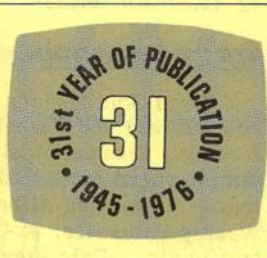


WEEKLY

Television Digest®

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FEBRUARY 2, 1976

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VOL. 16, NO. 5

Broadcast

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DIFFERENT PROGRAM MGRS.—BUT: Convention sessions of NAB & NCTA both feature Wiley, Hartke, Macdonald, Wallace, debates on pay cable. Van Deerlin to NAB, Moss to NCTA. (P. 4)

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FCC HUNG ON 'SPECIALITY' programming of TV stations for cable purposes. Hooks, Quello want to include black-owned UHF in Detroit, raising question of 'ethnic' definition. (P. 6)

PRESIDENT FORD ON TV DEBATES: "I haven't made any decision on that yet," President Ford told Television Digest Jan. 30 at White House reception for RTNDA, when we asked if he would debate Gov. Reagan or Democratic opponent in general election. "Certainly, with the serious domestic and international issues that are facing us, there wouldn't be time for me to debate in the near future," he said. As for later in campaigning, "I'll decide at the appropriate time," he added.

Less than year ago, Ford had told TV execs. in private conversation that he had always debated his congressional opponents and that he generally favored face-to-face debates "because the incumbent has the advantage."

Cabinet officials briefed RTNDA members in Exec. Office Bldg. for 4 hours Jan. 30, after which Ford spoke for 20 min., answered questions for half hour, in White House prior to reception. Only question about media at news conference concerned fairness doctrine: "We don't have any complaints," he said. "I would think generally it works all right." It was President's idea to answer questions, and he waved News Secy. Ronald Nessen off once when latter wanted to cut them off.

Consumer Electronics

RADICALLY NEW picture tube, completely re-engineered from glass to gun, to be introduced in new Zenith line. Changes are most far-reaching since introduction of rectangular screen. (P. 7)

COLOR TUBE PRICES crumble again, over-supply causing dip in 25" OEM price at time increases were to have gone into effect. (P. 8)

NEW SALVOS in battle against imports: Sylvania files unfair complaint with ITC against 5 Japanese color TV makers. Zenith serves notice it will take Treasury to court to fight for extra duty levies against Japanese exports. (P. 8)

ZENITH OFF HOOK on X-rays as BRH rules radiation potential of 1.35 million 1975 sets doesn't pose significant health hazard. New CPSC list indicates TVs are safer now. (P. 9)

MORE CB FREQUENCIES may be allocated in time for March PC show, FCC says, but skepticism remains. Display of prototype added-channel receivers doubtful for show. (P. 10)

ANCILLARY TV SERVICES URGED: Present sets deliver only 'fraction' of services now technically feasible, according to OTP-commissioned study. Increased TV set costs seen. (P. 10)

ADMIRAL TO BUILD 13", 17" & 19" color sets in Taiwan starting in April, Urban says. Company re-evaluating audio. (P. 11)

HILL CATV STUDY—BOOS & CHEERS: Take most wraps off cable. That's guts of staff study issued last week by House Communications Subcommittee. Report is having an impact—mostly psychological—but it's far cry from something final. It doesn't represent views of Subcommittee members, full Committee, House or Senate. However, it's so strongly pro-cable that CATV industry will run with this new ball unless referee with more clout than staff blows whistle. For the present, study will serve as focus of Subcommittee hearings, starting perhaps in March, and to intensify debate. For long run, it could achieve nothing more final than other govt. studies—Rostow report for LBJ in 1968 (Vol. 8:51 p1), Cabinet report for Nixon in 1971 (Vol. 11:50 p1).

Subcommittee members themselves are very chary about sticking their necks out on report—in this election year. Even Subcommittee Chmn. Macdonald (D-Mass.), who ordered study, is conserving all his options, telling us: "It's just what it is—it's a study... My mind is not made up about anything... It's a study, not something to be taken absolutely literally... We're going to work our tails off to see that the public is served and that the broadcasters not get hurt—and I'm sure there are parts that the cable people don't like, too, such as paying copyright for over-the-air signals."

Rep. Frey (R-Fla.), ranking minority Subcommittee member, wouldn't comment. Rep. Wirth (D-Colo.), also on Subcommittee, said he sent copies of study to broadcasters & cablemen in his district, won't comment until they respond. Another member told us: "Why, I'd be crazy to comment on it." Several others had very similar reactions. Declining to comment also were Sen. Pastore (D-R.I.), chmn. of Senate Communications Subcommittee; Sen. McClellan (D-Ark.), chmn. of Senate Copyright Subcommittee; Rep. Kastenmeier (D-Wis.), chmn. of House Copyright Subcommittee. From industry, however, boos & cheers were as you'd expect (see below).

To get full understanding of implications, full text of 117-page report should be studied. It was prepared under direction of Chief Counsel Harry (Chip) Shooshan, whose consultants included former FCC Gen. Counsel Henry Geller, former Rand economist Karen Possner (who's now permanent Subcommittee staffer). Here are major recommendations of staff:

(1) Commercial TV "should now no longer be treated as the chosen instrument for bringing TV service to the nation." Cable should be recognized and promoted by law. (2) Rural cable (plus translators) should be promoted by a "Rural Telecommunications Act" providing low-interest loans. (3) Cable should pay for copyright only for distant signals, on per-channel basis. (4) Anti-siphoning rules for films & sports should be withdrawn; instead, FCC "should monitor to insure that no siphoning occurs. We believe that the Commission (or the Congress) can act promptly enough should the danger present itself."

(5) Cross-ownership of cable should be barred for co-located station or newspaper owners. (6) FCC should regulate interstate matters such as signal carriage, access, channel capacity, pay cable, originations, privacy, minimum technical requirements. State/local entities should have some say in technology. (7) Unless cable crosses state lines, state/local authorities should have full control over non-video services. (8) FCC shouldn't tell state/local entities how to regulate their end—in franchising, rates, complaints, pole attachments. (9) FCC should abandon certification process, replacing it with rules enforced by cease-&-desist orders and forfeitures. (10) Because of channel capacity and access, cable needn't have fairness-doctrine or equal-opportunity obligations.

