legislation hearing by Senate Commerce & Finance Subcommittee starts Dec. 6, will run through Dec. 9. Scheduled witnesses: Ralph Nader, HEW Secy. Richardson, representatives of EIA, Tracor Inc. (which compiled TV fire report), Commerce Dept., Consumers Union, AHAM, GE, AFL-CIO, UL.

Philco-Ford is now producing 25V" black matrix tubes. First sets to use new tube will be introduced in "Annual Sale" merchandise starting Dec. 27, highlighted by 25V" console at new low of "under \$550."

JAPAN'S OCT. EXPORTS: Japanese consumer electronics exports to U.S. continued to show signs of softening in Oct., as only selected audio tape instruments and auto radios joined color TV in posting significant increases from same 1970 month (Vol. 11:48 p7), according to Finance Ministry totals.

Audio tape equipment exports in month—excluding newly reported classifications—totaled 1.46 million units, up 14.7% from Oct. 1970. Radio-recorders logged biggest increase, 30.8%, with cassette types up 16.7%. Total radio shipments rose 3%, as 39% jump in auto radio exports offset 1% drop, to 982,000, in home radios. Exports of phonos fell 32.6% to 126,600.

Following are Oct. Japanese exports to U.S. of selected consumer electronics, with results for same 1970 month for comparison. Value for Oct. 1971 was calculated at 330 yen to dollar, reflecting approximate 10% increase in value of now-floating yen. Oct. 1970 rate was 360.

JAPANESE EXPORTS TO U.S.

	October 1971		October 1970	
	Units	Value (\$)	Units	Value (\$)
Total TV.....	359,031	32,896,161	376,313	29,764,742
color.....	119,690	20,759,788	103,433	16,291,792
b&w.....	238,241	12,094,991	267,453	13,288,675
b&w chassis, kits.....	1,100	41,382	5,427	184,275
Radio-phonos, stereo.....	53,017	4,306,288	156,320	4,968,164
Radio-phonos, mono*.....	54,849	736,415	—	—
Radio-recorders & other comb.....	422,015	18,219,109	322,568	13,973,853
Clock-radio*.....	248,090	4,270,652	—	—
Tr. radio, w/FM.....	424,428	13,785,921	634,446	16,076,058
Tr. radio, other.....	309,151	1,643,185	357,256	2,214,230
Auto radios.....	158,014	2,787,418	113,692	1,923,619
Trcvrs., under 100 mw.....	245,351	815,342	245,562	868,250
Trcvrs., other.....	33,250	870,830	29,710	1,388,953
Phonos.....	18,727	334,588	31,578	401,008
Tape players, auto.....	279,969	5,179,618	270,927	5,453,214
Tape rcrdrs., reel.....	43,516	1,424,370	67,070	2,132,661
Tape rcrdrs., cass.....	711,239	12,752,333	609,540	12,174,733
Other cart., rcrdrs. & players*.....	138,413	3,653,324	—	—
Tape decks*.....	245,084	6,818,691	—	—

*Not reported separately in 1970.

GE price cuts on audio products were announced at convention last week by Audio Electronics Products Dept. Gen. Mgr. Richard T. Gralton. Specific reductions were not released. Gralton also announced new product-introduction policy—approximately 14 items will be announced in first quarter, ahead of traditional midyear debut. He said GE is "dramatically" increasing market share in every category—radio & portable phono business both up 10-15%, tape products up nearly 50%, components 60-70%, youth electronics 30%. Dec. price cuts are designed "to capitalize on the peak selling season" and in anticipation of early newproduct introductions.

Japan will retain ranking as No. 1 color TV manufacturer this year. Latest estimates indicate Japanese factories will sell 7.1 million color sets to domestic & export markets, compared with about 6.1 million for U.S. manufacturers. Japanese took lead for first time last year with 5.9 million, against 4.7 million for U.S. Japan's domestic market is seen absorbing 5.5 million sets, up from 4.89 million in 1970, with exports up to 1.6 million from just under million.

TPB EASTWARD HO: Armed with new marketing strategy & doubled TV plant capacity, Teledyne Packard Bell is starting push to capture share of Eastern market. As first steps, firm named distributor for district running from New Haven through N. Y. C. & Philadelphia to Wilmington and realigned East-Central zone organization.

TPB Sales Co. Pres. George Connor said new concept in manufacturer-distributor relationship will be springboard for eastern drive. Distributor will handle sales, while factory takes care of warehouse, shipping & billing. Distributor will own merchandise he sells, work closely with TPB in marketing & product-planning. First of new distributors will be Furlong Marketing, Montclair, N. J., headed by Robert Furlong, ex-RCA Div. mdsg. mgr. for Bruno-N. Y. He headed Krich-N. J. RCA Div. before its absorption by Bruno. TPB hopes to add 5 more in next 6 months, including Atlanta, Miami & Boston.

Each will be supported with factory regional warehouse, plus factory repair centers in major areas. Independents will service smaller areas. TPB also has new financing program, details to be announced later. To cut shipping time & costs from Cal., TPB opened warehouse in Akron, to contain up to 21,000 portable & 18,000 console TVs. Named mgr. of East-Central zone is Bernard Ryan, formerly a region mgr. He'll sell direct to dealers not now covered by distributors in zone which includes Detroit & Toledo, Western N. Y. & Pa. and W. Va.

As distribution grows, TPB will be breaking free of image as console-only marketer, will plunge into component stereo next year, will feature Cartrivision home VTR (see p. 10), emphasize smaller-screen TV. Nogales, Mex. facility, slated to start in March, will double TV chassis capacity, also supply complete large-screen portables. Strong in-house portable capability is new for TPB, now phasing out Matsushita of Japan as source in favor of GE. Next move could be regional assembly of TV consoles using chassis & knocked-down cabinets shipped from Cal., we were told.

RCA is phasing out of magnetic tape business, shutting down plants in Indianapolis & Brynmawr, Wales. Action is keyed to previously announced withdrawal from computer field. Business had included computer tape, disc packs and audio & video recording tape. Cost of phaseout is included in \$250-million computer business writeoff. RCA Records & Distributor Products Divs. will continue selling respective lines of recorded & blank audio reel & cartridge tapes.

Unique ad campaign by RCA Solid State Div. in Time, Newsweek & Business Week will shun technical specs and promote advances made possible by solid-state devices. First ad will focus on solid-state contributions to cars.

FCC has extended deadline for comments on radiation regulations from Class I TV devices (video-players, etc.) to Dec. 17, at request of Dellstar Corp. EIA & EIA-J comments, already filed, were summarized last week (Vol. 11:48 p10).

Trade Personals

Robert MacDonald, ex-Philco-Ford Canada pres., joins GTE International as Sylvania Div. home entertainment products vp, with responsibility for non-U.S. Sylvania-brand mfg. & mktg.; he succeeds **Alfred Medica**, now with Zenith. . . **John Chamberlin**, who in past headed several GE consumer electronics operations, resigns as exec. vp of Lenox China to rejoin GE as Housewares Business Div. gen. mgr., succeeding **Cecil Semple**, now commercial vp, corporate customer relations. . . **Morton Schwartz**, Hitachi Sales (U.S.) mktg. dir., named vp.

James Porter, ex-Memorex, appointed mktg. planning dir., Cartridge TV Inc. . . **Morley Kahn**, ex-Dynaco mktg. dir., joins Dolby Labs as vp-U.S. operations mgr., with responsibility for sales & distribution of Dolby's professional products. . . **J. L. Behr**, ex-Emerson Electric, moves to subsidiary Fisher Radio as quality management dir.; **Sheila Gordon** advanced from asst. to pres. to consumer affairs coordinator.

Arno Kaufman, ex-American Tack & Hardwood Co., appointed purchasing mgr., Robins Industries; **George Alexandrovich Sr.**, vp of Fairchild Sound Equipment subsidiary, named to Robins board. . . **Eugene Meyer**, Oak Electro/Netics controller, elected finance vp. . . **Leonard Genetti** advanced at Centralab from foreign operations & facilities planning mgr. to mfg. vp, responsible for worldwide production activities, succeeding **Jack Davis**, resigned.

J. Frank Leach, EIA chmn., advanced at Bunker Ramo to exec. vp. . . **Joseph Cronin** moves from Pirgo Electronics distributor mktg. mgr. to Sprague Products Co. consumer components mgr.; both firms are Sprague Electric subsidiaries. . . **Wilfred Corrigan** named vp in charge of new Fairchild Camera Semiconductor Components Group in reorganization; **George Scalise** now group international business development vp; **Richard Henderson** resigns as corporate mktg. vp.

John La Terra, ex-EDO Western Corp., named national sales mgr., Javelin Electronics, L.A. importer of VTR & CCTV equipment. . . **Marvin Gittelman**, **Charles Well** & **Charles Cortright** join Zenith Sales as parts & accessories region mgrs.

Alps-Nortronics is name of new Japanese magnetic tape head manufacturing 50-50 joint venture formed by Alps of Japan & Nortronics of U.S., with approval from Foreign Investment Council. Capitalization is \$150,000. FIC also approved purchase of FM stereo radio patent license from Canadian GE by Matsushita and purchase of magnetic tape head technology by Canon from Dutch Philips.

Camera which can produce pictures in "total darkness" has been introduced by RCA Aerospace Systems Div. for airborne military applications. Employing Silicon Intensifier Target tube used in Apollo 15 moon camera, new camera is claimed to be 10 times more light-sensitive than previous systems, can also perform in direct sunlight.

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
Entron			
1971-9 mo. to Sept. 30	4,451,610	(275,875) ^a	--
1970-9 mo. to Sept. 30	3,524,994	(1,086,193)	--
1971-qtr. to Sept. 30	1,409,904	(188,419)	--
1970-qtr. to Sept. 30	1,091,496	(637,949)	--
Filmways			
1971-year to Aug. 31	59,758,072	(1,995,091) ^b	--
1970-year to Aug. 31	78,841,953	(1,129,856) ^b	--
Globe-Union			
1971-9 mo. to Sept. 30	100,038,000	1,986,000	1.22
1970-9 mo. to Sept. 30 ^c	89,033,000	1,032,000	.66
Republic Corp.			
1971-9 mo. to July 31 ^d	127,707,000	(43,413,000) ^b	--
Silicon Transistor			
1971-9 mo. to Sept. 30	1,688,000	(236,000)	--
1970-9 mo. to Sept. 30	1,983,000	(1,467,000)	--
1971-qtr. to Sept. 30	578,000	(39,000)	--
1970-qtr. to Sept. 30	621,000	(379,000)	--
Teledyne			
1971-year to Oct. 31	1,101,872,000	56,179,000	1.63
1970-year to Oct. 31 ^c	1,216,448,000	61,864,000	1.84
1971-qtr. to Oct. 31	303,801,000	14,389,000	.43
1970-qtr. to Oct. 31 ^c	282,451,000	15,081,000	.44

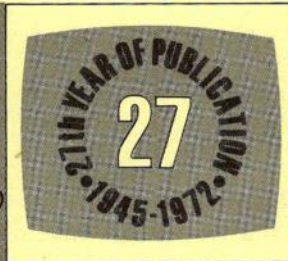
Notes: ^aAfter special credit. ^bAfter special charge. ^cRestated. ^dNo comparable figures available.

Tape topics: Theft insurance for auto tape players & radios—now being excluded from coverage under many regular auto insurance policies—is being offered by Audio Insurance Associates, just formed in L. A. by Herbert Krauss, ex-Muntz Stereo & Bowman. Annual premium of \$5-10 covers equipment valued at up to \$100. Insurance applications will be offered through auto accessory retail outlets. . . **ITA will sponsor** 3 one-day seminars covering various facets of tape industry next year. Schedule: N. Y., Feb. 7; Chicago, Feb. 9; L. A., Feb. 14. . . **Norelco** Pocket cassette recorder (Japan-made) is being promoted by Alexander's discount stores in N. Y. at \$39.95, a \$50 reduction. Unit is complete with rechargeable nicad batteries, AC adaptor, mike. Norelco spokesman said model is being discontinued. . . **Audio tape instrument** unit sales at retail will hit 11.6 million this year, up about 10% from 1970, according to Ampex. In 8-track, Ampex sees auto players at 2 million this year, down from 2.2 million in 1970, decreasing to 1.8 million in 1972. Home-portable 8-tracks will reach 1.8 million in 1971, climbing to 2.2 million next year, compared with 1.4 million in 1970. Cassette recorder sales are seen climbing from 5.4 million in 1970 to 6.5 million this year and 7 million in 1972. In addition, Ampex expects 500,000 auto cassette units this year, up from 350,000 in 1970, with increase to 800,000 in 1972. . . **Murata**, Japanese components manufacturer, has developed one-button portable cassette recorder. When the unit is lying flat, pushing button starts record operation. Unit plays back when started in upright position. Once record or playback has begun, recorder can be moved to any position.

WEEKLY

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DECEMBER 13, 1971

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CABINET'S CABLE POLICY: Will present 4 options, but recommend structure between FCC plans and common carrier; favor separation of system owners and program suppliers. (P. 1)

TV CODE GETS TOUGH on drug advertising, would require disclosure of ingredients. Special meeting Jan. 6 on ABC kid TV proposal. Prep H approved 7-2; off-track betting defeated 5-4. (P. 3)

TV IN 'STATE OF SIEGE': Columbia U. Survey sees 1970-71 as 'most embattled year' for TV journalism, gives low marks to quality & amount of news shows. CATV called 'insidious threat'. (P. 5)

RENEWAL BILL INTRODUCED by Broyhill. NAB seeks Democratic sponsors. Storer says FCC minimums too stiff, only 5 stations now comply. (P. 5)

FINALE FOR CAMPAIGN REFORM may be put off by House Democrats until mid-Jan. to avoid 'pocket veto'. Conferees agree to no Sec. 315 repeal, lowest unit rates for TV-radio. (P. 6)

ANOTHER NAB STUDY IN WORKS as Wasilewski suggests committee to explore possible federation alignment. Pres. tells Exec. Committee he wants to stay at NAB. Hebenstreit urges TV stations to drop NAB. (P. 6)

CABINET DRAFTS CABLE POLICY FOR NIXON: Cabinet-level cable TV committee is prepared to recommend to President Nixon new national policy falling between FCC's proposals and a strictly common-carrier structure. Intensely awaited report, coming soon after OTP mediated "short-term" cable compromise and while FCC is putting compromise into rules, will have powerful impact on direction cable communications will take in next 10 years.

Though Cabinet committee report isn't quite final, Television Digest reports herewith a summary of near-final version. Four options have been prepared for Nixon's consideration, and unless there's drastic change before presentation—and none is anticipated—Option III will be recommended. Texts of summaries of each option, with committee's lists of advantages & disadvantages of each, are printed below.

Central feature of Option III is restriction or outright separation of ownership & control of cable systems from program suppliers. Judgment of committee is that this separation reduces concentration of media-content control and therefore reduces need for govt. content regulation.

As you'll note from summaries below, committee believes Option I (FCC proposals) leads to media concentration & excessive govt. regulation. Option II (common-carrier ownership, with channel lessees licensed by FCC) is thought to curb innovation in industry and add unne-

Consumer Electronics

GALVIN'S BOLD PLAN to 'revolutionize' consumer electronics: National policy declaration on broadband cable, with timetable for changeover of TV from broadcast to cable, freeing spectrum for other uses, including new consumer services. (P. 7)

RECORD YEAR FOR COLOR certain, Nov. showing 36.5% increase over 1970 with sensational final week 2nd best of year at 181,000 units. Consumer electronics factory-plus-import sales seen exceeding \$5 billion for first time in 1971. (P. 7)

TARIFF COMMISSION REPORT on TV industry injury probe holds little to support protectionist demands. Both sides get blame for decline of domestic manufacturers. Industry structure, profit picture, productivity detailed in figures. (P. 8)

SUPERSCOPE SUES SONY in bid to force renewal of exclusive recorder distribution pact scheduled to expire in 1974. Damages also sought. Motorola opens new suit against Fairchild interests. (P. 10)

BARGAINS & NEW SETS: Admiral's 19V" remote color at \$399 and 25V" color at \$499, including base. Motorola's new line of 25V" Quasar II consoles starts at \$549. Magnavox annual sale reductions to dealers now in effect; retail cuts start Jan. 14. P. 10)

essarily detailed regulation. Option IV (minimum regulation, comparable with print media) is regarded as threatening viability of broadcasters and leading to antitrust problems.

While majority of committee favors Option III, it's understood that Herbert Klein, Nixon's Communications Dir., believes policy is still too tough on broadcasters. Commerce Secy. Maurice Stans takes opposite view, wants virtually all wraps off cable. These positions aren't surprising, in light of officials' "constituencies"—Klein's broadcasters and Stans' manufacturers, distributors & retailers.

It's believed committee recommendations will go to Nixon in Jan. Presumably, President will then urge Congress to adopt legislation implementing policy. At about same time, FCC's final rules should be available—and also will be weighed by Congress. Thus, you can anticipate some crucial hearings by Commerce Committees, by Judiciary Committees (copyright), perhaps others. Congress certainly won't lack for advice. Latest private-sector recommendation comes from Sloan Commission on Cable Communications (see p. 4).

(FCC began discussion of rules last week, with briefing by members of Cable TV Bureau [CTB]. Broadcasters charged, meanwhile, that they'd been given to understand that rules would be drafted by Commission staffers not in CTB. Some broadcasters claim that proposed rules violate compromise. For example, they say, proposals would allow "cherry-picking" & "leapfrogging" in smaller markets, in violation of agreement; would give no protection when 2 news feeds or time-zone problems are involved; would include cable viewers in 2% "significant viewing" formula, instead of off-air viewers only; would permit cable systems to ignore exclusivity while they have waiver petitions pending, etc.)

Members of Cabinet committee: OTP Dir. Clay T. Whitehead, chmn.; Stans; Klein; HUD Secy. Romney; HEW Secy. Richardson; White House aides Leonard Garment & Robert Finch. Herewith is summary of options to be presented to Nixon:

OPTION I

"SUMMARY: Accept the present integrated control of content & distribution functions, characteristic of the broadcast industry, as the basis for cable TV development. Expand present regulatory controls on program content, service standards, and rates as a means of ensuring balanced programming, equitable treatment, and increased public services despite increased concentration of medium & message control with multi-channel cables.

"Advantages: Does not require the Administration to take on the effort & political risks associated with restructuring an industry through legislation. Attractive to many public interest groups. Allows cable TV to develop more rapidly than it has in the past.

"Disadvantages: Leads to much greater concentration of media control & detailed FCC content regulation than exists in the broadcast industry today. May actually slow the development of broadband services in smaller communities, due to inflexible public service obligations (free channels, excess capacity, 2-way capability). Threatens the continued vigor of the program creation industry by undermining its copyright protection and bringing it into the sphere of regulated industries. Threatens the economic viability of broadcast stations in smaller markets, without offering to replace the services they presently provide for rural viewers. Locks the CATV industry into a mold which will be very difficult to change later."

OPTION II

"SUMMARY: Require complete separation of program supply & distribution functions as in the telephone industry; impose full public utility/common carrier regulation on the distribution function along the lines of telephone regulation, with substantial state control, and broadcast-type regulation & licensing of programmers (channel lessees) under FCC jurisdiction.

"Advantages: Allow the market to determine the level & rate of cable development. Creates incentives for specialized & localized program creation, and decreases the power of centralized national media. May foreclose exercise of monopoly power by local cable systems. Public utility regulation a comfortable concept to many who feel that public utility commissions do a good job.

"Disadvantages: May stifle innovation & progress in the industry. Introduces detailed regulation into an area which might be moderately well policed by competition."

OPTION III

"SUMMARY: Restrict the ownership & control of multi-channel distribution systems by entities engaged in programming or other use of such facilities, in order to avoid excessive concentration of media control. Require nondiscriminatory access to the distribution channels to ensure First Amendment privileges, subject only to established statutes governing libel, obscenity, etc. Regulate none of the programming supply functions, and only those aspects of the distribution function where competition is unworkable.

"Advantages: Avoids the problems of private control & government regulation of mass media content which we now face in broadcasting. Allows the market to determine the level & rate of cable development. Creates incentives for specialized & localized program creation, and decreases the power of centralized national media. Creates opportunity for Presidential leadership in developing an innovative policy approach to a new communication medium, that avoids the need for heavy government regulation.