Throughout report is emphasis on "marketplace" as proper mechanism for regulation, abandonment of "protectionist" attitude toward broadcasters. Staff says broadcasters should be required to prove that cable won't diminish "over-all" service to public. Report presents following argument against broadcasters' claim that public service programs will suffer if cable reduces stations' income: (1) "Broadcasters have no guaranteed right... to the very high level of profits now earned by so many of them." Broadcasters will still earn enough to do good job, and besides, "broadcasters can be required by the Commission to discharge their fiduciary obligations." (2) News is profitable for most stations in most major markets. (3) Public affairs are "minute fraction of a broadcaster's time & expense. A serious question is raised whether cable's development should be held back because of claimed risks to such small efforts."

Report launches major attack on industry consensus agreement, said it was effort by FCC to eliminate industry opposition to copyright legislation. This, staff says, made FCC's 1972 plan "invalid and, indeed, insulting to the Congress." Anyway, report goes on, consensus is dead because NCTA "did not adhere to its agreement to support compulsory arbitration."

NAB issued one of sharpest comments on study: "We view this as an effort by 3 members of [the staff] to replace the great system of over-the-air broadcasting... with a wired nation which could cost over \$200 billion in construction costs alone. In addition, the public would have to pay direct fees for programming..." MST said it was still studying report. ABC: "We disagree with many of the conclusions... The present free TV system now makes available to virtually every home in America the best entertainment, news & sports programming in the world. It should not be undercut by a subsidized wire service at tremendous additional cost which would serve only the small minority who can afford it and will have access to it..."

CBS withheld main guns till later, saying only: "On the surface, the report would seem to be a one-sided view of a complicated question. We will of course study it closely and conscientiously." NBC: "The staff report reflects essentially an elitist approach to broadcast service. It departs from the basic philosophy of communications in this country which has fostered the development of a free broadcast system without equal... [Staff proposals] could add many millions to the tax burden and would provide a broadcast service primarily to those able to pay..."

NCTA hasn't put out formal statement yet, may adopt one at Feb. 2-3 board meeting in L.A., but PR Vp Rob Stengel said: "Over-all, we're very pleased with it." Teleprompter Pres. Russell Karp "emphatically endorsed" report, saying its copyright recommendations "exactly parallel" TPT's proposals. ATC Pres. Monroe (Monty) Rifkin said he's "obviously delighted that this independent and impartial group... has concluded that the needs of the American TV audience are more important than protecting entrenched interests in the broadcasting industry..."

One veteran cable lawyer, speaking not for attribution: "It's one more report, a long way from implementation. But one client says it already helped him get a sizeable bank loan. It's good for us lawyers in making arguments, with juicy quotes."

OTP Acting Dir. John Eger was out of country, but agency put out statement saying: "We're gratified... to find that so many similarities exist between the proposals [in report] and our own legislative and policy recommendations..."

Letter of transmittal from Shooshan to Macdonald is brusque attack on FCC. It charges that Commission denied Hill staff financial data on leapfrogging, gave staff runaround on another request for "vital" information. He said that FCC structure—separate Broadcast & Cable Bureaus—has each Bureau shilling for group it regulates, creating weaknesses that "can be exploited by the Chairman's office in order to virtually control policy formulation at the Commission

FCC Chmn. Wiley responded with 4-page letter to all Subcommittee members, saying charges are "simply not accurate," gave point-by-point report on Commission's response to information requests. He defended FCC staff, said he regretted that Shooshan "deemed it necessary to initiate this important dialog with a letter of such negative and, in my opinion, inaccurate report."

Wiley also took crack at Geller, telling meeting of cable state & regional associations in suburban Washington: "I do find it somewhat ironic... that one of the principal authors of the report was the very same fellow who was the primary architect not only of that tough blackout rule and the 1968 cable 'freeze' but, indeed, of the Commission's entire 1972 cable rules—much of which I have been trying to relieve you over the last 2 years."

Geller's response: "The policy was set by the Commission, not by the staff. In a series of meetings, the commissioners pounded out the rules. [Cable Bureau Chief] Sol Schildhouse and I didn't get our way. We were the scribes. We had nothing to do with the consensus agreement. Wiley was there, but he wasn't paying attention."

Geller said last week's report "on the whole reflects my views, except for minor points. I have always held the view cable had to come into copyright—then we wouldn't have to worry

about impact on stations except in small markets. Copyright has been the whole thing since 1965. I once thought cable would hurt UHF, but I changed my mind on that. The Rand report shows it will help UHF for the near future."

Dean Burch, who was FCC chmn. when 1972 rules were adopted, commented on House staff criticism: "I don't think anyone was particularly proud of the 1972 rules, but it was remarkable that we got as far as we did, considering the makeup of the Commission. The FCC accepted the consensus in good faith, and it made it possible for us to make a few steps. As for Geller, he has strong feelings and expresses them, but win or lose, he'll buckle down and work with the decision. He certainly differed from Schildhouse on regulation. It's funny about pay TV. The first appearance I made on the Hill was in 1969, after we passed the pay-TV rules, and they were puny rules. We got our heads handed to us for even thinking about subscription TV. Now, look what they say up there about pay TV."

Meanwhile, Shooshan goes to L.A. this week, accompanied by staff economist Andrew Margeson, to brief NCTA board. And Wiley is sending Cable Bureau Chief David Kinley there to seek support for proposed forfeiture legislation.

DIFFERENT PROGRAM MGRS.—BUT: There's striking similarity among headliners who'll appear at NAB convention (March 21-24) in Chicago and NCTA's "silver year" affair (April 4-7) in Dallas. FCC Chmn. Richard Wiley always appears at both—as do some Commission staffers and outside lawyers & engineers. Other headliners speaking at both conventions this year: Sen. Hartke (D-Ind.), expected to succeed Sen. Pastore (D-R.I.) as Communications Subcommittee chmn. if re-elected, House Communications Subcommittee Chmn. Macdonald (D-Mass.), CBS correspondent Mike Wallace.

For change of pace, Rep. Van Deerlin (D-Cal.)—strong cable advocate since he's from San Diego—will speak to NAB TV session, while NCTA opted for Rep. Moss (D-Cal.), chmn. of Investigations Subcommittee. After noticing plethora of double appearances, Washington lawyer told us: "I intend to catch them all; it'll be interesting to see how they change their tunes."

There are lots of frills in Dallas for NCTAers—golf & tennis tournaments, horseback riding, Tex.-style barbecue, style show, gala banquet, post-convention tour to Mexico City—but only hospitality suites for NABers in Chicago. Pay TV will play major role in both cities: NAB's panel will be moderated by Wallace, feature ex-FCC Chmn. Fred Ford and another pro spokesman (NCTA Pres. Robert Schmidt declined, ABC Senior Vp Everett Erlick and NAB Vp William Carlisle (con). NCTA hasn't yet named its pay-cable panelists.