"Disadvantages: Not as bold a step as, for instance, a Presidential commitment to a wired nation. May produce more opportunities for expression of extreme or unpopular views. May inhibit somewhat the realization of monopoly profits which might otherwise attract more investment capital and encourage more rapid development of cable TV. May be difficult for many to accept due to its substantial departure from conventional regulatory practices."

OPTION IV

"SUMMARY: Place no restrictions on the organization & development of the cable industry except those statutory restrictions which now govern copyright liability, antitrust considerations, and content (libel, obscenity, etc.).

"Advantages: Consistent with free enterprise economic philosophy. May result in more rapid cable development than other options. Keeps out of the regulatory sphere a new industry which need not be regulated.

"Disadvantages: Threatens continued availability of TV service and existing broadcast industry more than other options. Allows vertical integration, and thus possible First Amendment difficulties in content area, and severe antitrust difficulties in economic area. Doesn't recognize the right of subscribers to have service, or right of programmers to have access to the system."

CODE GETS TOUGH ON DRUG SPOTS: Meeting in Phoenix last week, NAB TV Code Board adopted strong language requiring proprietary drug advertisers to specifically inform consumers about ingredients. Action, subject to ratification by parent TV Board at Jan. 20 meeting in Fla., is sure to cause uproar among advertisers & agencies. Commented a Code Board member:

"This is a major step forward for self-regulation and something the FTC hasn't had the guts to do. This is a tough, new guideline—and the Code Authority has been instructed to enforce it rigidly." Text of proposed rule: "In commercials for over-the-counter (proprietary) drug products, if ingredients are referenced in a manner which relates to product efficacy, directly or indirectly, the common names or easily understood description of the ingredients must also be referenced." This means, it was pointed out, that if aspirin is the principal pain killer in Anacin, commercials for Anacin must say so. If approved by big Board, rule is effective Sept. 1.

In somewhat of surprise, Board decided to hold special meeting in Washington Jan. 6 to discuss ABC's proposal to reduce commercial time in kid programming (Vol. 11:49 p5) "and other related issues." ABC-TV Code Representative Alfred Schneider tried to force vote last week, then objected strongly to opening special meeting to other issues—premium advertising and use of stars to deliver commercials. CBS was opposed to ABC plan last week; NBC reportedly was "rather cool."

For Nth time, Code Board voted to accept Preparation H commercials—this time 7-2 (Charles

Batson, Cosmos Bcstg., and NBC's Herminio Traviesas dissenting). Parent TV Board has rebuffed Code Board repeatedly on this issue—last time was in June on 8-7 vote—but it's expected to go through in Jan. "Look at the better than 2-1 vote of subscribers in favor of Prep H," said TV Board member who voted "no" in June. "I consider that a mandate and I'll accordingly change my vote."

Code Board had broad-ranging discussion of many personal products now banned—including sanitary napkins, douches, foam contraceptives, vaginal wipes, suppositories, male genital sprays. Batson proposed over-all review of personal product advertising along with adoption of stronger guidelines. Motion by Schneider that category of acceptable personal products be broadened was never brought to vote. "We wanted to see what the parent Board does with Prep H before we move further," dir. told us.

In other actions, Code Board: (1) Defeated, 5-4, proposal to accept off-track betting ads. (2) Increased Code fees, effective April 1, to 1.5 times highest hour rate (minimum \$450, maximum \$1,950). (3) Accepted subcommittee proposal to cut clutter through stiffer guides on integrated spots (Vol. 11:41 p4), effective March 1. Code staff was instructed to enforce new rules "strictly." (4) Rejected Corinthian Bcstg. proposal for across-the-board reduction in allowable commercial time (Vol. 11:48 p5). (5) Defeated various proposals to clamp down on political advertising, including one by Code Dir. Thad Sandstrom, WIBW-TV Topeka, that all commercial spots be at least one minute, feature candidate, and prohibit non-relevant scenes. (6) Reaffirmed unacceptability of live models in undergarment spots unless actors are fully clothed.

SLOAN CABLE REPORT: Title of study by Sloan Commission on Cable Communications—"On the Cable: The Television of Abundance"—amply forecasts enthusiastic report culminating expenditure of 18 months & \$500,000. Generally speaking, Commission recommends minimum regulation so that cable TV can realize its "awesome" potential. Among recommendations:

Ownership—(1) None by networks. (2) OK for TV stations & newspapers, but let none serve more than 10% of homes in its own market. (3) No entity own systems covering more than 10% of U.S. homes. (4) No restriction on public TV station ownership. (5) No common carrier operation.

Regulation—(1) CATVs to buy programs on same basis as stations. (2) Govt. to protect public if cable "threatens to deprive any significant sector of the public of broadcast service." (3) Federal govt. set minimum technical standards, limit state & city taxes & fees on cable. (4) Each state to have special commission, non-PUC, to regulate systems. (5) State commissions to delegate much authority to cities. (6) Cities set standards in addition to federal & state, making channel allocations, setting up appeal mechanisms, etc.

Franchising—(1) Channels set aside for health, welfare, consumer services, public access, etc. In 20-channel system, 6 channels for networks & stations, 2 for "service," one public access, one experimental education, 8 leased to others—leaving 2 for system owner to operate. Double these for 40-channel system. (2) No fairness doctrine on access channels. (3) In 1970's, limit franchises to 10 years. (4) Set subscriber rates.

Sloan Commission would encourage pay TV on cable, sharply limit exclusivity periods, promote cable network via satellite & microwave, permit advertising, eliminate equal-time rules from cable.

As for impact on TV stations: "We do not be-

lieve that in the short term the structure of over-the-air TV is seriously undermined. But in any case, if over-the-air TV is to fall victim, in some degree or another, to technological change, it is in no different position from any other enterprise in which investments have been made, and possesses no greater right than other industries to protection from technological change."

Chmn. of 16-member group was Edward S. Mason, Dean Emeritus, Harvard U. Graduate School of Public Administration. Copies of 256-page paperback report are available from McGraw-Hill at \$2.95.

News media exemption from Phase 2 of President's wage & price controls (Vol. 11:49 p6) was put in hands of House-Senate conferees Dec. 10. Senate approved exemption; House bill doesn't mention it. At press time, there was chance conferees would meet Dec. 11 as Congress pushed toward adjournment. During debate, House agreed not to discuss media exemption, leave matter to conferees. House did, however, approve "technical amendment" that would prohibit President from using Phase 2 authority in any way that "impairs or detracts from the protections guaranteed by the First Amendment..." Another amendment requiring federal agencies administering controls to make public information received to justify wage or price increases, except trade secrets, was rejected 274-73.

CBS News promotions & reassignments: Bill Leonard promoted from vp to senior vp-dir. of political broadcasts; Gordon Manning, ex-vp, named senior vp-news dir. Promoted to new vp posts: Sanford Socolow, CBS Evening News producer, now vp-deputy news dir. & exec. editor; Bill Small Washington vp; Emerson Stone, ex-radio news dir., radio vp; Marshall Davidson vp-operations. Ralph Paskman named asst. news dir. Russell Bensley succeeds Leslie Midgley as exec. producer of CBS Evening News; Midgley's new post to be announced.

TV IN 'STATE OF SIEGE': Attacked by politicians and govt. regulatory agencies, afflicted by economic reverses, license challenges and threat of new technology in CATV, 1970-71 was "most embattled year in recent history" for broadcast journalism, according to 3rd annual duPont-Columbia U. Survey. However, while report noted that broadcasting was in "a state of siege," it gave low marks to both quality & amount of news & public affairs programming.

"Whatever broadcasters did, good or bad, had to be important," Survey said. "It was this realization, and the excitement & frustration it caused to many individuals & groups, which produced the principal events of the broadcast year. The quality of the programs appeared secondary. If influence was up, the amount of prime time devoted by the networks to news & public affairs was unquestionably going down." Report said that 2% of network prime time was devoted to news & public affairs, compared to 18.1% for situation comedies, 20.8% for music variety.

Survey showed that 33% of station news directors reported increase in news & public affairs programs, compared with 65% in 1969-70. Five stations abolished news departments, 11% cut back on news, 27% reduced news staffs, 24% were hit with budget reductions. However, 51% of stations reported they made money on news programs and 24% broke even. Majority of top advertisers responding to survey (32 out of 100) said they spent less than 10% of their TV budget on news & public affairs. Goodyear said it didn't sponsor news programs because of "generally low ratings, often controversial—both detract from good commercial TV." But Ford said that combining news programs with "fact-oriented advertising campaigns could lead us to increased use of such shows."

"The most insidious threat" to broadcasting, Survey said, was CATV, which showed little interest in developing news & public affairs programming. In canvass of cable systems early in 1971, only 78 reported originating daily news shows. "Such scattered & meager activities obviously pose no immediate threat to existing over-the-air broadcasters," Survey said.

Special chapter deals with CBS documentary "Selling of the Pentagon." Survey said that "much of what was at once hopeful & desperate" in broadcast journalism was summed up in film. On hopeful side was attitude of most news directors that documentary helps to establish in public's mind that TV develops its own stories, refuses to function as "headline service." Less hopeful, Survey says, is that while CBS was willing to back program to hilt, network later eliminated CBS News Hour, on which documentary first appeared, from its regular prime time weekly news. "It was," comments Survey, "a self-inflicted wound."

To frequent suggestion that public TV might take away significant amount of news & public affairs chores from commercial TV, Survey concludes: "Considering the condition of public TV in the season under observation, it seemed questionable that its levees were yet strong enough to hold the rechanneled public interest programming...even if the commer-

cial networks were feckless or fool hardy enough to give up those responsibilities & accomplishments in news & public affairs which were their main protection against total irrelevance."

First annual Columbia U. Survey in 1969 (Vol. 9:46 p3) concluded: "To any honest & objective eye... most broadcasting must appear a hideous waste of one of the nation's most important resources." Following year (Vol. 10:50 p5), Survey called broadcast journalism "brilliant... more deeply humane [and] increasingly able & willing to penetrate the subtleties of life in America."

NAB RENEWAL BILL—HR 12018: Unbeknownst to NAB, Rep. Broyhill (R-N.C.) introduced industry's license renewal proposal Dec. 2—thus giving broadcasters a rallying point in efforts to get license protection written into law. At same time, Broyhill & 24 co-sponsors re-introduced his own measure (HR-12000), very similar to Pastore bill of 2 years ago—discarded by senator because of "racist" changes.

NAB still is seeking Democratic sponsors in Congress, and this week will send letters to all members using a total lobbying effort to secure hearings. Following Exec. Committee meeting last week, NAB Pres. Wasilewski said: "We welcome the indication of widespread interest in the Congress. Several bills have been introduced [and] although some are different [from NAB proposal, Vol. 11:49 p2], all have the objective of bringing a reasonable solution to the license renewal problem... At this point, we should concentrate our efforts on getting hearings."

Meanwhile, FCC met last week on renewal rule-making, didn't get very far and still has to take up most controversial sections (Vol. 11:49 p1). For reply comments, Storer Bcstg. got Commission to tabulate TV stations which currently comply with proposed program minimums (10% news [5% for independents], 5% public affairs, 15% local all time, 15% local in prime time), found that only 5 stations currently comply with all 4 guidelines. And, Storer said, 45% don't meet any of 4. "The proposed guidelines are too high, and their advancement can only aggravate rather than alleviate existing instability," Storer added.

"Urban Cable Systems" is title of new study by MITRE Corp., exploring technical & economic feasibility of 2-way cable communications system in Washington. Operating under grant from Markle Foundation, study was based on system operating in Reston, Va., estimated that one-way system would take 10 years to complete, cost \$30 million and more than \$60 million for 2-way service. Marketing survey shows that 75-80% of residents would agree to \$3.30 per month subscriber fee for one-way service, added \$3 for "simple subscriber response services." Smaller percentage indicated desire for more sophisticated 2-way services, would pay additional \$20 per month.

KCBJ-TV (Ch. 17) Columbia, Mo., is operating as ABC affiliate, bringing total stations on air to 905 (597 vhf, 308 uhf), 693 commercial, 212 non-commercial, 65 CPs. Richard Koenig is pres. & gen. mgr.; L. Wayne Hill, sales mgr.; Tom Johns, chief engineer; Sylvia Shenk, program dir.

Personals

Tyrone Brown, ex-staff dir., Senate Intergovernmental Relations Subcommittee, appointed legal affairs vp & a dir., Post-Newsweek Stations, succeeding **Daniel Gold**, now vp-gen. mgr., WTOP-TV Washington. . . **Walter McCroba**, vp-gen. mgr., WRDW-TV Augusta, adds same duties for WRCB-TV Chattanooga, succeeding **Harry Burke**, who becomes an advisor, Rust Craft Bcstg.

Alfred Beckman, ABC Washington vp since 1960, retires in Jan.; he's expected to be replaced by high govt. official. . . **James Higgins**, gen. mgr. of WWNY-TV-AM Watertown, N. Y., promoted to gen. mgr. of parent Brockway Co. (including Watertown Daily Times, WMSA(AM) Massena, N. Y.); **Tony C. Malara**, mgr. of radio operations, advanced to broadcasting mgr.

White House Communications Dir. **Herbert Klein** & FCC Bcst. Bureau Chief **Wallace Johnson** speak at S.C. Bcstrs. Assn. convention Feb. 8-10, Holiday Inn, Florence. . . NAB attorney **William Koplovitz** resigns to become station mgr., KBOI Medford, Ore.; **James Moren**, FCC Field Engineering Bureau, joins NAB Jan. 1 as regional mgr. for mid-Atlantic area; **Daniel Valentine** shifts to southern mgr., **Richard Wartel** midwest mgr., on retirement of **Ernie Sanders** & **Hamilton Woodle** Jan. 1.

Nugent Sharp, ex-Jansky & Bailey, opens Nugent S. Sharp Consulting Services for TV management & communications, 1500 Massachusetts Ave. N.W., Washington 20005 (202-872-1212).

CAMPAIGN REFORM—'72 FINALE? While House-Senate conferees made substantial progress last week toward agreeing on campaign spending bill (Vol. 11:49 p4), by week's end House Democrats had become obsessed by fear that President would pocket veto bill if it reached White House after Congress adjourned, sought to delay final passage until after Jan. 18. Republicans in Congress denied veto rumors, said bill was acceptable to Administration.

Here are key provisions agreed to by conferees: (1) Accepted House spending limits—10¢ limit per voting age resident or \$50,000, whichever is greater, for all federal candidates in both primaries & general elections. No more than 60% can go to broadcasting, but all could be spent on print. (2) Killed Senate suspension of Sec. 315 for federal candidates, leaving equal-time provision as is. (3) Accepted Senate provision requiring broadcasters to offer candidates time at "lowest unit rate," but allowing print media to offer space at "comparable rates."

Conferees were expected to complete work on bill Dec. 13, but it was doubtful at press time that Congress would approve it before adjournment. "I don't think it will make much difference by holding it over and doing it in January," House Speaker **Albert** said. House Administration Committee Chmn. **Hays** (D-O.) refused to let conferees meet a 2nd time last week because of running feud with Senate Majority Leader **Mansfield** (Mont.) over latter's end-the-war amendment to foreign aid bill.

ANOTHER NAB STUDY IN WORKS: Responding to mushrooming proposals that NAB be split into separate & autonomous TV & radio divisions (Vol. 11:49 p2), Pres. Vincent Wasilewski suggested to NAB Exec. Committee that study should be made. Talk started following revolt of Radio Board members against Wasilewski's leadership (Vol. 11:48 p1) and is being fanned by TV executives.

"I would have no objections to such a study by a committee of broadcasters," Wasilewski reportedly told Exec. Committee. He suggested that it should determine whether NAB can continue to serve successfully the diverse interests of members under its present structure. He didn't see as "a serious problem" fact that Radio has 29 votes on Joint Board, TV only 15, and that Radio theoretically could outvote TV Board on strictly TV matter. This is particularly sore point with many on TV Board, who cite fact that TV & Radio contribute almost identical amounts to NAB budget. Exec. Committee took no action on Wasilewski proposal, will consider it at Jan. 6-7 meeting and make recommendation to full Board later in month.

TV Dir. **Peter Storer** immediately endorsed Wasilewski suggestion, added that Storer long has felt TV & radio should be separated. "We won't start a fight on splitting TV & radio, but if it comes down to a vote we'll strongly support it," he told us. Another prominent NAB dir. added covert warning: "The idea of a study is excellent and I'm sure Vince doesn't intend to use it as a device to sweep the general criticisms under the rug."

As expected, Wasilewski also told Committee that he plans to remain as pres., that he will serve with or without contract, and that he's not about to discharge any staff executives while under fire. Committee wasn't asked to endorse Wasilewski. "We feel that the Board should have full & ample time to discuss this," NAB Chmn. **Richard Chapin** said in deferring matter until Jan. 18 Board meeting at Marco Island, Fla.

NAB is being attacked from another angle, too, this time on its endorsement of CATV compromise (see p. 2). **Bruce Hebenstreit**, pres. of KGGM-TV Albuquerque, told us last week that he has withdrawn from NAB and is urging other stations in markets below top 100 to do likewise. He has formed "Committee for Survival of Local TV," is asking stations that drop NAB to contribute year's dues. He is using trade ads to seek support, plans to call meeting in Denver before NAB Board meetings.

Gateway Communications, 80% owned by Bergen (N.J.) Evening Record, is purchaser of those Triangle Publications' stations not acquired by Capital Cities. For \$16 million, Gateway acquires WBNF-TV-AM-FM Binghamton, WFBG-TV-AM-FM Altoona & WLYH-TV Lancaster-Lebanon. Pres. of Gateway is **George A. Koehler**, who has been gen. mgr. of Triangle stations. He heads group holding 20% of Gateway, which includes Triangle's Programming Dir. **Lewis Klein** and members of Triangle's Washington law firm **Wilner, Scheiner & Greeley**. Triangle retains its CATV systems.

Consumer Electronics®

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

STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Nov. 26 (47th week of 1971):

	Nov. 20-26	1970 week	% change	Nov. 13-19	1971 11 mo.	1970 11 mo.	% change
Total TV.	303,543	219,562	38.2	288,034	9,717,198	8,318,218	16.8
color	181,069	115,605	56.6	172,067	5,373,838	4,246,256	26.6
monochrome	122,474	103,957	17.8	115,967	4,343,360	4,071,962	6.7
Total radio	424,252	300,112	41.4	424,285	17,164,389	14,464,953	18.7
home, portable	250,396	219,057	14.3	211,684	7,747,442	7,162,991	8.2
AM-only	136,729	130,026	5.2	107,009	4,321,806	4,344,973	- 0.5
FM & FM-AM	113,667	89,031	27.7	104,675	3,425,636	2,818,018	21.6
auto	173,856	81,055	114.5	212,601	9,416,947	7,301,962	29.0
Total phono	147,019	112,973	30.1	119,022	3,809,632	3,493,345	9.1
portable-table	118,573	89,780	32.1	93,656	2,956,122	2,554,867	15.7
console	28,446	23,193	22.6	25,366	853,510	938,478	- 9.1

Color TV 5-week moving average: 1971-167,175; 1970-127,442 (up 31.2%)

GALVIN'S PLAN TO 'REVOLUTIONIZE OUR INDUSTRY': Bold proposal to "literally turn the consumer electronics business inside-out and again make it one of the most exciting & dynamic growth industries in America" was advanced last week by Motorola Chmn. & ex-EIA Pres. Robert W. Galvin in keynote talk to IEEE Chicago Fall Conference.

Galvin's plea was for major national program of transition for most TV from radiated broadcast signal to broadband cable, vastly increasing number of consumer & other services via cable and freeing valuable TV spectrum space for other still-to-be-developed services & products. He criticized "piecemeal approach" to broadband cable, insisting that planning for change-over should be started now.

Answer to problem will be found, he said, in "loading" & "national standards." He defined "loading" as "sufficient utilization of the system in its early stage to justify the economics of the broadband cable." He urged "adequate definition at the federal level of a full service, very high quality capability, as well as regulations that protect the interest of the consumer and all the businesses that will own & operate and prosper from the service." First priority would be "well-paced cut-over of most all broadcast TV from radiated signal to broadband cable," followed by utilization of cable for other services.

"Declaration of national policy" would make TV first service on broadband cable, with time goal established for gradual switchover. With high-quality distribution system, "new standard of excellence" can be established for TV—Galvin suggested compatible 800-1,000-line pictures making way for large-screen displays, such as 3-x-4-ft. wall pictures, free of dot structure. "Receivers could be truly adjustment-free" with "unheard-of" color fidelity. At same time, "all manner of attachments and input & output devices" for 2-way broadband communications could be developed. From reclaimed TV spectrum, "substantial block of frequencies" should be made available for new consumer services—such as "personal communications, remote control of appliances, security products and even the revitalization of amateur radio with expanded functions." Galvin saw some broadcast TV being retained, perhaps by satellite, for remote areas.

COLOR SALES—RECORD NOV. & RECORD YEAR: There's no longer any doubt that 1971 will be best year in history for color sales, on both total-market & domestic-label basis. Consumer electronics, in fact, probably will hit \$5-billion factory-plus-import dollar volume for first time.

With 11-month EIA domestic-label sales figures now on record, full-year 1971 sales can be estimated at: Total TV 10,950,000 units (up from 9,370,000 in 1970); color 6.1 million (vs. 4,822,000); monochrome 4,850,000 (vs. 4,550,000); home radio 8.6 million (vs. 7,980,000); portable-table phono 3.4 million (vs. 3,020,000); console phono 1 million (vs. 1,090,000). Manufacturers agree that business has turned red hot. "Incredibly good" and "phenomenal" are descriptions we've heard again & again. GE announced it's adding 200 workers at Portsmouth TV plant, bringing total employees to 3,800, in anticipation of "expanded TV business in 1972."

November was real beauty in domestic-label sales to dealers, color TV so far ahead of last year (36.5%) it pushed total TV sales to record for that month despite 1% decline in monochrome sales. Little short of sensational was final week of month, which zigged when it should have zagged. Instead of beginning normal year-end tapering-off process, color sales hit phenomenal 181,000, making it year's 2nd best week, 56.6% ahead of same 1970 week. It was one of those rare weeks when every single EIA category was up over year earlier (see State of the Industry), auto radio zooming to 114.5% gain. Part of increase may be traceable to late infusion of pre-Christmas merchandise into retail market as result of breakup of dock-strike jam.

What ever the reason, it was welcome bit of seasonal cheer to industry, helping tie banner-year label to this crazy year of 1971. From EIA, here are November's glad tidings, with 1970 & 1969 comparisons:

Product	Nov. 1971	Nov. 1970	% change	Nov. 1969
Total TV.	1,108,521	937,805	18.2	871,388
color	657,613	481,673	36.5	456,531
monochrome . . .	450,908	456,132	- 1.2	414,857
Total radio	1,629,769	1,285,983	26.7	1,754,008
home, portable .	816,389	816,444	0.0	941,740
AM-only	419,676	468,562	-10.4	555,289
FM & FM-AM . .	396,713	347,882	14.0	386,451
auto	813,380	469,539	73.2	812,268
Total phono	445,568	450,210	- 1.0	497,705
portable-table . .	345,623	359,360	- 3.8	383,151
console	99,945	90,850	10.0	114,554

TARIFF REPORT AVOIDS TV INJURY FINDING: There's little solace for import-plagued domestic TV producers in extensive report on industry issued by Tariff Commission last week. Already disappointed by 5-1 ruling that industry doesn't qualify for import relief under "escape clause" of Trade Expansion Act (Vol. 11:47 p7), manufacturers now find that not a single Commissioner voiced belief that industry is seriously import-injured. There's further letdown in report's implication that countervailing-duty statute would not be effective weapon in fight against TV imports from Japan.

Import injury is considered in only one of 4 written opinions included in 86-pp. document. Comr. Moore, who voted in favor of granting relief, found industry is being "threatened with serious injury" from increase in imports he attributes to duty-rate reductions. Other Commissioners all agreed that imports have been increasing, but cited varied factors, avoiding injury issue completely.

Injury finding by Commissioners would have provided strong ammunition for industry members seeking other avenues of import relief, particularly quota legislation. As written, report does little more than confirm well-known fact that imports are increasing penetration of U.S. TV market. Commission apparently restricted probe to Tariff Schedule item 685.20 (TV receivers plus parts not elsewhere specified), thus rejecting request from EIA Parts & Tube Divs. and several unions that scope of investigation be broadened to cover component-producing segment of industry.

Major cause of rising TV imports, Comr. Sutton found, were Japan's export to U.S. at dumping (less-than-fair-value) prices and Tariff Schedule Sec. 807, used by U.S. TV assemblers

in Mexico & Taiwan, which exempts U.S.-made content from import duties. In joint opinion, Comrs. Bedell, Parker & Young agreed with Sutton, citing as added Japan factors: (1) Variety of govt. export incentives. (2) Higher productivity & lower wages than in U.S. (3) Undervaluation of yen. (4) Sharing of R&D effort by producers there. To all those reasons, Comr. Leonard's opinion added Japan's "unique system of industry coordination" through associations with govt. guidance.

Unfair edge once enjoyed by Japanese is gone now, report says. TV dumping finding has eliminated low valuation, while govt. incentives are now "only of marginal importance in the export of TV sets," though they were significant from late 1950s through late 1960s. In fact, with import surcharge & yen revaluation, some TVs imported from Japan may no longer be competitive with U.S.-made counterparts. Comparing costs to distributors on June 30, 1971, Commission found that average Japanese-brand 12V" b&w TV undersold average U.S.-brand set by just 35¢; Japanese edge was \$13.89 for 19V" b&w, \$10.65 for 18V" color model. On Nov 1, 1971, allowing for 10% import surcharge & 8.3% yen value increase, importers' cost for average 12V" b&w jumped \$8.81; increase on 19V" b&w was \$11.74, and on 18V" color \$35.63.

There are indications in report that more serious threat to future of domestic-based industry lies in increased imports from Taiwan & Mexico, rather than Japan. Commission found that Japanese TV plants have run at "80% or more of estimated capacity in recent years" and that they "were operating near their maximum practical limits" in 1966-70. Commissioners pointed out that Japanese are complementing domestic expansion programs with offshore production facilities. In 1968-70, report says, TV from Mexico & Taiwan accounted for 42% of import increase, captured 26% share of total imports, and at least 3 new U.S. TV manufacturers are starting new plants in those countries. Report offers new insight into variety of industry areas:

Domestic Industry Makeup: There are 15 TV manufacturers; one, SC Electronics (formerly Setchell Carlson) doesn't produce for home market; all assemble color sets, 13 assemble b&w. Six largest firms accounted for 90% of b&w, 78% of color, in 1970. There are 24 TV plants in U.S., and, according to "several producers," they operate at about 50% of capacity last year.

Domestic Profits: 10 of 14 manufacturers showed loss for operations of establishments where TVs were produced & sold in 1970. Eight of 15 had loss in 1969, 9 of 16 in 1968. In 1966, only one of 16 showed loss. Only 2 firms showed operating profits for all 5 years. In 1966-70, TV-only industry sales fell 24%, while profits sunk 88%; over those years, 5 firms accounted for 75% of sales. On an aggregate basis, operations of establishments where TVs were produced returned profit of 0.6% of sales in 1970, down from 4.9% in 1969 & 5.8% in 1968.

Private-Label TV: TV sales to private-label customers last year accounted for 9% of domestic-made factory unit volume, or 707,000 color & b&w sets. In 1966, U.S. producers sold 1 million private-label sets, for 8.3% share of production. In 1967-70, private-labelers used more imported than U.S.-made sets.

Productivity: About 75% of U.S. TV production cost represents materials, 12% labor, 13% other. In Japan, labor represents about 8% of cost. Differential is attributed in part by average hourly wages—\$4.25 for U.S., \$1.08 for Japan—and in part to finding that while productivity of U.S. workers rose 31% in 1966-69, productivity in Japan doubled.

Import Competition: Imports now account for more than 50% of U.S. b&w TV sales for all sizes up to 17V" and for color up to 14V". In first half 1971, imports accounted for all color TVs up to 9V", 75% in 10V"-13V", 33% in 14V"-16V", 21.7% in 17V"-19V" sizes, just 0.1% over 19V". For b&w, import share was 98.5% up to 9V", 70% in 10V"-13V", 53% in 14V"-16V", 31% in 17V"-19V" and 6.9% over 19V".

Neither U.S. nor import industry segments was particularly pleased with report, which finds everyone at least partially responsible for decline of domestic producers. Whether Tariff's finding is to blame is uncertain, but Japanese officials are privately stating that U.S. has dropped demand for voluntary export quotas on color TVs as condition for removal of surcharge.

NOW SUPERSCOPE SUES SONY: Like Punch & Judy, but using law suits instead of sticks, Sony and its U.S. tape recorder distributor, Superscope, are at it again. This time, legal action—\$149-million anti-trust suit—was filed by Superscope against Sony. Also back in court is Motorola, seeking damages from Fairchild.

In L.A. Federal Court, Superscope has charged Sony with imposing anti-competition restrictions on Superscope and attempting to restrain worldwide trade in audio & video tape recorders. In addition to damages, suit seeks to restrain Sony from refusing to renew distribution pact which runs out Dec. 31, 1974. Newest suit is apparent counteraction to Sony's: (1) Sept. request for court clarification of contract terms (Vol. 11:40 p11). (2) Alleged indication to Superscope Pres. Joseph Tushinsky it didn't plan to renew contract. Tushinsky revealed suit and Sony's renewal refusal in Tokyo, where he's developing program for Standard Radio, now 50% owned by Superscope. Sony terms suit "totally devoid of merit," says it hasn't refused to renew contract, but has declined to make commitment at this time.

At stake for Superscope is Sony line, which accounts for about 80% of its sales, virtually all profits. Superscope has moved to reduce dependence on Sony by entering tape duplicating, acquisition of Marantz & Standard. For its part, Sony would like to see sales & profits of Superscope absorbed by Sony America. Firms' 15-year relationship has been sticky, marked by many private & several public disputes, including at least 3 court actions. Most have centered around interpretations of rights & limitations under contract which gives Superscope exclusive U.S. distribution rights to Sony's audio recorders. Contract has been revised several times.

Motorola filed damage suit against estate of late Sherman Fairchild & executor Walter Burke, current Fairchild Camera chmn., in N.Y. Federal Court. Suit is companion to one pending in Ariz. court since Aug. 1968 (Vol. 8:35 p12), in which Motorola accuses Fairchild Camera of luring away C. Lester Hogan & 7 other key Motorola Semiconductor employees.

Go slow on 4-channel stereo broadcast rules, CBS urged FCC in commenting on petition by KIOI San Francisco (Pacifica FM) for authorization of Dorren discrete system (Vol. 11:49 p9). CBS recommended general inquiry first into various 4-channel discrete broadcasting proposals, which it said included systems by GE, Matsushita, W.S. Balstead & J.L. Feldman and McMartin Industries. There's "no reason for haste," said CBS, stating that matrix disc systems (such as CBS's own SQ) provide good 4-channel signals over regular FM stereo stations. In apparent oblique answer to RCA's recent "progress report" on discrete disc, CBS said: "No American manufacturer is marketing or preparing to market in the foreseeable future discretely encoded disc recordings or discrete decoders."

Matsushita has postponed plans for plant construction on Okinawa. Firm owns 22-acre site there. Though Matsushita revealed building program earlier this year, purpose of plant was never disclosed.

BARGAINS & NEW SETS: Price competition continues sharp in new-set introductions and in special post-Christmas (and pre-Christmas) offerings. Magnavox Annual Sale advertising starts Jan. 21, with preferred-customer courtesy days Jan. 14-20, lower dealer cost prices on sale items in effect since Dec. 6.

Admiral drop-ins, announced to distributors last week, feature some hot prices—25V" color table model with base nationally advertised at \$499.95, remote control 19V" AFT color at \$399.95, four 23V" remote color consoles at about \$477. Company said it is increasing production of its hot 18V" sets at \$299.95 & \$319.95. Two new 16V" b&w sets are open-list, 3 console stereos with 8-track cartridge player \$289.95.

Motorola introduced its first 25V" Quasar II (Hybrid) color consoles, starting at \$549.95, new low for Motorola 25V". Other 25V" Quasar II consoles are \$589.95, open (2) & \$649.95 (2). New 9V" AC-battery b&w with built-in charger is \$99.95, promotable at \$119.95 with battery. Other b&w set is 14V" remote with automatic shutoff when station leaves air, \$124.95. In 19V" b&w, Motorola adds 19V" portable at \$139.95, deluxe version with cart at \$149.95. Motorola will have Silver Jubilee Sale starting in mid-Jan.

Magnavox has dropped in 7V" AC-battery b&w set at \$109.95 (\$5 surcharge after Jan. 1) and 3-piece modular stereo system which can be stacked in various configurations, \$599.95. Matching optional TV makes it complete home entertainment center.

RCA SelectaVision videoplayer development operation, coming closer to actual product (Vol. 11:47 p9), moves from N.Y. corporate hq to Consumer Electronics Div. in Indianapolis Jan. 1. Consumer Electronics Exec. Vp Barton Kreuzer said reassignment represents "progressive stage of development in the SelectaVision product line." He said RCA currently is discussing SV magnetic-tape recorder-player concept with other manufacturers, but "would not hesitate to support another system should we believe it to be the best product for the consumer." Robert Bitting continues as SV Business Development Group vp, but moves his office to Indianapolis. Said Bitting: "We are rapidly approaching the product decision point."

RCA is recalling & modifying RZD-422 AM clock radio. Company said action results from incidents involving 3 of 27,000 units produced. When capacitor changed value as result of radio being turned on many times, followed by unrelated failure of diode, model could overheat and result in hole being burned in cabinet. Company said only damage in the 3 incidents was to radio itself. List price of radio is about \$20.

"Philco-Ford's consumer products business has had a good year in the marketplace, with strong increases in sales of color & b&w TV sets, component stereo & refrigerators," said Ford Chmn. Henry Ford II in year-end statement last week. "In the 2nd half, a number of nationally known dept. stores & mass merchandisers began handling Philco home entertainment products & refrigerators."

OCT. IMPORTS: Though Oct. saw new records set for TV imports (Vol. 11:49 p10), most other major consumer electronics categories were held to negligible increases, Commerce Dept. totals show.

Oct. imports of radios were up just 0.6% to 3.16 million units, as auto radios jumped 70%, with home radios slumping 2% to 2.97 million. Bulk of home radio decline was logged in battery portables. In audio tape, total unit imports of 1.59 million just

equaled Oct. 1970 mark. Tape players were up 8% to 759,000, recorders off 6.2% to 834,203, as all 3 classifications (cartridge, reel & radio-recorders) failed to match year-earlier results. Phono imports fell 35.4% to 150,000, record changers were up 2%, transceivers down 21.3%.

Following are Oct. 1971 & 1970 figures. Where no source country is indicated, Japan is leading supplier.

U.S. IMPORTS

	Oct. 1971		Oct. 1970			Oct. 1971		Oct. 1970	
	Units	\$ Value	Units	\$ Value		Units	\$ Value	Units	\$ Value
Color TV, over 17V"	68,312	12,502,997	47,601	8,839,190	Tr. rad., AM, batt...	913,605	3,182,547	934,182	3,428,623
Japan	61,525	11,292,907	46,268	8,499,408	Japan	246,143	1,378,871	218,347	1,257,628
Taiwan	6,670	1,178,377	370	69,341	Taiwan	127,139	422,293	75,546	336,090
Color TV, 11-17V"	111,999	17,895,399	44,694	6,140,792	Hong Kong	484,679	1,242,287	572,447	1,446,750
Japan	108,088	17,301,091	41,168	5,618,389	Tr. rad., batt. other	1,111,232	14,925,776	1,199,706	15,083,862
Taiwan	3,904	591,945	3,516	518,583	Japan	436,357	9,967,363	530,131	10,292,968
Color, 10V" & under	4,676	623,392	15,601	2,329,955	Taiwan	121,400	1,322,304	119,996	890,883
Japan	4,676	623,392	15,601	2,329,955	Hong Kong	523,190	3,361,322	486,270	3,193,061
B&w, over 17V"	80,500	4,744,611	80,283	4,874,393	Auto radio	184,129	3,052,323	108,286	2,036,444
Japan	42,803	2,586,957	45,371	2,666,193	Transceiver	267,321	2,782,320	339,798	2,435,601
Taiwan	16,828	859,289	1,560	74,606	Radio-phono	121,187	4,353,670	174,380	5,097,502
Mexico	19,572	1,150,660	31,618	1,961,691	Phono, stereo	4,748	226,407	37,822	681,735
B&w, 11-17V"	244,401	11,731,785	161,704	7,471,865	Phono, mono	24,023	450,554	20,020	264,117
Japan	140,344	6,695,475	120,093	5,821,049	Record changers	350,270	4,284,677	343,178	4,099,059
Taiwan	86,610	4,310,766	41,559	1,643,532	United Kingdom	322,518	3,298,790	304,478	3,290,254
S. Korea	17,400	713,400	-	-	West Germany	22,688	778,838	32,857	722,679
B&w, 10V" & under	101,400	5,066,933	92,672	4,384,404	Recorder, AC,				
Japan	87,372	4,458,328	80,148	3,462,621	stereo, cart.	19,644	957,246	43,135	1,474,643
Taiwan	14,028	608,605	12,440	511,976	Recorder, AC,				
Clock radio	489,600	5,275,923	484,523	5,179,005	stereo, reel	92,584	5,463,296	58,809	2,876,200
Japan	180,243	2,281,316	246,491	3,154,472	Recorder, AC,				
Taiwan	128,994	1,467,630	48,062	647,209	mono, cart.	77,029	1,543,258	155,674	3,145,033
Hong Kong	131,248	1,103,487	168,658	1,239,768	Recorder, AC,				
Tr. rad., AM, AC	133,891	715,538	86,870	467,929	mono, reel	24,107	825,787	14,138	536,965
Japan	32,901	337,076	20,476	232,127	Recorder, batt., cart.	450,642	7,805,867	370,679	6,521,666
Taiwan	50,925	142,373	9,704	35,125	Recorder, batt., reel	37,457	805,430	86,131	912,760
Hong Kong	50,065	236,089	38,438	142,390	Radio-recorder	132,740	5,269,978	160,683	6,191,487
Tr. rad., AC, other	325,047	7,727,866	326,495	7,824,077	Tp. player, auto	311,584	5,701,741	254,070	5,550,927
Japan	211,879	6,019,782	238,809	6,777,245	Tp. player, other	258,162	6,217,237	307,811	7,246,377
Taiwan	58,236	980,176	48,634	714,392	Tp. player, comb.	189,264	7,814,715	141,231	6,348,726
Hong Kong	41,428	455,737	17,674	142,504	Video recorder	2,744	989,384	2,339	902,132

Wireless TV camera for home-industrial use has been developed by Dell-Star Corp., Tulsa firm formed last March by group of aerospace engineers. B&w camera with crystal-controlled transmitter attachment will send signal over vacant uhf channel to any TV set less than 500 feet away. Unit is AC-operated—battery version planned—is to sell for about \$750. In petition to be filed with FCC by Dec. 17, Dell-Star will ask that rulemaking proceeding for Class I TV devices (videoplayers, cameras, etc.) be divided into wired & wireless sections.

RCA & Sylvania are out of next year's Consumer Electronics Show, but former holdouts Emerson & Teledyne Packard Bell are in, according to latest list of space applications issued by sponsor EIA Consumer Electronics Div. CEG Staff Vp Jack Wyman said all mall level exhibit space in Chicago's McCormick Place, 200,000 sq. ft., has been assigned, and show management is now allotting space in newly assigned lobby level, where all available space will be used. Show will be June 11-14.

Toshiba is dropping b&w TV production in Japan to concentrate on color. In recent months Toshiba has been manufacturing about half its b&w TV requirements, purchasing remainder from subsidiary. In future, all b&w will be outside-sourced.