Macdonald was given his choice of speaking to TV or radio sessions at NAB, opted for radio, while Hartke addresses TV delegates. Other TV sessions will feature major producers on programming, CATV de-regulation, ascertainment, mini-cameras, BPA, RTNDA, TvB, equal employment, regional networks, forecasts of future, new morality in TV programming and TV news bias.

Other NCTA headliners include Acting OTP Dir. John Eger, Deputy Asst. Atty. Gen. Jonathan Rose, ex-FCC Chmn. Dean Burch, N.Y. Lt. Gov. Mary Anne Krupsak, Time Inc. Pres. James Shepley, Teleprompter Pres. Russell Karp.

Major differences in 2 conventions: (1) NAB registration is \$75 (up from \$50 last year to accommodate new arrangement with RAB), NCTA's is \$135 (\$150 after March 26). (2) NAB has sold 95,000 sq. ft. (at \$7) to 216 exhibitors, NCTA about 38,000 sq. ft. (at \$6) to about 100 companies—but NCTA says it's still selling.

Viacom International has formed new pay-cable unit to offer pay service to its Dublin, Pleasanton & Livermore, Cal. systems (22,000 subscribers) by about July 1. Company plans eventually to extend service to "practically all" of its 250,000 West Coast subscribers. Unit also will serve Southern Cal. Times Mirror systems. Jeffrey Reiss, ex-ABC Entertainment, was appointed new unit's vp.

NCTA gained \$176,442 in dues during period July 1974-Dec. 1975 from new members, additional systems added to MSOs, internal subscriber growth, according to Assn. membership analysis, but lost \$134,906 in dues over same period due to member terminations or resignations, for net gain of \$41,536. NCTA board is expected to endorse budget for next fiscal year about same as last year's \$1.2 million.

COMMON AM-FM-TV CALLS OK: Little-noticed petitions for rulemaking (by 2 independent FM stations), to prohibit same call letters for commonly-owned AM-FM-TV in same market, were rejected by FCC last week. Bcst. Bureau & Chief Engineer told Commission proposals "warrant exploration" in rulemaking to determine if there's confusion in public's mind.

Staff also felt that "what once may have been necessary in support of fledgling FM or TV stations now may be unfair," as charged by 2 petitioners, who claimed that common calls give unfair advantage during rating periods. Added staff, in seeking comments: "Although the degree of advantage conferred is not known, it does seem reasonable to view the use of common call letters as aiding the competitive position of multiple owners." Commissioners rejected staff arguments, will announce this week dismissal of rulemaking petitions.

In related items, FCC: (1) Denied Storer petition to let group owners keep call letters of station sold, assign them to another station of same group. Commission said existing rule is needed to prevent "call sign trafficking." (2) Permitted insertion of licensee's name between call letters & city during required station identifications. Under existing rule, call must be immediately followed by city.

ABC correspondent Sam Jaffe "is not a credible witness," House Intelligence Committee Staff Dir. A. Searle Field told CBS News in Washington, following Jaffe's allegations that from 40 to 200 journalists gave information to FBI or CIA. Field said careful checking had revealed Jaffe's charges to be without foundation. Former Nixon speechwriter Patrick Buchanan, whom Jaffe said had told him of existence of Administration list of journalist-informants (Vol. 16:4 p5), also questioned Jaffe's statements, saying he had heard of list from Jaffe, and not vice-versa. "The town [Washington] has gone bonkers, and Jaffe is the point-man," Buchanan told N. Y. Times.

Ex-FTC Chmn. Lewis Engman appears before House Consumer Protection Subcommittee Feb. 5 to testify on how FTC could be improved. Engman declined earlier request to appear (Vol. 15:50 p5), attempted to avoid this one as well, telling Chmn. Van Deerlin (D-Cal.) he had prior commitments for his Senate campaign. Noting that Engman had promised to appear, Van Deerlin told us: "I would think he would want to be known as a man of his word, even if only a few Mich. voters are aware."

FULL TEXT OF CABLE STUDY

We have been advised by staff of House Communications Subcommittee that it has exhausted supply of its study "Cable TV: Promise vs. Regulatory Performance." Therefore, we are reprinting full text of 117-page document. Copies will be available, by end of this week, at \$5 for single copy, \$4.50 each for 2-10, \$4.25 each for 11-24, \$4 each for 25 or more. Call 202-872-9200 or write to 1836 Jefferson Pl. NW, Washington, D. C. 20036

PROMOTING PAY-CABLE FILMS: With contracts in hand to reach some 90% of pay-cable homes, Irving Kahn's Broadband Communications (BC) shortly will uncork major movie-style promotion showing cable operators how to push package of 13 films obtained from American Film Theatre (Vol. 15:27 p1, et seq.). One-time head of 20th Century Fox promotion, former chief of Teleprompter, Kahn says all his contracts with pay-cable distributors (HBO is largest) give BC control of promotion.

Program includes 5-lb. package of press kits, ad mats, teachers' guides, posters, reprints of reviews, unique hand-held super-8 cassette viewer, etc. In addition, field men will be available for assistance.

Kahn says system operators need all help they can get, "since few of them have the entertainment and promotional background." He says educators are particularly receptive because almost all of films are adapted from well known plays: Butley, A Delicate Balance, Galileo, Homecoming, Iceman Cometh, In Celebration, Jacques Brel, Lost in the Stars, Luther, The Maids, Man in the Glass Booth, Rhinoceros, Three Sisters.

Because Canadians are "an open people, interested in and wanting to participate in the main stream of world events," says Harry Boyle, CRTC chmn., "we have moved to decrease by a few cents per share of dividend, for instance, the substantial revenues of Buffalo stations... And what have these stations done? Some have slashed their rate cards to the point where a small UHF station in Toronto can't compete. That's dumping, unless I am seriously mistaken." Writing in Jan. 24 Financial Post (Toronto), Boyle said actions to protect Canadian broadcast system "against unfair, unwarranted & deleterious actions [are] a virtue and not a sign of weakness." Meanwhile, group of about 20 lawyers and broadcasters met in Washington last week to work out united position to seek "reasonable compromise" with Canadians, according to attorneys. However, they declined to reveal position they would take in future talks.