B&w best-sellers in Oct., according to NARDA "HotSheet," which gives make & model, percentage of b&w unit & dollar sales within brand, and average selling price among participating dealers (to which we have added type of model & last announced suggested list price): Admiral 12P47 (promotional 12V"), 18.7% of units, 13.9% of dollars, average price \$80.81. GE WM155SEB (12V"), 8.4% & 6.1%, \$71.84. Magnavox T109 (12V", \$89.95), 8.2% & 6.1%, \$78.95. MGA BS130 (13V", \$114.95), 24.2% & 24.2%, \$96.57. Motorola BP461HW (16V", \$119.95), 12.2% & 11.4%, \$120.79. Packard Bell M-6276WAL (19V", \$169.95), 22.2% & 27.4%, \$132.96. Panasonic AN142 (12V", minimum resale \$89.88), 15.4% & 12.9%, \$90.07. Philco-Ford B310 (8V", open), 13.9% & 9.5%, \$67.59. RCA AQ122W (12V", \$89.95), 10% & 6.7%, \$86.22. Sony TV112 (12V", \$129.95), 34.5% & 32.7%, \$127.14. Sylvania MW14BN (12V", \$89.95), 11.5% & 7.9%, \$91.12. Zenith T2657W (special model), 9.3% & 9%, \$145.11.

Toshiba will promote consumer electronics line with more than 1,600 pre-Christmas 30-sec. spot TV commercials in 25 major markets.

Lifetime membership in Record Club of America and set of 10 free LPs is offered by Teledyne Bell with purchases of selected stereo consoles.

Trade Personals

Joseph Sullivan promoted at Emerson TV Sales from sales training dir. to sales vp, post vacant since resignation of **John Ryan** last Jan. . . **James Cox** promoted at RCA Service Co. to business operations mgr. . . **Charles Ray** joins Mitsubishi International as national sales mgr., Onkyo Sales Section, to market new Onkyo-brand hi-fi line in U.S.; **Abe Kosakowsky**, ex-Texas Instruments, appointed national mktg. mgr. for Superex Electronics (headphones), succeeding **Ray**.

Thomas Larkin, former corporate audit & controls dir., appointed planning & financial administration dir., Bell & Howell Consumer Products Group. . . **Bruce Lange**, ex-Reeves Products Services, appointed videocassette programs vp, Teletronics. . . **John Conrad**, ex-Admiral asst. sales promotion mgr., joins Rheem as sales promotion mgr. for Heating & Air Conditioning Div.

Robert Tanner, Bell-Northern Research (Canada), elected IEEE pres. for 1972, succeeding **James Mulligan**, National Academy of Engineering; **Harold Chestnut**, GE, elected IEEE vp. . . **James Lester**, ITT vp, named to board & assigned to office of pres.-operations; **Michel Bergerac** advanced from exec. vp to pres., ITT Europe, succeeding **Lester**. . . **John Ruane**, Pemcor finance vp, adds treas. post.

H. David Culley advanced at GE from Battery Products Business Section gen. mgr. to Semiconductor Products Dept. gen. mgr., succeeding **James Donnalley**, now Consumer Products Group technical resources operation mgr. . . **Harold Grutchfield**, ex-Fairchild Semiconductor, appointed Raytheon Semiconductor Div. product mktg. mgr. . . **A. Gene Lad-amato** appointed operations vp, Teledyne Semiconductor Div.; he's replaced as Mountain View, Cal. plant gen. mgr. by **Myron Weintraub**; **Donald Diehl** advanced from operations mgr. to gen. mgr. of Hawthorne, Cal. plant, succeeding **Robert Jones Jr.**, resigned.

PICTURE TUBE SALES UP: Factory sales of both color & monochrome picture tubes rose in first 9 months from same 1970 period, though value of b&w sales declined, according to EIA. Totals exclude activities of independent rebuilders, include U.S.-brand imports.

Color tube unit sales climbed 25.1% to 4,945,000 with sales to OEMs jumping 36.7% to 4.1 million. Renewal volume rose 6.5% to 654,000 while exports fell 50.5% to 156,000. Value of color tube sales wasn't reported.

In b&w, unit volume rose just 0.2% to 3,028,000, as value dropped 3.9% to \$45.3 million. OEM sales of 2.6 million units at \$36.3 million were up 1.3% & 0.4% respectively. Renewal volume, 293,000 tubes at \$7.3 million, was off 21.5% & 16.6%. Unit exports of 106,000 were up 8.2%, though value fell 24.1% to \$1.76 million.

Emerson ad account has been shifted from Daniel & Charles to Marsteller. Account includes Emerson, DuMont, Pilot & Quite Kool lines, with billings estimated at \$1.6 million. . . **Columbia House** (CBS Records mail order) names Altman, Vos & Reichberg for Records/Tape Unlimited Club.

WEEKLY Television Digest

with

Consumer Electronics . . .

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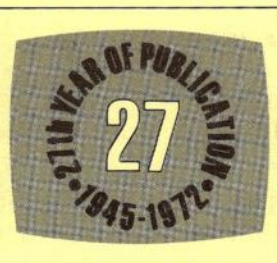
Govt. product safety activities should be vested in existing agency, preferably HEW, EIA Consumer Electronics Group special counsel **J. Edward Day** testified before House Commerce & Finance Subcommittee last week, opposing legislation to set up independent agency as recommended by National Commission on Product Safety. Day also urged that any safety standards be made effective minimum of one year after date of publication, rather than 90 days under proposed legislation. Donald Berman of Tracor Inc., which made TV fire study for Product Safety Commission, attacked UL & similar organizations as subservient to industry, urged that provision be made for product testing contracts to be let to independent firms such as Tracor. Both HEW Secy. Richardson and Virginia Knauer, Presidential asst. for consumer affairs, supported Administration plan for locating new Consumer Safety Administration (CSA) in HEW's Food & Drug Administration. CSA, Richardson said, would draw on existing expertise in research & enforcement, could gear up more quickly to handle new responsibilities than independent agency. He said CSA would consist of Office of Product Safety Regulation, Office of Drug Regulation and Office of Food Regulation. Ralph Nader urged separate govt. product safety agency, didn't mention TV. Hearing will continue in Jan. with UL testimony.

Duty-free trade in electronics between U. S. & Canada was proposed by Robert Kaplan, chmn. of Canadian House of Commons Standing Committee on Finance, Trade & Economic Affairs. Similar pact now permits duty-free trade in OEM autos & parts. Addressing EIA-Canada meeting, Kaplan said move would give Canadian manufacturers direct access to large U.S. market and help U.S. producers compete in Canada with Asian & European firms. Some safeguards would be needed to protect certain segments of Canadian industry, he indicated.

WEEKLY

Television Digest®

with
consumer
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

DECEMBER 20, 1971

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

DAVID SARNOFF—PROPHET WITH HONOR: Saga highlighted by 1947 exhortation on TV pioneering before NBC affiliates—turning point for industry. Man of force, audacity, perserverance. (P. 1)

FCC DEBATES CATV, RESUMES IN JAN.: Rules not final yet. Staff working up report & order with Jan. 3 target. OTP briefs industry attorneys on Commission rules. Administration says 'no conflict' between Cabinet recommendations & industry compromise. Markle Foundation sees pay TV, govt. subsidies helping cable. (P. 2)

CONGRESS TAKES SHORT RESPITE: First session saw confrontation in House over TV news while Ervin defended press in Senate. Campaign bill delayed in House. Congress rejects media exemption from Phase II. (P. 3)

ACT ASKS FTC TO BAN all toy advertising from TV. NAB Code hit as 'totally ineffective.' R. E. Lee says ACT is 'asking too much' in seeking ban of all kid TV commercials by FCC. (P. 4)

NCTA PRESIDENTIAL HUNT: Gwin & Tucker join sweepstakes. Lovett retains strong support. Committee to get in-depth studies by executive placement agency. (P. 4)

DAVID SARNOFF—PROPHET WITH HONOR: Contemplating the Sarnoff saga on his death Dec. 12 at age of 80, some regarded it as that of the Russian immigrant lad who supported his family by selling newspapers at the age of 12 and rose to become a captain of industry and advisor to presidents. To others, it was that unique combination of chromosomes & environment—of a man and an age—which strikes sparks and propels civilization a large step forward.

It was both of those, but to us the essence of the Sarnoff story lies in a development we witnessed & reported in Sept. 1947, when TV was a toy & a novelty which aroused both suspicion & ridicule of many broadcasters (Vol. 3:38 p3). Addressing NBC Radio affiliates in Atlantic City, Sarnoff told the prosperous station owners:

"...After more than 40 years of experience in this field of communications & entertainment, I have never seen any protection in merely standing still. There is no protection except through progress. Nor have I seen these new scientific developments affect older businesses, except favorably, where those who were progressive gave careful thought & study to the possibilities of new inventions & developments for use in their own businesses..."

"I am not here to urge you to enter the field of television beyond the point where you yourselves think it is good business for you to do so, or to propose that you plunge all at one time. Rather, I would suggest that you reflect carefully & thoughtfully upon the possible ultimate

Consumer Electronics

\$5-BILLION YEAR for consumer electronics in 1971 confirmed by EIA, which puts total-market TV sales at \$3 billion and 14 million units, nearly 50% color. Tape instruments set 15-million-unit record. (P. 6)

END OF IMPORT SURCHARGE will mean new pricing problems for importers, who'll find retailers unwilling to accept extra costs on inventoried items when levy is repealed. (P. 6)

MOTOROLA CLAIMS NO. 3 position in color on basis of sales running 67% ahead of last year. Reavey says Consumer Products operation is 'substantially in black' for year. (P. 7)

COST OF IMPORTING TV adds 13-20% to FOB price of Far Eastern sets under normal conditions, according to Tariff Commission. Surcharge, revaluation tack another 10-19% onto Japan-made sets. (P. 8)

POST-YULE SALES announced by Motorola, reducing 23V" color sets as much as \$70, and by Philco, with \$60 off on 19V" color. Sylvania introducing first U.S.-made 17V" color. (P. 9)

RCA FOLDS SERVICEAMERICA all-brand TV repair operation after test in 3 markets, will try to sell all or part of \$1.5 million annual business. (P. 9)

effects of TV upon your established business if you do nothing, and of the great opportunities for your present & future business if you do the right thing."

This, perhaps, was real turning point which changed TV from a curiosity to a business. Those who followed Sarnoff's advice were amply rewarded and became leaders in the most important information & entertainment medium of all time. They were well advised to listen, for Sarnoff's famed 1916 proposal for a "radio music box" and his organization of the first national network supplied the foundation of their business and that of the entire consumer electronics industry.

Sarnoff's career spanned the complete history of electronics to date, and his remarkable gifts were a prime force in harnessing the electron, through his ability to challenge both engineers & businessmen.

He seemed to have the power to predict the future. But this was true only because he had the force, the audacity and the perseverance to make his own predictions come true. The biggest fight of his career started with nothing but the phrase "all-electronic compatible color TV," and the inventions to bring it about came later under the spur of the Sarnoff challenge. Under the direction of a lesser man, the power & resources of what he always called "The RCA" would have been drained away tilting at the color windmill—if indeed there had been a battle for compatible color at all. And without David Sarnoff, the TV, radio & electronics industries would have developed quite differently. He was a driver, a doer.

FCC DEBATES CATV RULES, RESUMES IN JAN.: FCC took another look at proposed cable rules Dec. 17, hasn't wrapped them up yet, will meet again in early Jan. Last week's session aired variety of views, lots of questions, some opposition to aspects of OTP-generated compromise. Opponents of compromise claim that deal is in trouble. Proponents disagree vigorously, say plan is still on track.

Commission staff will be busy during holidays, working on rules and on explanatory "report & order," aiming to have it on commissioners' desks Jan. 3. OTP remains strongly in picture. On Dec. 16, Gen. Counsel Antonin Scalia & asst. Henry Goldberg briefed industry attorneys on FCC's proposed rules, transmitted reactions to Commission. At Commission, we're told by spokesman: "OTP reported some objections. We're trying to do something about them. They include concern about stations in remote areas." At OTP meeting were: Gerald Phillips, Gerald Myers & Jack Valenti, for copyright owners; Paul Comstock & Michael Horne, for broadcasters; Gary Christensen, John Cole & John Matthews, for CATV.

From Congress last week, Senate Copyright Subcommittee Counsel Thomas Brennan sent letter to industry leaders advising them Subcommittee is ready to get into Sec. 111 of copyright legislation just as soon as FCC adopts rules. He indicated that Chmn. McClellan (D-Ark.) is satisfied with either Commission's Aug. 5 letter of intent or all-industry compromise, is ready to modify bill accordingly.

At White House, there was avalanche of inquiries stimulated by our report of Cabinet-level committee's expected recommendations to President Nixon (Vol. 11:50 p1). Principal concern, it appears, is from people who fear that recommendations may interfere with implementation of current CATV compromise. According to Administration spokesman, that's last thing in the world intended or anticipated. Said he: "We're looking ahead years from now when there are 100 channels and the industry can be treated like the press—real diversity. We're 100% behind the compromise."

Among points of disagreement between broadcasters and cablemen—in discussions with OTP about FCC rules to implement compromise: (1) Broadcasters insist that "significantly viewed" stations (for carriage purposes) does not apply to non-Grade B signals. (2) Cable operators insist that systems must be allowed to "cherry pick" among independents—choose among programs—instead of selecting a station and carrying all its programs. (OTP supports broadcasters on cherry-picking issue.) (3) On "grandfathering"—meaning CATVs can continue to carry signals they've been distributing, despite new rules—cut-off date is March 1. And systems needn't be "actually in operation" though they must be "fully authorized"—meaning

they have FCC & local go-ahead. Nonetheless, cable attorneys are advising clients to bust a gut to be operable before March 1, to be safe.

Still another foundation heard from: Annual report of Markle Foundation predicts that CATV could "bring about changes in opportunity for entertainment, education & ideas as vast as those brought by the introduction of TV itself." Markle Pres. Lloyd Morrisett said that cable's future depends on special interest audiences, cited 3 potential sources of income: (1) Cable-pay TV ("It is vital in thinking about cable TV to understand that there is no such thing as 'free TV'."); local, state & federal subsidies ("There are certain to be programs... that are in the public interest and should be subsidized."); paid access to channels. "If each of these sources of income can be added to advertising revenue, cable TV could have the diverse economic structure needed to support new & diverse services," he said.

Morrisett predicted that TV news will be big loser through cable's fragmentation of TV audience. "In the long run this problem should be overcome by the growth of specialized news services over cable TV...but audience fragmentation may pose special short-term difficulties for TV news."

BROADCASTERS REGROUP AS CONGRESS ADJOURNS: As first session of 92nd Congress adjourned last week and broadcasters began to regroup behind NAB for major effort in 1972 to push through renewal legislation, industry found itself still twinging from events on Capitol Hill last 12 months. There was major confrontation in House over broadcast journalism, near passage of campaign-spending legislation which broadcasters labeled discriminatory, hearings on industry self-regulation and finally, Congress' refusal to exempt media from Phase II of wage & price controls.

Year began on uneasy note in Congress for broadcasters. Just before 92nd session began, House Commerce Committee Chmn. Staggers (D-W.Va.) said he might call hearings into his Investigative Subcommittee staff report charging FCC renewal policy favored licensees and was illegal (Vol. 10:49 p1) and also to probe NAB Codes, which he felt couldn't cope with situations such as announced intention of U.S. Communications to air liquor spots (Vol. 10:51 p4).

Then, 2 months later, on Feb. 23, CBS ran documentary "Selling of the Pentagon," and furor that followed produced major confrontation between free press and right of Congress to investigate. Charges of distortion and demand for CBS outtakes from Commerce Committee came to climax in July when Staggers asked House to find CBS and its Pres. Frank Stanton in contempt. House voted 226-181 to table contempt citation (Vol. 11:29 p1), but networks weren't rejoicing. Most members sympathized with Staggers, but were reluctant to censure press. As House Communications Subcommittee Chmn. Macdonald (D-Mass.) summed up: "I think they [networks] got the message loud-&-clear." Macdonald also promised Staggers he'd hold hearing on network documentaries next session.

No sooner was contempt vote over, however, when word leaked that Investigations Subcommittee staffer James Broder was in L.A. talking to network employees—mostly CBS—about alleged incidents of news fakery (Vol. 11:32 p4). Staggers then announced that full investigation was in process, said his staff would present full report to Subcommittee. That report is now being prepared, is understood to be highly critical of CBS, and Subcommittee is expected to decide soon after 2nd session begins whether or not to hold public hearing or just release report.

While broadcast journalism was coming under attack in House, Senate's leading authority on constitutional law, Sen. Sam Ervin (D-N.C.), opened hearing into press freedom, and several times during hearing rebuked House for attacking TV news. Hearing will continue next session, but Ervin isn't expected to recommend Newsmen's Privilege Act, prefers to wait until Supreme Court rules on several subpoena cases.

Soon after 92nd Congress began Senate Communications Subcommittee Chmn. Pastore (D-R.I.) began urging White House to produce campaign reform legislation, a black nominee for FCC, satellite recommendations and long-range financing plan for public broadcasting. Fifteen weeks after session began, Administration spoke up on campaign legislation and just before session ended, House-Senate conferees agreed on bill (Vol. 11:50 p6), but House delayed final passage

until new session begins Jan. 18. In addition to not repealing Sec. 315 for any federal candidates (networks favored repeal to pave way for debates between major party Presidential candidates), bill also limits broadcast spending to no more than 60% of over-all 10¢ per voter limit but would allow full amount to be spent on print. "We really got clobbered on that one," NAB spokesman said.

While Staggers never got into hearing on NAB Codes, House Small Business Subcommittee Chmn. Dingell (D-Mich.) did (Vol. 11:25 p5). He probed AAF plans at self-regulation, also wanted to know how NAB was going to participate. FCC didn't escape congressional scrutiny either. Both House & Senate Communications Subcommittees held hearings and Sen. Gaylord Nelson's (D-Wisc.) Small Business Subcommittee really put FCC Chmn. Burch on hot seat, wanted to know why Commission wasn't doing more about stopping ads that were "fostering a drug culture" (Vol. 11:39 p3).

ACT SEEKS TOY AD BAN: Action for Children's TV (ACT) last week asked FTC to ban all toy advertising in kid TV programming "as a holiday gift to the American people." Petition, given to Trade Commission official John O'Brien at N.Y. news conference, contended that children don't have "the maturity or experience to analyze & discount the normal puffery claims of commercials..." The child is in fact being exploited by the toy manufacturer to act as a surrogate salesman."

ACT also has asked FTC to ban vitamin commercials directed toward children, and Pres. Evelyn Sarson said 3rd petition will seek elimination of all advertising for edibles in kid TV. At new conference, ACT charged that NAB TV Code's new guidelines for children's TV "have been totally ineffective in preventing deception in toy advertising... Even the recently revised toy code is useless and another attempt to avoid the real issue of whether children should ever be the targets of a TV ad campaign."

Speaking in Wheeling, W.Va. last week, FCC Comr. R.E. Lee said that ACT is "asking too much" in petition before FCC requesting that all advertising on kid TV be eliminated and that stations be required to program 14 hours weekly for children. "If the price of improvement is censorship, I would prefer to see a continuation of our present system with a minimum of abuse rather than the beginning of government dictatorship of radio & TV... While I can criticize the amount of advertising and the number of interruptions on children's programming, I cannot at the present time see a viable alternative. [Critics of TV] tend to impose their judgment on what appeals to them rather than facing the broadcasters' reality and economic necessity of reaching the maximum number of viewers... What is wrong with such an objective as long as the responsibility to enlighten & educate our children is met?"

Educational vhf for Washington? That's goal of WETA-TV (Ch. 26) Pres. & Gen. Mgr. Donald Taverner, who thinks "it's a crying shame" that Washington's only ETV station is uhf, can't be seen by many in inner city. Taverner claims FCC has given him "all kinds of encouragement" for "a drop-in channel," probably Ch. 12—which would be short-spaced with several assignments.

NCTA PRESIDENTIAL HUNT: Add 2 more possibilities for NCTA pres.—Chmn. John Gwin and ex-Cypress Chmn. W. Randolph Tucker. Many NCTA members have been impressed with way Gwin has handled Association since Pres. Donald Taverner left, are boosting him for job. Tucker is cable industry veteran, particularly strong in financial world.

Presidential selection committee, headed by TelePrompTer's R.H. (Hank) Symons, now aims for choice of man by end of Jan. Committee, in addition to its own extensive interviews of candidates, has retained unidentified executive placement agency to conduct in-depth evaluations of committee's candidates and to recommend candidates on its own.

ATC Vp Bruce Lovett, former NCTA gen. counsel, remains strongly in running, has considerable industry support.

Closed-circuit TV (CCTV) for pro football title games just isn't going to happen, NFL Comr. Rozelle said, responding to charge by Rep. Rogers (D-Fla.) that recent CCTV coverage in Miami of Dolphin-Colt game "tested the legal waters" for using CCTV nationally for playoffs and Super Bowl. Noting that only 3,900 fans turned up for available 30,000 seats at Miami telecast, Rozelle said: "That confirms my judgment that closed-circuit is not a big thing for pro football." Rogers introduced bill that would limit blackouts used now to protect home NFL games and college football. House Communications Subcommittee Chmn. Macdonald (D-Mass.) is expected to focus on whole issue of sports & CCTV during public hearing next year.

Cox Cable has obtained \$20 million revolving credit for 2 years with option to convert into 5-year loan from Chase Manhattan Bank, Security Pacific National Bank of L.A., Fidelity Bank of Philadelphia, First National Bank of Dallas and Trust Co. of Ga. Cox will draw \$14.2 million to pay debts, use remainder for future construction. LVO Cable is borrowing \$12 million—half from Teachers Insurance and Annuity Insurance Assn. and Home Life over 15 years; remainder from 5 unidentified banks for 2 years' revolving credit. Loans will consolidate debts, complete current construction, allow future acquisitions.

Personals

Eugene S. Cowen, deputy asst. to President Nixon for congressional liaison, appointed ABC Washington vp, effective Dec. 27, succeeding **Alfred Beckman**, retired; Cowen was in charge of Senate relations at White House, previously had been on staff of Sen. Scott (R-Pa.) for 11 years.

Daniel Pecaro advanced to exec. vp & gen. mgr., WGN-TV Chicago... **James Saunders** promoted to planning & administration vp, Kaiser Bcstg.; **Barry Thurston**, to programming vp; **Kenneth Robinson**, to vp & counsel... NBC Pres. **Julian Goodman** addresses Hollywood RTS Jan. 11, Beverly Wilshire Hotel... **Louis Rocke** advanced to vp-gen. mgr., WSTV-TV Wheeling-Steubenville.

William Barker, ex-Sun Oil, appointed CBS planning vp... **John Sherman**, engineering dir., WCCO-TV Minneapolis-St. Paul, will receive NAB engineering achievement award April 11 at NAB Chicago convention... **Robert E. Clark**, ABC, elected chmn., Radio-TV Correspondents Assn. (Congress), succeeding **Joseph McCaffrey**, WMAL-TV Washington; **Frank J. Jordan**, NBC, elected vice chmn.

Ruth Hiatt advanced to govt. affairs administrator, WFBM-TV-AM-FM Indianapolis; **Beverly May**, to personnel mgr... **Joseph Centola**, Cowles Communications, elected asst. treas.; **Eleanor Gilfoy** asst. secy... **David Kenworthy** elevated to publicity & promotion dir., WLWI Indianapolis, succeeding **Al Gordon**, now asst. promotion dir., WPVI-TV Philadelphia... **Howard Abrahams**, ex-Fly, Shuebruk, Blume & Gaguine law firm, joins Meredith Bcstg. legal staff, N.Y... **Hiram Howard** named art dir., WAVY-TV Norfolk.

Donald Williams, vp-gen. mgr. of subsidiary Trans-Video Corp., San Diego, named Cox Cable vp; Cox Pres. **Henry Harris** & Purdue U. Pres. **Arthur Hansen** elected to Cox board... **Robert Burns** elevated to pres., Leo G. Sands Assoc., which designs radio communication and CATV systems... **George Townsend**, ex-Ampex, forms new Spectrum Communications (Box 95, W. Springfield, Mass. 01089), which acquired 3 CATV franchises in Mass. with over 30,000 potential subscribers.

Redmond Dwyer, ex-Asset Development, appointed attorney & finance vp, Cablecom-General... **Arden Messer**, ex-National Telesystems, appointed western sales mgr., Cable Network TV; **Gary Langseth** promoted to eastern sales mgr... **John Walsh** advanced to technical operations mgr., TV Communications.

Robert Felder promoted to vp-gen. mgr., Tele-Vision Communications' Cablevision Corp. of America, succeeding **William Sinkunas**, who replaces Felder as vp & gen. mgr., Akron CableVision... **Richard Burghelm**, ex-Time TV critic, appointed dir. of CATV programs, Time-Life Bcstg.

Gene Harris advanced to resident mgr., Storer Thousand Oaks, Cal. CATV system... **J. J. Wardell** elevated to mktg. communications mgr., Superior Continental... **William Chappell** appointed Philips Bcst. Equipment Corp. finance vp; he's former vp-

treas. of North American Philips subsidiary Ferroxcube Corp.; **William Eagle**, ex-Joseph Plascencia export agency, named indirect sales mgr.

Lawrence Lotello, ex-Ogilvy & Mather, appointed finance vp, Peters, Griffin, Woodward... **Phil Benblatt**, ex-Edward Petry, appointed research dir., Tele-Rep... **John Blair** TV forms selling groups by network affiliations, headed by **Neil Kennedy** (ABC), **Richard Coveny** (CBS), **John White** (NBC)... **Robert Braker**, ex-KDFW-TV Dallas-Ft. Worth, joins Avery-Knodel, Dallas.

Malcolm Reader promoted to engineering dir., Laser Link; **Cedris Maasik**, to systems engineering dir.; **Peter Lubell**, development lab mgr... **Richard Russell**, ex-New Hampshire ETV Network, joins WETA-TV-FM Washington as development dir.

Bureaucratic harassment of a few licensees by some FCC field engineers was recently called to attention of FCC Chmn. Dean Burch & White House Communications Dir. Herbert Klein—and they did something about it. Commission rules require that, during specified times, station must announce call letters "immediately followed by the name of the community." WIBW-AM Topeka was cited for violation of rule for inserting "Radio 580 in" before Topeka. Other Kan. stations received similar citations. "Obviously such a harsh application makes no sense," Klein said in disclosing that FEMB has been ordered to stop applying "such a literal application" until rule is modified.

Collins Radio Co. has reorganized into 4 major marketing groups—Avionics & Telecommunication, Cedar Rapids, Ia., headed by Sr. Vp J.D. Nyquist; Telecommunication & Switching System, Dallas, Sr. Vp R.C. Mullaley; Special Telecommunication Systems, Newport Beach, Cal., Vp R.D. Johnson; International Operations, Dallas, Vp J.H. Boyle. "This structure will enable us to be more competitive than ever before, while maintaining the quality for which Collins is recognized," Pres. Robert C. Wilson said. Exec. Vps R.W. Roodhouse & Donald R. Beall will serve in president's office.

Live broadcasts of final horse race at given track—plus replays and mutuel prices of earlier races—were approved by FCC last week at request of N.Y.'s Off-Track Betting Corp. (OTB). However, Commission ruled OTB couldn't sponsor broadcast of full-day's racing, nor could it include mutuel prices from other tracks on which OTB had accepted bets, scratches, post time changes, pre-race odds, jockey changes, etc. OTB began taking bets on Md. tracks last week, plans daily TV show.

Closed-circuit TV experiment in Atlanta's Regency-Hyatt House Hotel, where Trans-World Productions is offering current motion pictures through existing TV sets in each room (Vol. 11:44 p3), will be expanded to include entire Hyatt hotel chain.

Inspection-of-records rule has been changed by FCC as anticipated—requiring person wishing to see station files to give name & address, but not his organization (Vol. 11:48 p4).

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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

STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Dec. 3 (48th week of 1971):

	Nov. 27- Dec. 3	1970 week	% change	Nov. 20-26	1971 to date	1970 to date	% change
Total TV.	239,316	199,977	19.7	303,543	9,956,514	8,518,195	16.9
color	145,433	103,992	39.9	181,069	5,519,271	4,350,248	26.9
monochrome	93,883	95,985	- 2.2	122,474	4,437,243	4,167,947	6.5
Total radio	385,875	291,368	32.4	424,252	17,550,264	14,756,321	18.9
home, portable . .	168,270	144,944	16.1	250,396	7,915,712	7,307,935	8.3
AM-only	83,596	77,017	8.5	136,729	4,405,402	4,421,990	- 0.4
FM & FM-AM . .	84,674	67,927	24.7	113,667	3,510,310	2,885,945	21.6
auto	217,605	146,424	48.6	173,856	9,634,552	7,448,386	29.4
Total phono	99,210	133,128	-25.5	147,019	3,908,842	3,626,473	7.8
portable-table . .	76,222	109,468	-30.4	118,573	3,032,344	2,664,335	13.8
console	22,988	23,660	- 2.8	28,446	876,498	962,138	- 8.9

Color TV 5-week moving average: 1971—160,609; 1970—129,133 (up 24.4%)

EIA CONFIRMS \$5-BILLION YEAR IN '71: Consumer electronics cracked \$5-billion mark in factory value of domestic-made & imported products, EIA announced last week in year-end estimate, confirming our earlier forecast (Vol. 11:50 p7). This is 23% over 1970's total of \$4.069 billion and well above previous high of \$4.653 billion set in 1969. It represents sales of about \$8 billion at retail.

More than \$3 billion of total was represented by TV, with 1971's total market estimated to exceed 14 million units, color setting new record and representing close to 50% of TV units. EIA estimates tape equipment sales of all kinds (recorders & players) at record 15 million units, increase of about 23% over last year's 12.2 million. Phono sales didn't set record at 6 million, but were 7% over the 5.6 million of 1970.

Radio sales, at 45 million units, were up slightly from last year's 44.4 million, as result of 30% surge in car radio sales to record of about 13.5 million, while home-clock-portable sales declined around 7% to some 31.5 million (breakdown ours, not EIA's). Of total home & auto radio sales, EIA estimates more than 45% include FM.

Making up balance of consumer electronic products are such items as transceivers (up slightly to 2.5 million units), electronic musical instruments, hearing aids, home intercoms, door-&-window openers and the like.

We'll take first detailed look at 1972 in next 2 weeks—with summary of our survey of industry leaders next week, followed by our own forecasts in first 1972 issue.

SURCHARGE END MEANS NEW PRICE WOES: Who'll get stuck with 10% import surcharge on inventoried items when extra levy is eliminated? Answer to that question will grow in importance as U.S. and other leading trading nations come near agreement on world currency & commerce reform. Vital step toward that accord came last week when President Nixon formally indicated willingness to devalue the dollar.

It appears certain that importers won't get refunds for inventories of consumer electronics on which surcharge has been paid, and it's almost as certain that cost-conscious retail store buyers will start refusing to accept surcharge pass-along from the day Customs stops collecting it, if not sooner. As for refunds, Treasury official told us they've never been granted for "due

& collectible" duties—for example, as duty rates dropped each Jan. 1 since 1968 as result of GATT agreement, importers received no adjustment for inventories on which higher rates applied. "But we still expect a flood of requests" for surcharge refunds, he said.

Faced with rising costs as result of revaluation, over-inventory on many items and intense price competition, consumer electronics importers—including U.S. manufacturers—will find it nearly impossible to swallow more of surcharge than they already do. Most firms are absorbing portion of surcharge, passing rest on down through distribution channels.

Totally unexpected hike in duty costs is compounding problem for most importers. Import duty is based on value of product at time of exportation. With increase in value of now-floating Japanese yen, importers are finding they owe Customs 5-7% more than they expected in duty charges. This adds up to 40¢ to cost of \$100 TV, 25¢ to \$50 tape recorder, 18¢ to \$25 radio. For the most part, this extra levy is being fully absorbed by importers. Impact of yen fluctuation is being felt elsewhere as well. Taiwan & Hong Kong manufacturers, whose currencies remain pegged to U.S. dollar, are being forced to pay higher prices for parts bought from Japan and are having difficulty getting their U.S. customers to accept any part of increase.

There are indications that surcharge dilemma is getting official recognition, and problem may be eased somewhat by eliminating requirement that surcharge be shown separately on invoices. In letter to American Retail Federation, Price Commission Exec. Secy. Louis Neeb said wholesalers & retailers may add normal markup to surcharge being passed along to customers, but still must show amount of surcharge on sales ticket or invoice. However, "this requirement is currently being reconsidered," he wrote.

It's probable that any change in surcharge listing requirement would apply to importers as well as wholesalers & dealers, and if dropped, it would permit them to hide the levy in any general revaluation increase. Trouble is, sharp retailers have habit of keeping old price sheets, and they'll be seeking reductions to match defunct surcharge.

MOTOROLA CLAIMS NO. 3 SPOT IN COLOR: "We're now in a firm 3rd place in color, with no place to go but up." So said Motorola Consumer Products Div. Vp-Gen. Mgr. Edward P. Reavey Jr. last week at N. Y. news conference at which he announced 4th quarter sales running 67% ahead of 1970 and claimed 35% share-of-market increase over year ago.

Pulling up to No. 3 would be major jump for Motorola. Our last industry share-of-market survey, covering 1971 model year (Vol. 11:26 p7) indicated Motorola was No. 5 with 6% of market, behind Magnavox (11.5%) & Sears (10%). Magnavox Consumer Electronics Pres. George Fezell last week indicated opinion that 67% sales increase wouldn't put Motorola ahead of Magnavox. On basis of sales to consumers, Reavey estimated RCA's color share at 22%, Zenith 19%.

Reavey cited these other aspects of Motorola's 1971 success story: (1) Consumer Products Div. sales were nearly \$100 million ahead of 1970 results. (2) After being in red for first 2 quarters, division made "substantial profit" in 4th quarter, will be in black for full year. (3) Division employment doubled to 10,000 workers during 1971. (4) "We've doubled our production [of color sets] and can sell every set we can make." (5) Motorola added 1,000 new major accounts in past year.

Company also announced restructuring of consumer products management (see Trade Personals, p. 10), and newly promoted Mktg. Dir. Robert Warren revealed that Motorola had changed 34% of its distributors in past 14 months, with 12 new independents named. He cited company's "redevelopment distribution program" of setting up temporary factory branches in difficult markets, turning territory over to independents after market is "rehabilitated."

"Very strong economy" was foreseen by Reavey for 1972, with domestic-label color TV sales rising to 6.5 million units. He said Motorola's goal is 35% sales increase for next year vs. about 6% for industry. Motorola's promotion theme for '72 will be "Quasar system"—overall phrase to include modular design, Instamatic and remote control. Next big push will be on remote control, which Motorola officials think could jump from current 5% of color market to 25% as early as next year.

Record Magnavox sales have pushed employment at Magnavox Co. of Tenn. to highest point in 3 years, reported Pres. Thomas R. Maher of the consumer products manufacturing subsidiary. He said company has added 1,500 in last 60-70 days, with color TV plant on 10-hour days & weekend schedule. Employment is close to 9,000, some 25% above Dec. 1969 level.

And in color TV, good sales continued to roll on for entire industry. Domestic-label sales to dealers, as reported by EIA, set record for year's 48th week (see State of the Industry), 4th consecutive weekly high.

DUTY RATES DROP JAN. 1: Fifth & final cut in U.S. import duty rates, negotiated during 1967 Kennedy Round sessions of General Agreement on Tariffs & Trade (GATT) in Geneva, go into effect Jan. 1. At meetings, U.S., along with world's major trading nations, agreed to tariff reductions of 50% on broad range of products, including most consumer electronics & components. Full reductions were withheld on transistor radios & capacitors.

Following are U.S. import duty rates as they will be effective Jan. 1 for most electronic items, along with current & pre-GATT rates for comparison, as obtained from Tariff Commission. Duty is stated as percentage of FOB value of imports, which excludes shipping & insurance cost:

Product	1972	1971	Pre-GATT
TV sets (color & b&w) & parts . .	5%	6%	10%
TV-radio-phono comb.	7.5	8.5	13
TV cameras & parts	6	7	12.5
Transistor radios	10.4	10.4	12.5
Transceivers, tube radios	6	7	12.5
Radio-phonos	6.5	8	13.75
Phonos, changers, turntables . .	5.5	6.5	11.5
Tape recorders (audio & video) . .	5.5	6.5	11.5
Tape recorder-radio comb. . . .	7.5	9	15
Tape players (home & auto) . . .	5	6	10
Picture tubes (color & b&w) . . .	15	18	30
Transistors, ICs, other semi-conductors, receiving tubes . .	6	7	12.5
Capacitors	10	10	12.5
Resistors	6	7	12.5
Speakers, headphones, microphones, amplifiers	7.5	9	15
Switches, plugs, jacks, terminals	8.5	10	17.5
Magnetic recording tape (blank) .	6	7	12

Canadian-made radios, tape players & other electronics imported for original equipment installation by auto manufacturers are duty free.

Griffiths Electronics is adding 26,000 sq. ft. to color picture tube rebuilding plant in Jacksonville, Fla., and plans 18,500-sq.-ft. addition to electron gun facility in Tucson. Expansion will more than double existing operations at both sites. Griffiths has companion to Tucson plant across Mexican border in Nogales. Firm has phased out all operations at Linden, N.J., is selling facilities there, with hq shifted to 2875 Westside Blvd., Jacksonville.

RCA's request for 6% increase in prices of receiving & industrial tubes to parts distributors (Vol. 11:48 p10) was approved last week by Price Commission. Another ruling gave GE permission to raise prices on its domestic products & services average of 2% in 1972. GE said it was setting up procedures to decide which prices to boost, but wouldn't increase prices across-board. Union Carbide also received okay for average 2% price boost.

IMPORT PRICING PRIMER: Mechanics of importing traditionally add 13%-20% to FOB cost of Japanese TV receivers brought to U.S. depending on size & weight, but in recent months importing costs have risen to 23%-29% range, thanks to yen revaluation and 10% import surcharge, according to Tariff Commission.

Breakdown of importing costs before & after surcharge are part of Commission report on investigation into eligibility of domestic TV industry for relief from import competition (Vol. 11:50 p8). Costs in table below for June 1, 1971 show average of what importers paid for TVs from Japan. Similar cost relationships apply as well to imports from South Korea & Taiwan. Table for Nov. 1, 1971, is adjusted to reflect both 8.3% increase in value of yen, which of course resulted in higher regular duty and other based-on-value charges, and 10% surcharge. Yen revaluation doesn't effect imports from other countries. Also, average duty on Taiwan-made sets would be lower because majority of sets contain U.S.-made parts on which no U.S. tariff is levied.

AVERAGE COSTS OF TV IMPORTING

Cost Item	12V" monochrome		19V" monochrome		18V" color	
	6/30/71	11/1/71	6/30/71	11/1/71	6/30/71	11/1/71
Net FOB price	\$43.41	\$47.03	\$57.32	\$62.09	\$176.73	\$191.45
Freight, ins., broker fees . .	3.19	3.46	5.75	6.23	10.41	11.28
U.S. import duty (6%) . . .	2.60	2.82	3.44	3.72	10.60	11.49
U.S. import surcharge (10%)	none	4.70	none	6.21	none	19.15
U.S. handling charges75	.75	1.99	1.99	2.65	2.65
Net importer cost	\$49.95	\$58.76	\$68.50	\$80.24	\$200.39	\$236.02

Tape equipment sales survey, intended to provide first comprehensive picture of U.S. tape recorder & player market, has been launched by International Tape Assn. ITA is asking industry members to provide annual unit sales totals back to 1965, will institute quarterly reporting program next year. Price Waterhouse & Co. will collect & tabulate data, to insure confidentiality of individual submissions.

Consumer Reports finds quality level of color sets much improved in Jan. issue, which rates big-screen receivers, and has tightened its criteria for "check-rated" sets. While check-rating only 3 sets (Zenith 23V" & 25V", Motorola 25V"), it noted that top 9 sets would have been check-rated under last year's standards.

Sony broke ground in San Diego last week for 140,000-sq.-ft. Trinitron color TV assembly plant (Vol. 11:44 p7). Operations are targeted for May.

MORE POST-YULE SALES: Having introduced new line of lower-priced 25V" color sets (Vol. 11:50 p10), **Motorola** will reduce prices of 23V" sets up to \$70 in "Silver Jubilee" promotion. The 23V" specials: Consoles at \$469.95 (formerly open list, around \$499.95), \$499.95 (down \$70), two at \$529.95 (down \$60). Other color sets reduced: 16V" at \$329.95 (formerly open list), 18V" with cart at \$379.95 (formerly open), 21V" table model \$449.95 (down \$50). Monochrome reductions: 12V" at \$74.95 (down \$5), 14V" at \$89.95 & 19V" at \$119.95 (both down \$10). Six stereo consoles are reduced \$30-\$100 at new prices of \$199.95-\$575 with 6 free Columbia LPs as premium. Stereo component systems at \$119.95-\$329.95 are reduced and six 4-channel tape cartridges are offered as premium with unreduced \$399.95 quadraphonic system.