NATO will list films sold to pay cable by 6 major distributors in biweekly "Flash Bulletin" to theater owners who want to avoid direct competition with pay-cable operators. NATO's Martin Newman explained that many theater owners try to book films long after initial release at lower prices, only to discover that pay cable has booked them for same period. Advance listing will allow them to either push up release date or try for lower price, he said. Participating distributors are Paramount, UA, Universal, 20th Century Fox, Columbia & American International Pictures.

Cable rate inquiry (Vol. 15:52 p2) was sent back to staff by FCC, which asked for "more neutral language"—to remove any indication that Commission planned to get into rate control. Some commissioners want staff to gather information on its own, instead of through comments in inquiry.

Deadline for reply comments in VHF drop-in rulemaking (Vol. 15:51 p1) has been extended to Feb. 9 by FCC.

Personals

Richard Beesemyer advanced to ABC-TV vp-affiliate development, new post; **Robert Fountain** succeeds him as vp-affiliate relations; **George Reeves** given expanded responsibilities as vp-business affairs, East & West Coasts, new post; **Donal Flynn** promoted to vp-business affairs & contracts; **Plassie Williams**, ex-New Haven housing authority, named ABC security dir.

Rep. **W. Henson Moore** (R-La.) named to House Commerce Committee, succeeding Rep. **James Hastings** (R-N. Y.), resigned (Vol. 16:1 p6); Rep. **James Symington** (D-Mo.), Commerce Committee member, announces candidacy for seat of father, Sen. **Stuart Symington** (D-Mo.).

Lawrence Grossman, new PBS pres. (Vol. 15:51 p6), resigns as pres., treas. & a dir., Forum Communications (applicant for Ch. 11 N. Y.); **Ronnie Eldridge** succeeds him as pres.; **Robert Rosenkranz**, Oppenheimer & Co., elected treas. & a dir. . . **Lawrence Rogers**, Taft Bcstg. pres. & chief operating officer, retires, will remain a dir. & consultant; **Dudley Taft**, exec. vp-Amusement Park Group, succeeds Rogers.

FCC Chmn. **Richard Wiley**, evangelist **Billy Graham**, Sen. **Mark Hatfield** (R-Ore.) & Rep. **John Conlan** (R-Ariz.) address National Religious Bcstrs. convention Feb. 22-25 in Washington.

Thomas McKnight, ex-FCC Cable Bureau & OPP, joins OTP Gen. Counsel's Office. . . **Keith E. Putbrese**, **Richard F. Kennedy** & **Gordon R. Malick** join to form Washington communications law firm Putbrese, Kennedy & Malick, 6845 Elm St., McLean, Va. 22101. Phone 703-790-8400. . . **Harold McCombs** joins Marmet Professional Corp., Washington law firm, as assoc.

After 6 years experimentation, FCC revoked rule permitting International Digisonics Corp. (IDC) to use portion to TV screen (not viewable to public) to transmit blips for monitoring commercials. Commission said IDC system used more of picture area than permitted, that company hadn't corrected technical problems in 2 years allowed. However, agency permitted TV stations to continue practice for 2 years for "identification patterns inserted before [Jan. 28]."

Sharp attack on broadcasters' anti-pay-cable campaign was delivered by NCTA Pres. **Robert Schmidt** at FCBA luncheon: "These heavyhanded and blatant attempts to throttle well-motivated efforts to move forward with CATV legislation and to prevent competition from pay cable are nothing short of a public outrage." At close of speech, questions were invited. None came.

TV sets now deliver "only a fraction of the services to homes which are now technically feasible," according to study for OTP by Denver U. Research Institute (see p. 10). As result, Acting OTP Dir. **John Eger** has asked FCC to start inquiry to consider "allocation procedures & priorities" for proposed ancillary services.

WEEKLY Television Digest

with
Consumer Electronics . . .
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Also publishers of annual *Television Factbook* and weekly TV, AM-FM & CATV Addenda, CATV Atlas and other special publications

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Av Westin, ABC News exec. producer-TV documentaries, resigned last week following "differences" with ABC News Pres. **William Sheehan**. Westin had been critical of ABC Evening News Senior Producer **Steve Skinner**, was angered when ABC cut budget of "Close-Up" documentary series. Following Westin's resignation, requested by Sheehan, ABC said that number of documentaries had been reduced "because of ABC News' heavy concentration on the events of the Presidential election year," that it would resume regular number of 12 documentaries annually in 1977. ABC News then named "Close-Up" producer **Marlene Sanders** vp-documentaries dir., promoted **Skinner** to Evening News' exec. producer.

Does ethnic programming make a station a "speciality" outlet? FCC hung up on that question last week. Considering rules change to allow cable carriage of specialty stations without restriction, FCC had been thinking of foreign language, religion and automated programming. Comrs. **Hooks** & **Quello** urged that stations such as black-owned UHF WGPR-TV Detroit be included. This raised question such as: Is "Chico" an ethnic program? Also disputed: Cable staff suggests station qualify if it broadcast speciality programs more than 1/3 of time; others are pushing for 1/2 time floor.

Canadian-American CTS satellite was launched into geostationary orbit last week for 2 years of high-frequency public service experiment.

Obituary

Frank J. Morris, 56, West Coast mgr. of NAB Code Authority, died Jan. 26 following heart attack. He joined NAB Code in 1959 after service as CBS-TV senior editor. Survivors include wife, son.

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STATE OF THE INDUSTRY

Sales to dealers (total market) from EIA, for 1976's first 2 weeks, through Jan. 16:

| | Jan. 3-16 | 1975 (2 weeks) | % change | Dec. 27- Jan. 2 |
|-----------------------------|--------------|-------------------|-------------|--------------------|
| Total TV. | 355,976 | 284,039 | +25.3 | 202,327 |
| color | 212,182 | 181,174 | +17.1 | 119,803 |
| monochrome | 143,794 | 102,865 | +39.8 | 82,524 |
| Total radio | 872,346 | 689,540 | +26.5 | 1,016,336 |
| home, portable | 430,143 | 400,297 | +7.5 | 892,514 |
| AM-only | 67,616 | 144,828 | -53.3 | 313,494 |
| FM & FM-AM | 362,527 | 255,469 | +41.9 | 579,020 |
| auto | 442,203 | 289,243 | +52.9 | 123,822 |
| Port.-comp. phono | 87,942 | 53,285 | +65.0 | 59,811 |

Color TV 5-week moving average: 1975-76—121,636; 1974-75—100,989 (up 20.4%).