Philco-Ford's "Factory-Sponsored Sale," starting Dec. 27, will be highlighted by introduction of "Philcomatrix" color tube on all 25V" models and featuring full console at less than \$550 (Vol. 11:49 p12). Other specials are 19V" color at under \$370 (down \$60), 19V" monochrome at under \$130 (formerly open list), component stereo system at under \$130 (down \$30), new stereo console with 8-track tape player at less than \$250.

Sylvania will be first U.S. manufacturer to feature new 17V" color sets with square-cornered picture tube. Three models will be introduced next week starting at \$329.95 and topped by remote-control model.

Top-secret video disc under development by MCA (Vol. 10:43 p9) probably will be demonstrated in 1972. Sources close to MCA say device uses laser for recording, each disc playing up to 30 min. MCA is said to be aiming at \$8 cost for color feature film, \$150 for playing system. Top MCA officials declined to comment. In Japan, meanwhile, Japan Electron Optics Lab (JEOL) demonstrated its Electron Beam Recorder (Vol. 11:45 p10), which produces color pictures from cartridge b&w film and is designed as competitor to EVR. We found flesh tones not uniform, varying from yellowish to greenish to bluish, which JEOL said resulted from use of 6 different brands of color sets as monitors. Consensus of observers was that EBR needed more development.

TV set prices went up, on the average, in Sept., first full month of price freeze, according to Labor Dept.'s Consumer Price Index. Since prices are averages paid by consumers, increase probably represents changes in mix, increase in color vs. b&w and factors other than actual price hikes. Portable & console sets went up in Sept. to index figure of 100, or equal to 1967 level, rise of 0.1% from Aug. and 0.4% from Sept. 1970. Indexes for other products (100 equals 1967 level): Radios, 98.5, up 0.1% from Aug., down 0.3% from Sept. 1970; tape recorders, 93, down 0.6% & 1.5%; TV replacement tubes, 123.4, up 1.1% & 2.7%.

Matsushita joined Sony as NYSE listed company, Dec. 13. First trade was 6,100 shares at 17 5/8, same as preceding day's close over-counter. Firms are Japan's sole representatives on Big Board, though others are traded OTC.

RCA FOLDS SERVICEAMERICA: RCA's all-brand consumer electronics service organization, ServiceAmerica, which opened in 1970 and is now in 3 test markets, will be shut down Dec. 31. Company said operation's annual volume was about \$1.5 million in Philadelphia, San Francisco & Miami areas.

RCA will attempt to sell off all or part of operation. Company spokesman said that customer service contracts will either be rebated on pro-rata basis, transferred to RCA Service Co. branches or other qualified service organizations. From its inception, ServiceAmerica generated ire of organized independent service technicians, but company spokesman denied this was factor in shutdown decision. RCA had planned to make organization nationwide, but test convinced it that such a move would require expenditure of resources & manpower which could be better allocated elsewhere, spokesman said. About 150 employees are affected, and company is attempting to place as many as possible with RCA Service Co. and other RCA divisions.

Tests of TV sets for susceptibility to interference by FM stations have been submitted by EIA in FCC's inquiry into problems of interference to Ch. 6 (Vol. 11:12 p9). EIA forwarded 81 pages of results, made following observations: (1) "Addition of tunable traps at the receiver antenna terminals represents the limit of known means" of reducing FM interference. (2) Coaxial antenna input alone doesn't significantly help reduce FM interference. (3) TV receiver characteristics must be considered in allocations to control interference. (4) Vulnerability to interference can be minimized by putting FM & TV broadcast antennas in same locations and setting "blanket contour" limits on FM stations.

Delivery of first videotape thermal contact duplicator was accepted last week by Vidicopy Co., Sunnyvale, Cal. from Consolidated Video Systems, Santa Clara. High-speed duplicator transfers magnetic information recorded on mirror-image master to slave tapes using heat system of type announced by Memorex last year (Vol. 10:18 p10). Chromium dioxide tapes are used. Vidicopy Pres. Carl Moyer, ex-Memorex, said firm will accept duplication orders of one to several hundred copies, with 1-3-day delivery time. Operations start next month.

Mergers & acquisitions: **Clarion**, Japanese auto radio & tape player manufacturer, has purchased control of **Muntz Stereo**, named Exec. Dir. Yutake Oyamada as chmn. of U.S. firm. Though price wasn't disclosed, Clarion said it expects to have \$600,000 invested in Muntz by mid-1972. Earlier this year, Clarion replaced bankrupt Maruwa as major tape equipment supplier to Muntz... **Motorola** has agreed to acquire 67% interest in **American Regitel**, Cal. producer of electronic retail credit system & alphanumeric printers for \$2.2 million.

Distribution notes: **GE** will handle own distribution in Ga., starting at year's end, replacing W.D. Alexander Co., Atlanta... **Motorola** has formed **Motorola-Ala.** headed by Mitch Samaha, to serve Birmingham area, replacing NuBoma Distributors... **Apollo Distributing** of N.J., advances Melvin Kirsch from sales mgr. to vp-gen. mgr., Zenith Div.

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with
Consumer Electronics...

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Trade Personals

Charles Kepler promoted from Motorola product mgmt. dir. to asst. for planning & control to Gen. Mgr. **Edward Reavey** in restructuring of Consumer Products Div.; **Robert Warren**, former gen. distribution mgr., named mktg. dir.; **Richard Kraft** upped from TV product mgr. to product development dir.; **Lee Gualano** moves from controller to business mgr.; **James Toton** promoted at Philco-Ford to business operations distribution mgr., new post.

Richard Kress named pres. of new North American Philips Consumer Products Div., consolidation of Home Appliance Div., which he headed, and Home Entertainment Div., formerly headed by **Paul Nelson**, now on special assignment to Senior Vp **Frank Randall**; other appointments in CPD: **John Gray**, gen. mgr.; **Fred Neglin**, mktg. dir.; **Gerry Citron**, consumer electronics dept. mgr.; **M. Peter Keane**, ex-Sony Videocassette venture group, joins Cartridge TV Inc. (Cartrivision) as eastern professional products sales mgr.; **Raymond Griffiths**, ex-CBS EVR, appointed western sales mgr.

N. Richard Miller, ex-RCA Graphic Systems Div. vp-gen. mgr., elected pres. & chief exec. of Lynch Corp., replacing **Carl Sherman**, resigned. Sherman had also been pres. of subsidiary Symphonic... **Edward Scanlon** shifts at RCA from corporate labor relations program dir. to RCA Records industrial relations dir., succeeding **Robert Hurford**, now RCA Records International Div. vp... **Katsutaro Kataoka**, Alps Electric pres., & **Leonard Kronfeld**, Nortronics chmn., named pres. & vp respectively of Alps-Nortronics, new Japanese joint venture formed to produce & market magnetic tape heads in Far East... **Edgar Hopper** appointed publisher, Ziff-Davis Electronics Div.; **David Orlow** succeeds Hopper as corporate mktg. dir.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
AT&T			
1971-year to Nov. 30	18,347,559,000	2,249,915,000	4.02 ^a
1970-year to Nov. 30	16,867,640,000	2,178,548,000	3.97
1971-qtr. to Nov. 30	4,736,627,000	572,466,000	.99 ^a
1970-qtr. to Nov. 30	4,279,138,000	546,710,000	1.00
Dero Industries			
1971-year to Aug. 31	43,687,000 ^b	(1,501,000) ^c	--
1970-year to Aug. 31	33,511,000	1,578,000	1.58
Griffiths Electronics			
1971-6 mo. to Oct. 31	5,272,000	147,000 ^d	.19
1970-6 mo. to Oct. 31	4,015,000	5,000 ^d	.01
1971-qtr. to Oct. 31	2,741,000	119,000 ^d	.16
1970-qtr. to Oct. 31	2,220,000	9,000	.01
Harvey Group			
1971-9 mo. to Oct. 31	23,261,000	(145,000) ^c	--
1970-9 mo. to Oct. 31	22,877,000	(558,000)	--
Jervis			
1971-qtr. to Nov. 30	9,500,000	395,000	.31
1970-qtr. to Nov. 30	8,600,000	(93,000)	--
Outlet Co.			
1971-9 mo. to Oct. 30	49,687,389	549,082	.34
1970-9 mo. to Oct. 31	45,832,357	1,079,009	.74
1971-qtr. to Oct. 30	17,409,344	195,670	.12
1970-qtr. to Oct. 31	16,114,441	537,574	.38
TV Communications			
1971-qtr. to Oct. 31	2,483,000	173,000 ^d	.05
1970-qtr. to Oct. 31 ^e	2,125,000	208,000 ^d	.05
TMA			
1971-year to Aug. 31	6,264,306	(1,278,646)	--
1970-year to Aug. 31	6,132,297	(1,673,212)	--

Notes: ^aAfter preferred dividend requirements. ^bFrom continuing operations. ^cAfter special charge. ^dIncludes special credit. ^eRestated.

Minimum export prices on Japanese color and b&w TVs will be extended at current levels through first 1972 quarter. Boost of 5% in guide prices ordered by Ministry of International Trade & Industry last Aug., was rescinded before Sept. 1 effective date. Current prices were slated to expire Dec. 31. Officials at MITI said expected upward revaluation of yen will cause 10%-15% decline in Japanese TV exports next year, making price hike unnecessary. In unprecedented move meanwhile, Japan's Textile Federation filed suit to prevent MITI enforcement of textile export quota agreement reached with U.S. last Oct. (Vol. 11:42 p9). Court action, coupled with public rejection last month by EIA-Japan of MITI suggestion for voluntary restraints on TV exports, indicates that era of in-step govt.-industry cooperation is ending in Japan.

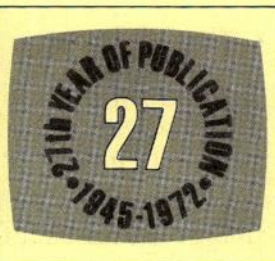
Magnavox showroom-salesroom, multi-level 5,000-sq.-ft. area opened last week on Promenade near skating rink in N.Y.'s Rockefeller Center. "Plaza Magnavox" is jointly operated by manufacturer and Radio Clinic, which operates 3 relatively small retail stores in N.Y.C.

Motorola appoints Ralph Jones Adv., Cincinnati, to handle new audio equipment account.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FAIRNESS DOCTRINE—CONTROVERSIAL: Comments filed with FCC range from United Church's label of Commission as 'weak-kneed' & 'mealy-mouth' to urgings by broadcasters that FCC halt trend to 'super-editor' of electronic journalism. (P. 1)

PUBLIC TV'S TROUBLE IN CONGRESS: Senate-House GOP lining up with White House & OTP in attacking 'liberal' trend, may ask Pace & Macy to resign. Pastore criticizes Macy's salary, says issue endangers financing bill. (P. 3)

OTP IS WASHINGTON 'EMPIRE', Rep. Van Deerlin charges, questions need for 'highly paid staffers' to prepare policy in field already served by FCC & Comsat. (P. 4)

STAGGERS' NEWS PROBE apparently settling on N.Y. Subcommittee spokesman confirms talking to CBS cameraman, denies threats, calls news fakery 'network problem...across the board'. (P. 4)

FTC ORDERS TOOTHPASTE ADS to be backed up by full documentation. It's 5th category to come under FTC order since June. (P. 4)

NEW FCC GEN. COUNSEL is Washington attorney John W. Pettit who takes over when Wiley is sworn in as commissioner this week. (P. 5)

FAIRNESS DOCTRINE COMMENTS—CONTROVERSIAL: Drastically conflicting advice poured into FCC last week, as parties filed comments in 2 more phases of Commission's fairness doctrine inquiry—Part II (doctrine generally) & Part V (political broadcasts). Herewith a good cross-section:

(1) United Church of Christ (UCC)—Found FCC the principal culprit, saying: "The Commission's attempts to sneak out the back door rather than reach an inescapable conclusion have resulted in a crazy-quilt pattern of contradictions. The courts, however, have seen through the Commission's weak-kneed attempts to avoid enforcing the fairness doctrine...The FCC's mealy-mouth inconsistency reached new lows in its recent handling of the Democratic National Committee's attempt to reply to the President."

Among proposals by UCC: (a) FCC must require stations to cover all controversial issues. (b) If someone buys editorial spots, that automatically means issue is controversial, and station must see that other sides are presented, paid or free. (c) If station has "special stake" in an issue such as pay TV, CATV, litigation involving station, "licensee lobbying on local & national issues (including, e.g., NAB efforts to defeat campaign spending limits)," station must provide "wide discussion" of issue "and also a statement of the personal interest." (d) FCC should help people file complaints—by such methods as providing simple questionnaire to give Commission information it needs. (e) FCC should furnish "preliminary relief to provide pro-

Consumer Electronics

CBS OUT, POLAROID IN videoplayers, CBS unloads commitment to EVR system, closing U.S. duplicating plant, dropping interest in EVR Partnership, taking \$10 million write-off. Polaroid files for patent on Super-8 home movie player. (P. 6)

YEAR'S BEST TV SALES WEEK hits in Dec. EIA distributor sales totals show 334,739 sets, highest weekly volume in 3 years. (P. 7)

INDUSTRY CAUTION ON 1972 sales gains, annual survey of manufacturers shows no major unit sales improvement expected next year. Industry sees higher prices & profits coming. Videoplayers, 4-channel not seen as major sales items. (Pp. 7 & 11)

DOLLAR-YEN REVALUATION sends importers scurrying to recalculate price sheets. Higher prices expected to imperil Japan's position in TV market here as Taiwan & U.S.-made sets become more competitive. (P. 9)

PANASONIC FIRSTS in drop-ins include 4.5V" battery color portable, battery digital clock radio, battery phono-recorder. (P. 10)

RECORDED TAPE SALES seen rising to \$535 million in 1972, from \$507 million in 1971. Ampex predicts 8-track will increase share of market. (P. 10)

gram balance" if Commission needs time to consider complaint. (f) Stations should be required to furnish tapes, scripts, logs, etc. on demand by complainants. (g) If station runs paid spots for ballot issues, it must balance these with paid or unpaid presentations.

(2) ABC urged Commission to spell out limitations of fairness doctrine, such as "an unambiguous affirmation that the essence of the fairness doctrine is the public's right to be exposed to contrasting views and not the right of any specific group or persons to present their viewpoint." Among ABC suggestions: (a) Don't accept "blanket" complaints that don't even specific network or station. (b) Insufficient complaints should be returned with instruction that complainant try to work out problem with broadcaster—and complainants should show FCC what efforts they've made to resolve conflicts. (c) Set time limit—accept no complaints covering broadcasts more than year old. (d) FCC shouldn't require submission of transcripts or tapes unless there's "significant extrinsic evidence" of unfairness, distortion, etc. (e) If President appears on air, there should be no automatic "quasi-equal opportunity" for opposition party. (f) Some public issues, if placed on ballot, should be treated "in the same manner as candidates in an equal time situation."

(3) CBS warned that FCC "has too often come to assume the wholly inappropriate (and we believe unwanted) role of editor-in-chief of the nation's news." Network urged that Commission halt trend to counting minutes & lines of transcript devoted to sides of controversial issues, saying: "A licensee faced with the potential of such agency overview must ultimately be forced to devise programming designed to satisfy, not the public, but the standards laid down by the Commission. If the Commission measures fairness by the stop-watch and counts lines, licensees will do so also...Such a process is utterly inconsistent with anything approximating vigorous journalism."

CBS noted that its news research dept. spent over 1,400 hours in 1970 digging up material to answer fairness doctrine inquiries, said broadcasters can avoid such burdens by "moving toward the bland & non-controversial" which "provides an escape from FCC scrutiny." Network said FCC should: (a) Consider licensee's performance on over-all basis. Though there's theoretical possibility of abuse "the risk is work taking." (b) Require complainants to discuss issues first with licensees before going to Commission, unless matter is clearly urgent. (c) Require complainants to make prima facie showing of unfairness before FCC makes any inquiry of licensee.

(4) NAB urged Commission to confine doctrine to "explicit" presentations, not "inferences, innuendo or implications which might be drawn from virtually any matter broadcast so as to suit the personal opinions of the party drawing the inference." Assn. said doctrine shouldn't be applied to popular music, entertainment, movies. It urged that "Cullman rule" be strictly applied. Rules says that station must provide contrasting views to paid positions even if it can't find sponsor for other views. NAB said rule shouldn't be diluted "to encompass situation where the licensee has already covered, or plans to cover, the issue in his other programming." NAB also said that it agrees with FCC's position that "Cullman" rule doesn't apply to political parties' purchase of time—that this would be "an unwarranted & inappropriate intrusion of the Fairness Doctrine into the area of political campaign financing."

(5) National Organization of Women stated: "Women's role in society is in fact a controversial issue of public importance and triggers the fairness doctrine whenever it is raised."

(6) Public Bcstg. Service urged that FCC send complaints to stations but request no explanation. Then, every 12-18 months, Commission should ask licensee to tell how it handled 5-6 controversial issues, how it applied fairness doctrine, how it handled complaints. Commission could seek further presentation from station if it believes necessary—then it should evaluate station performance on over-all basis. Said PBS: "This would substantially lessen the burden of the present system on the stations and would avoid placing the Commission in the role of super-editor." Abolish case-by-case policy, PBS said, except in electioneering or personal attack.

(NBC filed no comments, said it plans reply comments.)

PUBLIC TV'S TROUBLE IN CONGRESS: After finding itself estranged from an Administration that wants no part of 4th national network, Corp. for Public Broadcasting (CPB) now finds itself in deep trouble with Congress. In addition to strong congressional reaction against what some consider unnecessarily high salaries paid to entertainers & employees in public broadcasting, Republicans in both houses are privately lining up with White House & OTP in attacking "liberal" trend in public broadcasting. We're also told that Republicans have recently discussed possibility of asking CPB Chmn. Frank Pace and Pres. John Macy to resign.

Adding to CPB's woes, Senate Communications Subcommittee Chmn. Pastore (D-R.I.)—generally considered one of public TV's staunchest supporters—said last week he was dismayed over high salaries. In interview with Scripps-Howard reporter, Pastore said salary issue has dampened plans to push long-range financing bill in Congress during 1972. He also reportedly objected to Macy's \$65,000 salary, saying others in quasi-federal agencies get paid much less and "apparently are just as dedicated men." We couldn't reach Pastore for comment.

Republicans seem to think that if differences between Administration & CPB over financing and direction of public broadcasting are to be solved, then CPB "needs a new image," as one GOP source told us. Macy, however, told us he has no intention of resigning. He predicted "an uphill battle" in Congress next year, but denied report circulating on Capitol Hill that he'd step down if either Pastore suggested it (which he hasn't) or impasse was reached in getting any funding legislation through Congress next year. Pace's term doesn't expire until 1974, but President is expected to appoint 5 new members to board next April, and if all reflect Administration thinking, there may be dissension on Board.

Year had begun on more positive note for public broadcasters. Both CPB & NABE placed high priority in working with OTP to present long-range financing bill to Congress in time for enactment this year. In March both CPB & OTP appeared to be near agreement on bill (Vol. 11:11 p4). Progress, however, soon stalled over OTP's insistence that money appropriated by Congress be turned over directly to stations. CPB agreed that bill could earmark fixed percentage of funds for stations, but refused to surrender control over distribution of money.

By Aug., CPB wasn't budging, so OTP withdrew bill (Vol. 11:33 p2), and word began to get around that financing differences actually reflected something much deeper; that White House was becoming more dissatisfied with whole direction of public broadcasting, particularly formation of National Public Affairs Center for TV (NPACT) and hiring of "liberal" newsmen Sander Vanocur & Robert MacNeil (Vol. 11:40 p1). Finally, whole dispute surfaced at NABE's Oct. convention in Miami (Vol. 11:43 p1) when OTP Dir. Clay T. Whitehead said Administration would not support "centralized, national network" with public money.

CPB then turned to Congress to solve its financing dilemma, and Whitehead began visiting public station managers, hammering home his views. Both had setbacks. CPB's move in Congress with year's extension bill introduced by Pastore and long-range financing plan introduced by Rep. Macdonald (D-Mass.) was stifled over salary flap. Whitehead's courtship ended in late Nov. at meeting in Washington with Public TV Managers Council (Vol. 11:49 p5). They backed CPB's right to distribute funds, urged Whitehead to send financing plan to Congress immediately. Now whole ball of wax is sitting in Congress and nobody's happy about it.

As far as ETV-radio stations were concerned, 1971 was nothing to crow about, but by year's end prospects were looking up. While there was still \$30 million backlog in ETV-radio facilities funds requests from HEW, at long last Dept. of Education had begun to give high priority to program (Vol. 11:37 p3). Of available \$13 million, HEW granted almost \$5 million by end of Sept., then ordered freeze on all grants, put out new guidelines on eligibility requirements, ordered stations requesting money to file new applications using revised form by Dec. 4. So far, well over 150 applications have been received, and total is expected to reach way over \$30 million. Decision is expected this week on when & how remaining \$8 million will be released.

For its part, CPB distributed \$8.4 million in development & support grants to TV & radio stations, comprising about 22% of \$38 million it spent. Other CPB grants for 1971: \$15.2 million for national TV programming; \$2.3 million for national radio programming; \$9.4 million for technical planning & research; \$2.2. million for CPB's own budget.

OTP is newest Washington "empire," according to ranking Democrat on House Communications Subcommittee, Rep. Van Deerlin (Cal.). Addressing N.Y. luncheon for broadcasting editors and trade journalists, he said that in 2 years OTP has hired 65 employees—more than 5 times that of House Commerce Committee. "That's more people than the White House employed for all purposes prior to World War II," he said. Van Deerlin is 3rd Subcommittee member to attack OTP recently. Chmn. Macdonald (D-Mass.) and Rep. Tiernan (D-R.I.) have also voiced dissatisfaction with White House agency. Van Deerlin described OTP Dir. Clay T. Whitehead as "a young Ph.D. with outstanding qualifications," worth his \$40,000 salary. "My suspicion," he said, "is rather with the empire which Mr. Whitehead seems to be building over there. How can so many highly paid staffers be needed to prepare Presidential policy in a field already occupied by such well-manned agencies as Comsat and the FCC?" OTP, he said, was created with emphasis on technology, but Van Deerlin said only 2 employees claim prior experience in commercial broadcasting. "Yet recent Whitehead utterances include pointed advice to broadcasters, advice that has usually been more political than technological... Some of his recommendations appear to reinforce the desire of other Administration spokesmen to drive a wedge between networks and their affiliates."

House Investigations Subcommittee staffers James Broder and Mark Raabe visited N.Y. recently, spoke to network employees about alleged incidents of news fakery. It's first known move by Subcommittee staff to interview network employees since investigators spoke to correspondents, cameramen, etc. on several occasions in L.A. last summer. In N.Y., Broder & Raabe spoke to at least one network employee, a CBS cameraman whom they declined to identify. "There have been inquiries in N.Y.," Subcommittee spokesman told us. "But there is no plan to first canvass one area, then shift the investigation to another." He denied that investigators were threatening employees with subpoenas or hearings or that Subcommittee was "out to get" any particular network. News fakery, he said, "is a network problem; it exists across the board." Staff is expected to submit report early next session to Subcommittee which will then decide whether or not to hold public hearing.

CBS has filed suit in Cal. against Marianas Communications, Guam CATV system, charging copyright infringement & unfair competition. CBS claims Marianas recorded 5 shows for Guam showing: Gunsmoke, My Three Sons, You Are There, Hawaii Five-O, Cimarron Strip. CBS is also plaintiff against TelePrompTer in other copyright case awaiting decision.

NAB starts biggest grass-roots campaign to date this week, with mailing to all stations, urging broadcasters to contact members of Congress during recess and press for immediate hearings on renewal bills—favoring Broyhill measure.

NAEB's Office of Minority Affairs has received \$55,000 grant from CPB. Another \$57,820 went to NAEB's instruction services program and \$30,092 for its personnel office.

Toothpaste ads are latest addition to FTC list of products requiring full documentation. Commission has ordered 8 leading toothpaste brands plus 4 brands of denture cleaners to furnish documentation within 60 days, said results would be made public. Other industries which have either complied or are still under order to furnish documentation include manufacturers of TV, cars, electric shavers and air conditioners. Commission began program last June (Vol. 11:24 p5). Toothpaste manufacturers facing latest order include Beecham (Macleans), Procter & Gamble (Crest & Gleem II), Colgate-Palmolive (Colgate & Ultra-Brite), Lever Bros. (Pepsodent & Close-Up), Carter-Wallace (Pearl Drops). Denture cleaners: Block Drug (Polident & DentuCrema), Warner-Lambert (Efferdent Tablets), Richards-Merrell (Kleenite). "We are not saying that the claims are false or subject to challenge," said Gerald Thain, asst. dir. of FTC's Consumer Protection Bureau. "But if situations do exist where there is clear fraud... we may well bring a suit against them." Commission said that 5 toothpaste manufacturers subject to order accounted for 92% of industry's \$325 million business in 1970 and they spent \$56 million in advertising. Denture cleaner manufacturers involved accounted for 90% of sales, Commission said.

FCC turned down, as anticipated (Vol. 11:49 p6), petition for reconsideration filed by National Citizens Committee for Bcstg. It had asked Commission to declare that a station violated policy if it "altered its programming... as a direct & proximate result of governmental pressure..." NCCB had claimed that May 5 Dick Cavett show had been altered because of calls from Nixon Administration. Said FCC: "Evaluation of news 'pressures,' from whatever source, is for the journalistic judgment of the licensee. The Commission does not interfere with that journalistic judgment. To do so would contravene the First Amendment—it would inhibit rather than encourage the 'uninhibited, robust, wide-open debate' which the Amendment seeks to promote. We have therefore made clear that our area of concern is a limited, carefully circumscribed one. And that area is... assuring compliance with the fairness doctrine and, where extrinsic evidence is present, that the licensee has not deliberately distorted the news. We thus will not hold evidentiary hearings here to determine, perhaps largely on credibility grounds, exactly what a public official said to a broadcast journalist and whether the latter 'distorted' the news. This is a quagmire where govt. intervention is far worse than any abuse involved."

Frankly admitting it doesn't have manpower & money, FCC last week said it was dropping Phase II of inquiry into Bell System's investment & operating expenses. Comrs. Burch, R.E. Lee, Bartley & Reid voted to dismiss proceeding—Bartley doing so with "deep regret," saying Congress or some special task force should make the study. Dissenter Johnson said action "borders on the irresponsible" because Commission has never given Congress adequate information to stimulate greater appropriation. H.R. Lee, also dissenting, said Commission should have notified Congress of its plight first—before dropping inquiry.

Personals

Frank Stanton, CBS vice chmn., was commended by CBS TV Affiliates Advisory Board in resolution praising him as "a man who possesses the courage to face down those who would condemn him as he continues to fight for the right of electronic journalism to be accorded the full protection of the First Amendment..."

Lloyd Griffin elected chmn. & chief exec., Peters, Griffin, Woodward; H. Preston Peters, exec. committee chmn.; William Walters, pres.; Theodore Van Erk, exec. vp; James Siefert & Charles Kinney, senior vps; elected vps: Raymond Hunter, Walter Harvey & Roy Terzi; Dennis Gillespie, elected a dir.

Kenneth Donnellon elected Katz vp-secy. & a dir... John Kelley advanced to vp-gen. sales mgr., Blair TV mkt. div.; Richard O'Donnell, to N.Y. sales mgr., succeeding Kelley.

Sam Spivy, ex-KENS-TV San Antonio, appointed station mgr., WRBT Baton Rouge; Jerry Colvin, ex-KTBS-TV Shreveport, named station mgr., WAPT Jackson, Miss... C. Stephen Currie, ex-WSPA-TV Spartanburg-Asheville, S.C., named bcstg. dir., WCBD-TV Charleston... Ray Smucker, ex-American Cable TV, joins KOOL-TV-AM-FM Phoenix as sales development dir.

Thomas Nedwek advanced to promotion & publicity dir., WISN-TV Milwaukee; David Doyle to local sales account exec... Ilze Kalnins promoted to PR administrator, WKYC-TV Cleveland, succeeding Carl Fielstra... Eugene Trolewicz, former business planning dir., appointed Philips Bcst. Equipment engineering dir.

Bruce Paisner, Time-Life Video gen. mgr., also named programming & mktg. gen. mgr. for all Time-Life Bcst. & CATV activities; Howard Dunn advanced to CATV special projects dir... John Buchanan re-joins Ameco as mktg. vp... Gene Nichols, ex-ABC TV, appointed PR senior staff specialist, 3M.

Elected directors of newly-formed National Public Affairs Center for TV (NPACT) in Washington: Elie Abel, dean, Columbia School of Journalism; Austin Kiplinger, pres., Kiplinger Washington Editors; Dr. Malcolm Moos, U. of Minn. pres.; Dr. Bennetta Washington, Job Corps; former N.C. Gov. Terry Sanford, Duke U. pres.; Washington atty. Max Kampelman, former chmn., WETA-TV Washington; Ralph Rogers, chmn. & pres., Texas Industries; Lane Kirkland, AFL-CIO secy. & treas.; Martha Muse, pres. & exec. dir., Tinker Foundation.

KAD (Ch. 4 ETV) Boise is scheduled to begin programming Dec. 31 at State College using 27-kw transmitter, 142-ft. tower. It will be PBS affiliate. Jack Schaeffe is station dir.; Vaun McArthur, chief engineer. There are now 906 stations on air (598 vhf, 308 uhf), 693 commercial, 213 non-commercial, 71 CPs.

ABTO system of b&w film for colorcasting was used for sports first time recently when North Bergen Cable TV employed it for kids' football games.

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New FCC gen. counsel will be Washington attorney John W. (Jack) Pettit, who takes over when Richard Wiley is sworn in as commissioner with recess appointment—probably Dec. 28 or 29. Pettit is 36, with firm of Hamel, Park, McCabe & Saunders. He was recommended to Chmn. Burch by Wiley. Pettit was latter's field representative in 1968 when Wiley worked for Citizens for Nixon & Agnew. Pettit is 1957 Duke graduate with J.D. from Georgetown in 1960. He's not a communications attorney—his law firm is heavy in tax work. Among his associates, Edward McCabe served as asst. to President Eisenhower. Wiley will be sworn in by Asst. Chief Hearing Examiner Jay Kyle, is spending this week wrapping up work as gen. counsel, plans to start full time as commissioner Jan. 3.

Time Inc. has acquired "significant" minority interest in Computer TV Inc., value undisclosed. CTI offers closed-circuit movies in hotels & motels (Vol. 11:44 p2). CTI Pres. Paul Klein reports new equipment, easier to operate, is being fabricated, with installations to start in spring. Aiming for 10,000 rooms, he said, first installations will be in 2 Sheratons (Boston probably one of them), 3 Holiday Inns (likely to include one in N.Y.C.), at least one Howard Johnson (probably N.Y.)—plus "a bunch of independents." "We're seeding the market," he said.

Former FCC Comr. Robert Wells will announce plans to seek Kan. GOP nomination for governor first week in Jan. He said he wants to run because "Kansas has been drifting during the last 6 years without developing any real sense of purpose."

"MICAB"—International Cable TV Market—will be inaugurated in connection with "VIDCA" (video cassettes) March 5-10 in Cannes, France. For details: J. Nathan, 250 W. 57th St., N.Y. 10019.

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STATE OF THE INDUSTRY

Sales to dealers (domestic-label), from EIA, for week ended Dec. 10 (49th week of 1971):

	Dec. 4-10	1970 week	% change	Nov. 27- Dec. 3	1971 to date	1970 to date	% change
Total TV.....	334,739	242,796	37.9	239,316	10,291,253	8,760,991	17.5
color.....	194,931	134,109	45.4	145,433	5,714,202	4,484,357	27.4
monochrome....	139,808	108,687	28.6	93,883	4,577,051	4,276,634	7.0
Total radio.....	495,753	409,086	21.2	385,875	18,046,017	15,165,407	19.0
home, portable..	274,900	223,633	22.9	168,270	8,190,612	7,531,568	8.8
AM-only.....	143,999	124,170	16.0	83,596	4,549,401	4,546,160	0.1
FM & FM-AM..	130,901	99,463	31.6	84,674	3,641,211	2,985,408	22.0
auto.....	220,853	185,453	19.1	217,605	9,855,405	7,633,839	29.1
Total phono.....	166,587	172,446	-3.4	99,210	4,075,429	3,798,919	7.3
portable-table...	122,890	130,695	-6.0	76,222	3,155,234	2,795,030	12.9
console.....	43,697	41,751	4.7	22,988	920,195	1,003,889	-8.3

Color TV 5-week moving average: 1971—168,826; 1970—131,469 (up 28.4%)

CBS OUT, POLAROID IN VIDEOPLAYERS: Still unborn videoplayer age got first major casualty and a possible new entry last week. Lost was CBS, which announced dumping of worldwide commitment to EVR—granddaddy of all videoplayers—and writing off \$10-million investment in film cassette processing facility.

Equally important name, Polaroid, may be moving into field. Spokesman last week confirmed that instant-camera developer had filed for patent on new home videoplayer device, said details weren't available. But we've learned system is designed to use Super-8 film. So Polaroid, which reportedly is preparing introduction of instant home movie camera, joins Kodak & Japan's Fuji as supporter of film videoplayer concept.

Some sort of disengagement move by CBS had been rumored for a month, and CBS's action appears to indicate judgment that years of loss operation were in store for processing operation before development of consumer market—which some felt was required before cassettes could be processed in economical quantities.

As announced by CBS/Comtec Group Pres. Ralph Briscoe, here's how CBS will liquidate ties with EVR: CBS will drop its 50% ownership in EVR Partnership (England), formed in 1967 with Imperial Chemical Industries (30%) & CIBA Geigy Ltd. (20%) to make & market system outside of North America. CBS equity in venture will be converted to loans. Partnership will take over North American distribution rights, and cassette processing will be consolidated in England, CBS closing down ultra-modern processing plant in Rockleigh, N. J.

CBS's remaining participation in EVR will be limited. It holds basic patents and will, of course, realize license royalties. It will "distribute English cassettes in North America" and produce programming for EVR cassettes. "CBS Laboratories will provide R&D services to the Partnership on a contractual basis."

Where does this leave Motorola, which has exclusive rights to market EVR in U.S. until end of 1971? "With this new development our position remains unchanged," said Motorola Vice Chmn. Elmer Wavering. "We are now producing & delivering EVR players to customers. We intend to continue." Underscoring what some observers have noted recently as atmosphere of mutual irritation between Motorola & CBS, Wavering added: "We expect that CBS will fulfill its long-term obligation by continuing to have cassettes available to us and to our customers."

CBS announcement stated that processing operations would continue at Rockleigh until mid-1972, when English facility was expected to be ready to process color cassettes. English plant, said Briscoe, "will be fully capable of handling increased volume."

Although denied by both sides, abrasion between CBS & Motorola appears to stem from CBS's granting of U.S.-market hardware licenses to 4 major Japanese manufacturers—Hitachi, Matsushita, Mitsubishi & Toshiba—starting next month. Consolidation of cassette production facilities "plus the granting of North American rights to the Partnership," said CBS last week, "provide a solid foundation for Japanese participation, and will accelerate the development of EVR for worldwide markets." Briscoe noted that Partnership is "negotiating with Japanese interests to form a [processing] organization based in Japan, for worldwide marketing of EVR."

"To date, the video cassette market has not progressed at the pace that had been expected," said Briscoe. In addition to Japanese manufacturers, Rank Bush Murphy is producing EVR players in England and several other hardware licenses are outstanding in Europe. Briscoe said EVR system development, production & marketing costs had been "expensed," and only Rockleigh plant had to be written off. The \$10-million-after-taxes write-off will be reported as extraordinary loss in 1971, but is "substantially offset by the extraordinary 1971 gain from the unrelated divestiture of CBS's interests in several Canadian CATV systems."

Move doesn't reflect diminished confidence in EVR's future as major videoplayer system, Briscoe told us, said CBS will continue to be deeply involved through program development & engineering. He said: "We went to great lengths to restructure a system we believe in, but one that got out of hand from the point of view of how the venture was launched." Rockleigh plant was mistake, he said flatly, added he felt plant was bought because some people "got too enthusiastic" over new medium. CBS, he indicated, isn't geared to be major manufacturer. Significantly, Briscoe became Comtec head in Sept. 1969, nearly a year after CBS moved to acquire facility. There is strong speculation that fat trimming at Comtec is in preparation for start of vigorous acquisition program, expected since CBS picked ITT's Charles Ireland Jr. as president.

CBS's dropping of EVR comes on eve of Dec. 31 retirement of Peter Goldmark as pres. of CBS Labs, credited with invention of EVR. Goldmark's relationships with top corporate echelon are understood to have deteriorated markedly in recent months, with EVR only one issue involved. Dr. Goldmark, who will continue active as director of govt.-funded "Cities of the Future" project (Vol. 11:48 p6), also has stated he will form firm dealing with new communications technology, including CATV & videocassettes. He's succeeded as CBS Labs. Pres. by Renville McMann, former exec. vp.

YEAR'S BEST TV WEEK—IN DECEMBER? Unseasonably strong TV buying by retailers continued—and accelerated—right into Dec., according to EIA's weekly data on domestic-brand sales. Month's 2nd week set record for year—highest, in fact, for any week in more than 3 years—in total TV sales, eclipsing figure for normal year's peak in late Sept.

Both color & monochrome TV had year's 2nd best sales week (see State of the Industry), color figure beaten only in last week of Sept., monochrome in next-to-last week. Color TV 5-week moving average, good barometer of running sales rate, reached high for year. Console phono sales, which have been listless all year, enjoyed best single week since Dec. 1968.

Dealer reorders so late in year as recorded by EIA report merely add proof to word from the field that consumers are indeed buying. Part of groundswell may result from belated circulation of domestic-label TV imports held up by dock strikes, but this is not believed to be as strong an influence as just plain good pre-Christmas business.

INDUSTRY CAUTIOUS ON 1972 PROSPECTS: Although publicly optimistic about coming year, consumer electronics manufacturers' collective forecasts reflect caution which is surprising in view of accelerating business momentum experienced in 1971. Results of our annual year-end survey of manufacturers seem to indicate that industry expects no major improvement in unit sales for 1972, despite all signs & portents to contrary.

Manufacturers do see better business in general, with higher profits and firming color TV prices. Survey replies were received from good cross-section of industry, usable results from 15: Admiral, Emerson, GE TV & Audio Depts., GTE Sylvania, Motorola, Olympic, Panasonic, Philco-Ford, RCA, Teledyne Packard Bell, TMA, Warwick, Wells-Gardner, Zenith. Here's summary of their median domestic-label sales forecasts, compared with 1971 estimates & 1970 results:

DOMESTIC-LABEL SALES

Product	1972 (forecast)	1971 (est.)	% chg.	1970
Total TV.	10,600,000	10,950,000	-3.2	9,368,113
color	6,000,000	6,100,000	-1.6	4,821,505
monochrome	4,600,000	4,850,000	-5.2	4,546,608
Home radio	9,000,000	8,700,000	3.4	7,982,897
Total phono	4,200,000	4,300,000	-2.3	4,105,796
portable-table	3,200,000	3,300,000	-3.1	3,019,245
console.	1,000,000	1,000,000	—	1,086,551

On total-market basis, manufacturers generally predicted slight increases—and new records for color & total TV. Here are their median forecasts of total U.S. sales—factory sales plus imports—for 1972:

TOTAL U.S. MARKET

Product	1972 (forecast)	1971 (est.)	% chg.	1970
Total TV.	14,200,000	14,000,000	1.4	12,220,744
color	7,200,000	6,800,000	5.9	5,320,688
monochrome	7,000,000	7,200,000	-2.8	6,900,056
Home radio	36,100,000	32,500,000	10.8	34,048,658
Tape instruments	15,500,000	15,000,000	3.3	12,171,018

Color TV: Conservatism of forecasts could be mere desire not to tempt fate by planning big increases which could turn into overproduction. Or it may be due to fact that our survey questionnaires were mailed out in mid-Nov., before scale of pre-Christmas business became evident. Last year, incidentally, our survey indicated 1971 sales much lower than they turned out—domestic-label color at 5.3 million, total-market 6.1 million. This year's forecasts varied from 5.7 to 6.4 million, with nearly 50% of respondents estimating 6 million. There was slightly greater variation in total-market estimates—6.7 to 7.5 million.