RADICALLY NEW PICTURE TUBE ON WAY: Most far-reaching changes in color picture tube design since development of rectangular screen will be displayed in Zenith line this spring. From glass to gun, yoke to mask, tube and its manufacture have been completely reworked in top-secret, long-term project designed to result in lower-cost, high-quality tube of distinctive appearance. It even could be touted as important weapon against imports.

All who have seen tube or drawings apparently have been sworn to secrecy—so we've had to piece together shreds of evidence pointing to significant development. Systematic approach to re-engineering the color picture tube is believed to have started at least 3 years ago at Zenith, and Corning Glass is understood to be involved in implementing new structural design. Zenith declined to comment, and Corning officials couldn't be reached.

Based on rash of new Zenith picture-tube patents and conversations with large number of knowledgeable industry sources, it's apparent that project included complete & radical change in glass bulb design. Most obvious is use of sheet-glass faceplate in place of heavy molded type and elimination of folded "skirt" by which conventional faceplate is attached to funnel. New construction system, which also involves redesigned funnel, is understood to reduce material & production cost of bulb and presumably cut weight of tube.

Tube itself also is believed to be more economical to produce. It has 100° deflection angle, uses frameless shadow mask of new design. Methods of metallizing screen & applying phosphors are new. Tube is narrow-neck type with new self-converging yoke, and there are indications it has new gun designed to overcome spot-size problems of in-line construction.

Tube is expected to be introduced in 19" first, with 25" and possibly 17" to come later. Even in outside dimension, it's said to be different—some speculate that face area is slightly larger than conventional tube's, with sharply square-cornered picture somewhat smaller in relation to face. New tube obviously isn't interchangeable with existing types, presumably requires circuit redesign—leading to conclusion that Zenith will introduce brand new chassis to power it.

Although patents are Zenith's, it's Corning policy to undertake proprietary glass developments only with stipulation that they may be offered to whole industry after reasonable time. Faced with this interval and fact that production of tube itself would require retooling, it's good guess that new tube will be exclusive with Zenith for at least 2 years (although there's no telling

what kind of developments RCA has in its own closed-loop glass & tube plants).

Competing tube makers can only surmise what it means to them by reading patents. Said one: "This could result in a cheaper tube if it made the cost of glass significantly lower—say \$5 or so. But it would require a heavy investment in retooling." Plate & funnel combinations for 19" tubes now cost tube makers about \$18 for 19" tubes, \$25 for 25". There's no assurance new bulb will mean any decrease in glass costs—glassmakers insist they've never been able to recoup increased production costs. Though tube itself may be easier to produce, tube makers also could pass savings along to themselves to compensate for their chronic inability to raise prices (see below).

Comments from tube & set makers who have analyzed patents: "I can't see any significant difference in performance, so I assume they're aiming at the same performance at lower cost"... "It's a pretty unique tube, brand new in every way—and strange all the way around"... "Quite different, a fundamental change in the way tubes are made"... "A unique development—economical with potential for improved performance." Bear in mind that, so far, most manufacturers are in position of blind men trying to describe elephant. Whole image won't emerge till it can be observed from trunk to tail.

25" COLOR TUBE PRICES CRUMBLE AGAIN: Convulsion in color picture tube prices entered 3rd year with new upheaval which last week prompted RCA to "re-evaluate" at least some of its recently announced increases for OEM market.

Current soft spot is 25". RCA's price was scheduled to go up about 5% to \$84 (for matrix type) Jan. 4 (Vol. 15:40 p9, 15:41 p9). Instead, prices are down about 2%. It's unclear who started reduction, but there is some evidence cuts were started by Zenith's Rauland Div. Calling shift in 15" price "substantial," one tube industry observer commented: "This is crazy. If we've got to cut, it should be in the 19" area where we compete directly with the Japanese, not in 25", which is exclusively American. The allies are fighting among themselves for market position and losing sight of the enemy."

RCA said that Jan. 4 price increases were put into effect as scheduled—other sources indicated there may have been some minor variations from originally listed figures—but company spokesman added that "because of recent competitive pricing action" in some market segments, it is "now re-evaluating pricing for this market."

SYLVANIA, ZENITH MOVE AGAINST JAPAN: U.S. industry's seemingly dormant anti-Japan volcano has erupted again: (1) Zenith notified Treasury of intent to contest decision not to impose countervailing duties on consumer electronics imports from Japan (Vol. 16:2 p8). (2) Sylvania filed unfair import competition complaint with International Trade Commission against 5 Japanese TV producers.

Sylvania is accusing group of Japanese TV manufacturers, their export arms & U.S. marketing subsidiaries, of illegal restraining trade, distribution & sale of color TV in U.S. Specifically cited in complaint to ITC were Hitachi, Mitsubishi, Sanyo, Sharp & Toshiba. Sylvania charges practices of those companies furthered attempt by Japanese industry in general to dominate U.S. market for portable color, and have injured domestic producers. Failure to halt what it considers illegal actions will lead to further dropouts of U.S. TV producers and more job losses, Sylvania warns.

Significantly, Japan's 2 largest participants in U.S. color market, Sony & Matsushita, aren't cited in complaint. Both own substantial color production facilities in U.S., stand to be least injured if ITC eventually rules in Sylvania's favor. Sony & Matsushita, as well as other unnamed Japanese producers, could be included in any general restrictive action resulting from complaint.

Sylvania filed under Tariff Act Sec. 337, which provides for cease-&-desist orders against unfair practices, banning of further importation of products made by companies found acting illegally. ITC has until March 1 to decide whether evidence Sylvania submitted along with complaint justifies full investigation, would normally then have year to conduct probe, deliver decision & any recommendations to President for final action.

Zenith action is continuation of 6-year fight to have Treasury impose extra duties on imports to offset commodity tax rebates & other Japanese govt. allowances to exporters. In final ruling last month, Treasury held such tax refunds aren't grounds for imposition of extra duties, said investigation showed other export incentives are too small to bother with (Vol. 16:2 p8).

Notice of intent to contest determination in Customs Court was made just within 30 days of announcement, as required by law. Zenith now has 30 days from date when Treasury formally announces receipt of notice in Federal Register to start court action. It's expected case will be shelved pending resolution of U.S. Steel's court case challenging Treasury's refusal to impose penalty duties against European steel exporters who get value-added tax rebates.