In color screen sizes, manufacturers see more than 50% of next year's sales to dealers in 19V" & smaller for first time, 23V" & 25V" dropping from about 47% of total in 1971 to 41% in 1972, while 18V"-19V" increases to 35% from 31%. New 25V" & 19V" will become solidly ensconced in 1972, according to consensus. Here is industry's median forecast of percentage of domestic-label color sales for 1972 in each screen-size category, together with our estimates of 1971 results:

	25V"	23V"	20V"-21V"	19V"	18V"	14V"-17V"	under 14V"
1972 (fcst.)	30%	11%	7%	20%	15%	13%	4%
1971 (est.)	26%	21%	7%	10%	21%	11%	4%

Those giving further breakdowns within screen-size categories indicated belief that 21V" size would represent 5% of sales and 20V" only 2%, with 16V"-17V" accounting for 7.5% and 14V"-15V" at 5.5%.

Manufacturers were divided on status of color imports next year. Of 14 responding to this question, 8 forecast increase, 4 saw little change from 1971 and 2 predicted decline. The 8 predicting increases cited rises of 10-28% over 1971 figures, with median forecast of 20%.

Exactly 50% of respondents (7) forecast increase in color set prices next year (discounting changes in mix), while 5 thought prices would be about same as in 1971, and 2 forecast decline.

Monochrome TV: Survey showed expectations of decline in both domestic-label & total-market b&w sales, but opinions once again were divided as to whether imports would increase. Of 13 replies, 6 forecast increase (by median of 15%), 5 saw no change and 2 predicted decrease. Domestic-label sales estimates ranged 3.5-5 million, total market 5.8-7.8 million.

Videoplayers: When videoplayer or recorder achieves first real consumer acceptance, it will be in magnetic tape format, in view of preponderance of respondents. Eight checked magnetic tape, including one who also checked "disc;" nobody thought film system would be first winner, and no one cited any other format. However, 3 checked "no acceptance in any format," and 2 respondents refrained from replying to this question.

Quadraphonics: Four-channel stereo will give audio equipment sales "moderate boost" in 1972. At least, 9 respondents thought so. Three felt effect of 4-channel would be "insignificant" in 1972 and nobody saw quadraphonics as either "major stimulus" or "negative factor" in audio sales.

Phonographs: Although we asked for forecasts of compact & component system sales, definitions & market research may still be too vague to produce reliable prediction. More than half of survey respondents either declined to forecast compacts or included them in table & portable category. Those who did venture prediction gave figures varying from 500,000 to 1.3 million for manufacturers' brand unit sales—too wide a range to provide any meaningful consensus. Domestic-label table-portable estimates ranged from 2.3 to 3.9 million, consoles 800,000 to 1.3 million, medians indicating that 1972 figures may look like rerun of 1971.

Phono trends cited in replies indicate expectation of strong compact & component sales; prices generally firm to up, particularly as result of increased use of tape players & recorders in phonos, but continued trend toward lower-priced consoles.

Tape instruments: Manufacturers were somewhat hazy on numerical total-market sales of tape instruments, with relatively few venturing estimates. Bulk of replies were between 14 & 20 million. (For digests of some individual manufacturer comments, see p. 10.)

REVALUATION DOMINATES IMPORT SCENE: Revaluation of dollar & dropping of 10% import duty surcharge last week sent importers scurrying to recalculate costs & mark-ups in preparation for unveiling of revamped lines at next month's Housewares Show in Chicago. There were also these developments: (1) Japan said Nov. TV exports to U.S. dipped below level of same 1970 month. (2) Matsushita appealed loss of TV dumping suit against Treasury. (3) Tariff Commission dropped an import adjustment aid probe. (4) Spectre of dock strike loomed again.

Increased price of imports from Japan will be major impact on industry of combined dollar devaluation & yen upvaluation. There are now 308 yen to \$1, up 16.88% from old 360 rate. Move is mixed blessing to importers who are stuck with higher costs—but at least they no longer must cope with uncertainties of floating exchange rate.

Full force of increase will hit importers of Japanese TVs, for that's only area where competition with U.S.-made product is severe. Adding to pressure is fact that Taiwan's dollar was devalued to match U.S., so Japan faces problems from that quarter, as it tries to maintain position in U.S. market.

Significant price increase will result from new currency structure. Ignoring freight, insurance & brokerage charges, a Japanese TV with \$100 FOB price would have cost importer \$106 landed last June. With same cost price, but with increased duty from yen flotation, plus 10% surcharge, set landed for \$117.28 last week. Same set bought now would cost \$116.88, land for \$123.89, with price down to \$122.72 on Jan. 1, when duty rate drops from 6% to 5%.

Vital starting price points probably will have to be abandoned by Japanese TV importers, at least until factories there can adjust to turning out cheaper sets. TV dumping finding has severely limited Japan's export pricing flexibility and resale pricing by factory marketing subsidiaries here. Importers would face dumping duty penalties if U.S. Customs found Japan's

TV export prices were dropping below home market levels.

On surcharge front, situation is muddled, as expected. Top importers, such as Hitachi, Matsushita & Toshiba, say they'll continue passing along to customers surcharge on products imported between Aug. 16 & Dec. 20. Smaller importers, however, feel they won't get same acceptance from their customers. Magnavox said it had cancelled plan to start billing surcharge Jan. 1, Admiral & RCA will absorb cost as well.

In Japan, Finance Ministry said 243,165 TVs were exported to U.S. in Nov., 10% drop from Nov. 1970, and lowest monthly total since April 1969. Color exports of 64,343 were up just 3.9%, 2nd lowest for any month this year, while b&w shipments fell 14% to 178,822. Japan's 11-month total was 3.67 million TVs, up 18.6%, with color at 1.18 million (up 45%), b&w at 2.49 million (up 9%)—all exceeding totals for full year 1970.

As though importers hadn't enough problems, Taft-Hartley injunction against West Coast dock strike ran out Dec. 24. At week's end there were indications that workers there might stay on job until Feb. 14, when injunction against East & Gulf port strikes runs out, then join in nationwide walkout.

Challenge against Treasury & Tariff Commission handling of Japan TV dumping case is back in court. Matsushita has appealed dismissal of suit by Customs Court (Vol. 11:47 p7) to U.S. Court of Customs & Patent Appeals in N.Y.

Tariff Commission terminated probe last week into import-assistance request filed by IBEW on behalf of General Instrument workers in Newark (Vol. 11:49 p11). Commission indicated petition was incorrect in identifying product—diodes—made at plant. Union is expected to resubmit.

PANASONIC FIRSTS: World's smallest color set—4.5V" diagonal (10 sq.-in. area), weighing 18.5 lb. with built-in battery—has been introduced by Panasonic. Set has AFT, 55-degree picture tube. Among other new firsts from Panasonic: (1) First battery-operated digital clock radio—FM-AM flip-type clock radio has tuning-fork movement, clock powered for year by C battery. (2) First battery-AC cassette recorder-phono-radio (AM) combination.

Other products in extensive Panasonic introduction: 16V" & 19V" color sets; new version of 1.5V" miniature b&w TV, with pedestal stand; two 12V" b&w sets, one with Italian-inspired "curve-linear" design and electronic "feather-touch" off-on switch; battery-AC 9V" b&w; battery-AC version of pop-up TV with 5V" b&w picture & FM-AM. New audio products feature several cassette recorders with built-in condenser microphones and "auto-stop" turn-off, including 6.5-x-4-in. IC mini-recorder; cassette & 8-track decks; compact stereo systems. Prices were not available at press time because of recalculation due to world currency situation.

Magnavox premieres 12V" b&w TV with lighted flip digital clock at \$119.95 and 2 U.S.-made 12V" sets at \$89.95 & \$99.95... GE debuts battery portable cassette recorder with automatic tape shutoff at \$27.95, AC-DC version \$24.95, automatic mono portable phono \$32.95, drop-down stereo portable \$53.95.

Dolby noise-reduction system for cassette recorders gained important recruit last week when Sony signed license for Type B (consumer) circuit. Substantial number—probably majority—of quality cassette recorder producers are now making, or committed to, Dolby units.

1971-72 TAPE SALES: Recorded tape sales in 1971 reached \$507 million, up just 1% from 1970, according to Ampex estimates. An additional \$150 million in pirated tapes were sold, firm says. Legal tapes accounted for 29% of total 1971 recorded music sales (discs & tapes) of \$1.78 billion, compared with 30% of \$1.7 billion in 1970. For 1972, Ampex forecasts tape sales up 6% to about \$535 million—with help from new anti-bootlegging law—as total music sales rise 5% to \$1.86 billion.

Ampex says 8-track sales were \$390 million in 1971, up from \$385 million, accounting for 77% of sales, same as in 1970. Cassette sales rose from \$92 million to \$106 million, increased share from 18% to 21%. Open-reel tape sales fell from \$18 million & 4% in 1970 to \$11 million & 2%, while 4-track cartridges virtually disappeared from market place. For 1972, 8-track is seen at \$417 million & 78% share, cassette \$111 million & 21%, open reel \$7 million & 1%.

While 8-track dominates recorded market, Norelco claims cassettes account for 80% of unit total (blank & recorded) tape market. Firm estimates that 120 million cassettes, worth \$280 million, were sold in 1971, predicts rise to 142 million units at \$330 million for 1972.

Sylvania price boost of 2.57% on TV picture & receiving tubes was approved by Price Commission. Increase of 2.572% had been requested. Sylvania said prices would be raised on selective basis Jan. 1. Previously, RCA got go ahead for 6% hike on receiving tubes, and GE got permission for across-board 2% hike. Only prices of U.S.-made products are affected.

YEAR-END FORECASTS: Additional comments by industry leaders in our survey of prospects for 1972 (see p. 7).

Zenith Sales Corp. Pres. Walter Fisher: "Aside from the fact that economics have been looking up, 1972 promises to be a real boon to our industry. It is a Presidential election year and an Olympic year. Particularly, the TV set will be a prime factor in our lives. There will be excitement throughout the year and consumer confidence will build. One can't but feel optimistic about sales of all our product areas. We are moving from a very active 4th quarter into a promising year. The current strong business momentum itself will no doubt carry into next year."

Philco-Ford Domestic Consumer Electronics Exec. Vp-Gen. Mgr. Leo Beebe: On TV prices—"Much as we feel prices must be raised, we see no indication that the industry will move before the May-June introductions. From that point onward, of course, we feel the price trend must be upward, despite all experience in the past. The pressures this year simply are too great to permit continued erosion of margins—manufacturer, wholesale & retail." On console stereo—"We feel the total chorus of negatives may well be an overreaction. A product line with a history of more than one million units annually doesn't 'die' overnight." On imports—"Personally, I feel that [currency readjustments] will give the domestic manufacturers a significant edge over offshore brands."

Olympic International Vp Stanley Seltzer: "This company has enjoyed an outstanding success in 1971 through a tremendous increase in sales which has almost doubled its previous year's performance. These sales have been accomplished by bringing a more viable product into the marketplace, and establishing [Olympic] as a major supplier to the mass merchandisers, dept. stores, furniture & jewelry retailers. [We] will also start distributing a line of compact refrigerators, freezers & chest freezers which should add substantially to our growth."

Total industry sales this year should approach \$25 billion, up from \$24.3 billion in 1970, EIA Pres. V.J. Adduci said in year-end statement. He cited consumer, communications & industrial electronics as growth sectors, said sales to govt. and of electronic components should be about even with, or down slightly, from 1970. He put electron tube sales at \$1.077 billion, about even with last year; passive components at \$1.1 billion and semiconductors at \$1.14 billion, both off about 6%.

Consumer Products Div. contributed to \$4.6 million operating loss of Elgin National Industries, according to report on preliminary results for 1971 by Chmn. L. Alan Schafier. He said firm failed to meet sales goals, put part of blame on import surcharge, revaluation & dock strike. Elgin is parent of Delmonico, import-distributor of own & JVC brand consumer electronics.

Russian color TV plants will produce estimated 110,000 sets this year. Govt. predicts 3.5 million color sets in use by 1975, with color broadcasts reaching all major cities.

SYLVANIA TO STAY: After 8 weeks of negotiations, charges & countercharges, hourly workers at GTE Sylvania plant voted 185-147 to accept plan to reduce pay hikes and keep TV production going in Batavia, N. Y. Key concession by Sylvania was agreement to extend contract—and Batavia production—extra year through Sept. 30, 1974. Contract was due to expire in 1973.

IUE local, which had rejected earlier management proposals, agreed to revision of pact to provide that hourly workers receive 15¢ hourly increase for 1971 but removing 8¢ cost-of-living raise, and replacing incentive-pay system with additional 20¢ hourly boost. Sylvania had already laid off 210 workers and started to divert parts shipments to Smithfield, N. C., where it also maintains TV production facilities. Company, which has one color & one b&w line in Batavia, shut down last week for normal year-end inventory period.

Answering CBS's request to go slow on approval of any discrete 4-channel FM system (Vol. 11:50 p10). Quadracast system inventor Lou Dorren told FCC that development of discrete disc by JVC obsoletes matrix systems and "makes imperative" adoption of discrete 4-channel broadcasting. Replying to CBS's statement that Matsushita, Halstead & Feldman, GE & McMartin Industries had developed discrete systems, Dorren attached letter from Matsushita endorsing Quadracast system, reported that GE system is very close to his and uses approach he rejected, and that other systems had been dropped. NBC asked Commission to deny petition by KIOI-FM San Francisco for approval of Dorren system, urging broader inquiry into all systems. NAFMB asked FCC to start 4-channel proceedings as soon as possible to bring early start to quadrasonic broadcasting.

Texas Instruments will become 100% owner of TI Japan, IC manufacturing joint venture formed with Sony in 1968, under plan approved by Foreign Investment Council there Dec. 22. After year-long negotiations, TI in 1968 agreed to accept Sony as 50% venture partner on condition that either could sell interest to the other after 3 years. TI Japan will be Japan's only fully foreign owned electronics corporation. Terms of sale weren't disclosed.

New low-ball is 18V" color TV, made by Teletronics of Tex., offered by Alexander's, N. Y. area discounter, at \$199.95—one day, one store only—under retailer's own ALX brand. Set was recently offered as mail-order item, FOB Dallas, at same price (Vol. 11:42 p12). Earlier, Teletronics said it had 5-year, \$8.5 million order for 50,000 sets from major Eastern retailer, giving set indicated wholesale price of about \$170.

Rental plans for consumer electronics are catching on in Japan. Now offering lease-or-buy options to consumers are Hitachi, New Nippon Electric & Sanyo, with Matsushita slated to enter field shortly. In addition, Sony has begun renting VTR & Mitsubishi EVR videoplayer systems, while video software manufacturing group is developing 300-store chain for rental of hardware & programs.

Trade Personals

Richard Mentzinger, ex-GE, joins RCA Consumer Electronics as b&w TV product mgmt. dir.; Norman Schnell promoted from mgr. to dir., color TV product mgmt.; Arnold Valencia advanced to audio products mgmt. dir.

James Singelman, Admiral Overseas Corp. finance dir., named vp... Donald Baker to become Admiral National Service Div. gen. mgr., Feb. 1, following retirement of Willis Wood; Marvin Whittenberg named to succeed Baker as electronics national service mgr.

Renville McMann advanced from CBS Labs exec. vp to pres., effective Jan. 1, succeeding Peter Goldmark, retiring; latter named recipient of annual Mellon Institute Award... Henry Lehne, one-time Sylvania senior vp and more recently Asst. Postmaster General, named Schlumberger vp, with responsibility for domestic electronic & instrumentation activities... Peter Glaser, head of A.D. Little engineering sciences section, elected vp.

Robert Means named RCA Components Div. mkt. planning mgr. in realignment; appointed mkt. planning mgrs. for specific areas were: Bernard Brumley, picture tubes; Lucien DeBacker, power products; Victor Houk, mkt. R&D; Frank Keith, electro-optics; William Myers, consolidated programs; Frank Ouimet, special mkts.; Herbert Taber, receiving tubes; Joseph Cleary named tube equipment sales mgr.

William Bensing promoted at Magnavox from senior IC buyer to purchasing agent for all semiconductors, succeeding Frank Storer, retired... Hank O'Hara appointed national sales mgr., Intel Corp., succeeding Robert O'Hare, now East Coast region mgr.; William Johnson advanced at Texas Instruments to West region sales mgr., replacing O'Hara... Brian Hilton promoted from operation mgr. to mktg. mgr., Motorola Electronic Sales (Canada), subsidiary of Semiconductor Div., replacing Paul Zuk, now with Communications Div. in Canada.

Hajime Yamato promoted at Matsushita (U.S.) from group vp finance-administration to exec. vp, succeeding Seiichi Kawagoe, now asst. dir. for overseas operations with parent in Japan... Taizo Nishimuro, Toshiba America, appointed asst. to Pres. Takeshi Sugisaki, for Toshiba-brand consumer electronics mktg... William Goldberg, Morse Metropolitan Div. gen. mgr., named vp.

Henry Bowes, Bell & Howell pres., adds responsibilities of Consumer Products Group Pres. John Kane while latter is on medical leave... Elio Tarika advanced at Union Carbide from asst. to pres. to Consumer Products Group vp... Al Kovac, ex-Certron gen. sales mgr., named Audio Magnetics national accounts sales dir.; Dan Shepherd appointed AM sales services dir.

Bruce Shore, ex-RCA corporate scientific information administrator, joins N.Y. ad agency Orbach & Benjamin as PR dir. Jan. 2... J. Donald McKillip, RCA Consumer Electronics ad budgets & services mgr., retires after 25 years with firm, to form ad consulting firm (4630 E. 77th St., Indianapolis).

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
Automatic Radio			
1971-year to Sept. 30	39,490,500	(1,621,200)	--
1970-year to Sept. 30	45,345,700	554,100a	.22
General Instrument			
1971-9 mo. to Nov. 30	205,633,132	4,499,274a	.51
1970-9 mo. to Nov. 30	201,429,584	4,189,249	.46
1971-qtr. to Nov. 30	72,653,400	1,937,950a	.24
1970-qtr. to Nov. 30	69,540,955	1,232,396	.13
Rust Craft Greeting Cards			
1971-9 mo. to Nov. 28	38,767,000	1,970,000	.85b
1970-9 mo. to Nov. 29	37,223,000	1,722,000	.74
Sterling Communications			
1971-6 mo. to Sept. 30	1,810,497	(1,587,205)	--
1970-6 mo. to Sept. 30	1,104,661	(870,824)	--

Notes: ^aIncludes special credit. ^bAdjusted.

Corning's Taiwan b&w picture tube glass venture apparently will get going next year. Chmn. Amory Houghton Jr., addressing security analysts in N.Y. recently, said firm's capital spending budget for 1972 included \$15 million for project. Corning initially received Taiwan Govt. approval for venture in Jan. 1970, but has delayed start. Prior reports indicated Corning's investment at \$6.8 million & \$8.5 million. Original partner with Corning in venture was to have been Asahi Glass of Japan, but Asahi pulled out in favor of increasing trade contacts with mainland China. Corning's partners now are expected to be an Asahi affiliate, plus local Taiwan interests. Dutch Philips' Taiwan bulb plant is currently in operation. Houghton also told analysts that domestic TV bulb business failed to improve this year, despite increased sales by U.S. TV manufacturers. He blamed rise in TV imports.

Advance Ross is closing Juarez, Mexico TV yoke & output transformer export assembly operation, blaming import surcharge and fact that most b&w TVs are imported. AR will continue to produce yokes at export assembly facility in Portugal. Juarez plant started producing b&w TV parts in 1969, added color yokes & transformers following shutdown of Washington, Ia. facility in Jan. 1970. Earlier this year, Waller Corp. closed Mexican FM tuner & FM-AM radio chassis operation, sold plant to Goulds' Brush Div.

Old FCC patent-filing rules, applied to AT&T & RCA since 1942, have been rescinded. Rules required twice-yearly filing of data—but Commission hasn't done anything with them for years. After dropping practice, FCC will call for patent information on case-by-case basis, whenever needed.

Fisher Radio is offering discounts to servicemen buying from cooperating retailers located near military bases. Promotion is apparent response to House Armed Services Committee order banning sales of higher priced audio equipment in PX system (Vol. 11:43 p10).