ZENITH OFF BRH X-RAY HOOK: In precedent-shattering move, Bureau of Radiological Health last week granted Zenith exemption from recall-&-repair provisions of Radiation Control Act for some 1.35 million color sets which agency says don't comply with minimum X-ray emission standards (Vol. 15:43 p7 et seq.).

In issuing first exemption ever granted for non-complying product, BRH said analysis of extensive test data provided by Zenith "satisfied the Bureau that the failure to comply does not create a significant risk of injury, including genetic injury to any person." Finding brings halt to what would have been largest, most expensive non-automotive consumer product recall in history, involving virtually all of Zenith's 1975-model solid-state color output.

BRH determination also clears Zenith of possible charges for not notifying agency when problem first developed. Finding supports Zenith's contention that reliability, not safety, was issue. Trouble in sets is with special voltage hold-down capacitor subject to in-home failure which could result in excess high voltage to picture tube, causing X-ray emission. Zenith started modification program through authorized service centers in Aug., instructing them to make free repairs—including picture tube replacements where needed—for sets with bad capacitors, and to replace capacitor on sets brought in for other reasons. But BRH wasn't informed, heard about it in Oct. from outside sources.

Statistical analysis of Zenith data, under worst-case assumptions, showed peak radiation "would be less than one milliroentgen per hour for a short time," but average, until set stopped working, "more likely wouldn't exceed 0.1 mRh, or well within the [0.5 mRh] standard," BRH spokesman said. He added that only 10-11% of sets could be expected to fail; Zenith, using less conservative approach, estimated failure rate at something under 2%.

Zenith Pres. John Nevin said that while company is pleased with decision, he felt any comment would be inappropriate. "In our judgment, the Bureau report speaks for itself." It was indicated Zenith would continue voluntary repair program. At closed meeting last Nov., Nevin told distributors he felt Zenith was dealing with "mature scientists...that we regard to be both competent & unbiased."

Reasoning behind BRH decision has been documented extensively—a move made, in part, in anticipation of complaints of favoritism from other TV companies (all Japanese) ordered into recalls over last 2 years. Forty-page "Analysis of Health Risks from Zenith TV Receivers" is available from FDA's Records & Documents Center. Biggest TV recall so far was Panasonic's (308,000 sets), launched at end of 1974. In that case, BRH rejected as inadequate statistical data showing sets would not emit excess radiation under home-use conditions.

While none of past recall-involved manufacturers was willing to criticize BRH handling of case openly, several did note that Zenith sets were only ones in non-compliance which were actually found to be radiating in excess of design limits in homes. Other sets were made to radiate only after BRH lab induced component failure.

* * * *

Consumer electronics are safer now, according to Consumer Product Safety Commission update of 1973 Hazard Index which ranks 360 product classifications for frequency & severity of accidents, adjusted for age of persons involved. List for 1975 shows sound recorders ranked 80th (down from 70th), with TV 83rd (down from 64th), indoor TV & radio antennas 277th (down from 242nd). Rising on list were outdoor antennas at 156th (up from 274th) & TV stands & tables at 158th (up from 247th). New is listing for cathode ray tubes at 354th.

CB CHANGES FOR PC SHOW: Long-awaited expansion of Class D CB service could come in time for March 30 PC-76 Show in Las Vegas, but it's open question whether conventioners will see units reflecting changes—at least legally. FCC's Safety & Special Bureau Chief Charles Higginbotham says Bureau will submit proposal to full Commission within 30 days, and formal expansion should come within 60 days. "We're hoping to make it for the PC Show," he said. Past predictions by FCC on date for channel expansion, however, have proven overly optimistic and many in industry are skeptical of latest target date. Commission has completed necessary procedural steps, since notice of proposed rulemaking was issued in July 1974 and it's free to finalize changes any time it chooses.

Even if PC deadline is met, it will have to come well in advance of show to permit display of new models. Under current FCC rules, product must be type-accepted before trade show display becomes legal. Type acceptance now takes up to 5 weeks, but process is sure to be delayed significantly once Class D changes are approved and CB producers begin submitting new units to FCC. EIA Communications Div. Staff Vp John Sodolski says he asked FCC to permit display of uncertified mock-ups at trade shows, and "we're hopeful they'll allow display of prototypes at the PC Show." Whatever outcome, no one doubts there'll be plenty of under-counter & hotel-suite prototypes in Las Vegas during show—reflecting exact changes if expansion comes through, possible variations if it hasn't.

New CBs won't be on retail shelves until some time next fall if expansion takes place by end of March. Higginbotham says Commission will place embargo on sale of new models and added that "6-month pipeline-clearing period would be reasonable." He repeated his belief that S&S Bureau proposal will probably call for expansion to around 50 channels, with same mix of AM & SSB as in current 23-channel service (Vol. 15:50 p11). CB license applications totaled 420,000 in Dec. and rate during Jan. was about same, he said. Modified point-of-purchase licensing program will be considered by Commission—hopefully Feb. 3—according to Higginbotham, possibly taking form of temporary 30- or 60-day license given to owner at time of purchase. Temporary license would take effect on date application for permanent license is mailed to FCC.

Watch watch: Tectron's Speidel Div., watchband & jewelry marketer, is entering digital watch field... **Cronus** Precision Products is new watch & module organization in Santa Clara, Cal., headed by John Bosh, ex-Intersil Consumer Products Group vp-gen. mgr. Intersil, which formerly made & marketed watches under Cronus brand, has sold CPG business to unidentified Canadian company which set up new Cronus operation as separate corporation.

Color sets were in 73% (51.3 million) of American households in Nov., according to Arbitron TV census, up from 70% in Nov. 1974. UHF households numbered 90% (63.5 million) of total households, Arbitron estimates, compared to 87% year before.

ANCILLARY TV SERVICES URGED: Today's TV set "delivers only a fraction of the services to homes which are now technically feasible," OTP Acting Dir. John Eger said last week in releasing study, "Ancillary Signals for TV: Innovations & Implications." In letters to FCC Chmn. Richard Wiley & EIA Pres. James Adduci, he urged cooperation of broadcasters, set makers & govt. to provide such services as stereo & captioning "without degrading picture quality."

"It is evident that no one industry segment can go forward without the others," Eger said. "I am hopeful that this report will help stimulate an already good TV broadcast system to one offering many more consumer choices & services." Study, by Denver U. Research Institute, said there will be 4 prime users for ancillary services (Institute predicted manufacturers will install capability in sets by 1980): Mass audience, special non-professional audience, professional users not in TV, existing TV industry.

Institute said public can be expected to pay additional \$15-\$20 per set for improved sound, \$90-\$105 more for stereo (study said interest in TV stereo ranged 10-60%), \$100 more (dropping to \$30-\$50 in 1980's) for sets capable of decoding captions and additional \$110-\$150 (dropping in '80's to \$60) for ancillary information systems. Institute envisions that consumer will pay undetermined "user's fee" for ancillary information. "It may be that the audiences may tolerate a slight degradation of the TV signals" as demand for add-on information grows, study concluded.

Eger asked Adduci for manufacturers' views on "technical & economic aspects of ancillary signaling opportunities and on the regulatory treatment they should receive." Eger suggested that FCC start inquiry to consider "allocation procedures and priorities for dealing with them."

Beleaguered Kennedy & Cohen will be allowed to continue operation of chain during Chapter XI proceedings, bankruptcy court ruled. Thought to be nation's largest independent appliance-TV operation, K&C filed for bankruptcy in wake of store closings, default on \$21.7-million bank loan. Among creditors: Akai America, \$76,779; Fisher Radio, \$223,333; U.S. Pioneer, \$78,352. K&C says all stores but Miami & W. Palm Beach outlets now are closed. Chain's problems have been traced to program of over-expansion during recession, change in merchandising & ad approach.

First meeting of Federal Energy Administration with industry on TV-appliance energy efficiency & labeling has been set for 10 a.m. Feb. 9 at FEA hq in Washington. Agency was given responsibility to oversee mandatory 20% cut in energy consumption of new appliances by 1980 from 1972 base in energy bill passed late last year.

RCA's search for ad agency to replace J. Walter Thompson on color set account (Vol. 16:4 p14) seems to have narrowed down to Leo Burnett and Ogilvy & Mather—each having been called back to make 2nd presentation. Others which made pitches to RCA were N.W. Ayer and Young & Rubicam.

MUNTZ PROJECTION AT \$895: Scrappy Earl Muntz is hitting back at recent projection TV competition with: (1) New system with 30-x-40-in. picture at \$895. (2) Threatened patent-infringement lawsuits. New set has same-size picture as Muntz single-cabinet unit which sells for \$1,595-\$1,695, but is 2-piece type without remote control using separate Ektalite screen which can be hung on wall or mounted on stand and walnut cabinet housing TV set & lens system, designed to be stationed 66 in. from screen.

New system uses 12" Sony or 13" Sharp color TV as picture source, is already being produced in 32,000-sq.-ft. Van Nuys, Cal. plant where Muntz stereo once was made. Muntz told us plant produced 180 projection systems week ended Jan. 24, had scheduled 250 following week, was running 10 days behind orders. He said his company has now built 6,000 TV projectors. Muntz is a national distributor for JVC U-Matic video-cassette recorder and he said 50% of all projectors sold by his retail operation were accompanied by purchase of recorder or player. As to burgeoning business in projectors which appear similar to Muntz, he told us he now has patent on optical system and he would soon make representations to companies he believes are infringing.

Meanwhile, Laser Video Inc., L.A. (Vol. 15:5 p9) has completed prototype of laser-beam self-contained rear-projection color TV display with 4-x-5-ft. screen for military-industrial use. Set would sell in \$35-\$40,000 range, Gen. Mgr. Harold Moss said. However, planned consumer unit, with \$1,200 target, has been shelved, presumably for both technological & financial reasons. Former Exec. Vp T.H. Maiman, inventor of laser, now is consultant; Pres. Chet Menkes is on leave, and Moss told us "we must get over financial hurdles" before development of consumer projector can be resumed.

Video game producer Fascination Ltd., Elk Grove Village, Ill., says it's negotiating with 4 or 5 companies (including Tandem Enterprises, Waukesha, Wis.) on combination projection TV-game packages for bars & restaurants. Game would be made by Fascination (formerly National Computer Systems), employing works-in-drawer concept of removable game boards, would add \$300 to price of set.

Note: Last week we quoted incorrect list price for Sony projection TV. It's \$2,500. We regret the error.

India Trade Fair in N.Y. last week indicated country's developing electronics industry poses no threat to U.S. market position of current foreign & domestic suppliers. Half-dozen electronics firms were showing discrete semiconductors & tubes, plus hardware & accessory items. Product displays were limited to calculators and home & auto radios, generally of European design. Exhibit brochure stressed Indian products are eligible for duty-free import treatment under preference system announced by President last fall (Vol. 15:48 p9). Exhibit opens in Dallas Feb. 8.

Matsushita gave \$1 million to MIT to establish Matsushita Professorship of Electrical Engineering in Medicine.

ADMIRAL'S TAIWAN COLOR: Admiral will resume large-scale production of color TV in Taiwan beginning in April, making 13", 17" & 19" sets, in effect leaving only 25" color output in U.S., Rockwell Consumer Electronics Pres. Charles Urban indicated to N.Y. security analysts last week. Taipei operation, he said, "is now completely staffed by Rockwell people" and could eventually add circuit-board & sub-assembly production for U.S.-made sets, replacing Juarez, Mex. facility, which now is being reassessed in view of rising costs & increasing red tape.

Rockwell Pres. Robert Anderson said company's Consumer Operations (Admiral & power tools) increased sales in fiscal quarter ended Dec. 31 by 4.1% to \$154 million, while loss declined 41.5% to \$3.1 million. Urban declined to forecast when Admiral would be in black, but said break-even goal is fiscal year ending Sept. 30, 1977.

Other comments by Urban, in answer to questions: (1) "As a viable company, about 40% of our total [TV-appliance] sales ought to be in private label. It exceeds that now, but not by much." (2) Admiral's place in audio business is currently being re-examined. (3) Completely new color line—"equal in quality to RCA & Zenith, but priced lower"—will be introduced in May. (4) Admiral's inventories are at "bare-bones level—4-5 weeks all the way from parts to finished goods." (5) In long term, all major TV & appliance manufacturers must re-assess marketing costs to determine whether distributors have place in structure. (6) "Major" Admiral project is replacement of all mechanical tuners with electronic systems in color & monochrome TV. (7) "Interface Mark IV" interactive TV device, to be demonstrated soon (Vol. 16:4 p11), will sell for \$700-\$800, be programmed from standard audio cassette.

Admiral's color TV market share? "We're doing substantially more than most people think."

Formal Japanese govt. restrictions on TV, radio & recorder exports to Belgium, Netherlands & Luxembourg halted at yearend when voluntary quota program expired. Change is result of negotiated agreement calling for Japan to monitor exports to Benelux countries, take restrictive action if shipments show signs of increasing too rapidly. Similar orderly marketing agreement reached earlier frees Japan from imposing quotas on TV exports to U.K.

CB'ers of America (UCBA) & George Bennett were turned down in appeal to 6th Circuit U.S. Court of Appeals on 11-count 1973 conviction involving CB fraud. Bennett & UCBA were convicted by Mich. District Court of counterfeiting & distributing false FCC CB licenses. Bennett received 18-month prison sentence, while UCBA was fined \$5,000.

Year started well in EIA color TV sales-to-dealer figures. Sales for first 2 weeks of Jan. were up 17.1% (see State of the Industry), and EIA is expected to report 3rd-week sales of 130,500, up 26.8% of same 1975 week. For year's first 3 weeks, sales totaled about 342,700, increase of 20.6% from 1975 period.

Trade Personals

Gene Gold resigns as JVC America mktg. vp, post he held just 3 weeks, to become exec. vp-sales & mktg., Channel Master Consumer Products Div... **Jim Maynard** joins Nikko Electric as national sales mgr., succeeding **Allen Novic**, now TEAC sales dir... **Wesley Ramsdale**, ex-ICI United, appointed Quasar traffic dir... **Dale Hoppe** named Sylvania Distribution Services Div. industrial relations mgr., succeeding **Edward Howe**, retired.

Sheldon Ritter, ex-National Semiconductor, appointed gen. mgr., Atari Consumer Div. (TV games)... **John Mains**, ex-National Semiconductor Novus Div., appointed Omron Calculator Div. national sales mgr... **Jerry Crowley**, one-time Signetics sales vp, named to head National Semiconductor's new automotive product operation.

Pierre Lesieur advanced at Motorola Semiconductor to business planning mgr., succeeding **James George**, now responsible for C/MOS operations at Solid State Scientific... **Andrew Allison**, ex-Fairchild, joins Advanced Micro Devices as microprocessor mktg. mgr... **Ian McCrae** appointed calculator display operations mgr. in realignment of Texas Instruments' Optoelectronic Dept.; **Gene Ricci** named for watch/large clock displays; **Lin Wetterau** now responsible for sensors & emitters.

Bud Frye, gen. mgr., Fairchild Semiconductor Optoelectronics Div., named vp; **Charles McDonald**, Consumer Products Div. vp-mktg. dir., adds responsibility for watch modules... **Peter Johnson**, Litronix optoelectronic device products worldwide sales mgr., promoted to vp-components products, assuming mktg. responsibilities formerly handled by Pres. **Bruce Blakkan**... **Ardith Rivel** resigns as Benrus vp-solid-state timepieces, duties assumed by **Elliot Morrison**, also in charge of analog watch business... **Gerald Beckmann** shifts from RCA Labs to Solid State Div. C/MOS IC product operations dir., succeeding **Norman Turner**, reassigned to mfg. post.

Robert Katz, ex-Tri-Tronix & Bowmar, joins Sharp Consumer Calculator Dept. as eastern sales mgr... **Harry Mirick**, Time Computer operations dir., named operations vp; **Arthur O'Connor** advanced from technical operations dir. to vp-technology; **James Sharlet**, ex-controller, now vp-finance... **Robert Anslow**, Rockwell Microelectronic Device Div. business development dir., adds responsibility for watch module operations, replacing **Gunther Diersbock**, resigning as timepiece programs dir. to form module consulting firm with Rockwell as client.

Gordon Brantley advanced at GE from N. C. zone TV-appliance mdsg. & sales planning mgr. to ad & sales promotion mgr., succeeding **R. Oliver Crawley**, retired... **Harry Proudman**, one-time Sony Video Products, appointed national account mgr.-video products, Cramer Electronics... **Milton Dixon** shifts at Beckman from Helipot Div. reliability mgr. to operations mgr. of Puerto Rico plant, succeeding **Charles Florance**, who takes mfg. staff post at Helipot.

Financial Reports of TV-Electronics Companies

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

| Company & Period | Revenues | Net Earnings | Per Share |
|--|---------------|-------------------------|-------------------|
| Avnet | | | |
| 1976-6 mo. to Jan. 2 | 292,934,000 | 15,958,000 | 1.16 |
| 1974-6 mo. to Dec. 27 | 284,832,000 | 12,730,000 | .92 |
| 1976-qtr. to Jan. 2 | 150,066,000 | 8,093,000 | .59 |
| 1974-qtr. to Dec. 27 | 139,800,000 | 5,794,000 | .42 |
| Cox Bcstg. | | | |
| 1975-year to Dec. 31 ^a | 110,246,000 | 14,304,000 | 2.45 |
| 1974-year to Dec. 31 | 100,407,000 | 12,736,000 | 2.18 |
| 1975-qtr. to Dec. 31 | 30,459,000 | 4,395,000 | .75 |
| 1974-qtr. to Dec. 31 | 26,315,000 | 3,556,000 | .61 |
| Cox Cable Communications | | | |
| 1975-year to Dec. 31 ^a | 29,307,442 | 2,849,801 | .80 |
| 1974-year to Dec. 31 | 23,233,468 | 2,121,324 | .60 |
| Fairchild Camera & Instrument | | | |
| 1975-year to Dec. 28 | 291,542,000 | 13,073,000 ^b | 2.45 |
| 1974-year to Dec. 29 | 384,933,000 | 27,032,000 | 5.17 |
| 1975-qtr. to Dec. 28 | 81,368,000 | 1,165,000 | .21 |
| 1974-qtr. to Dec. 29 | 78,891,000 | 4,129,000 | .80 |
| International Rectifier | | | |
| 1975-26 wk. to Dec. 28 | 28,313,000 | 12,918,000 ^b | 4.65 |
| 1974-26 wk. to Dec. 29 ^c | 35,513,000 | 1,076,000 | .39 |
| 1975-13 wk. to Dec. 28 | 15,609,000 | (496,000) | -- |
| 1974-13 wk. to Dec. 29 | 18,895,435 | 578,000 | .21 |
| E.F. Johnson | | | |
| 1975-year to Dec. 31 | 72,110,000 | 5,247,000 | 2.45 ^d |
| 1974-year to Dec. 31 | 45,511,000 | 2,592,000 | 1.57 ^d |
| 1975-qtr. to Dec. 31 | 22,942,000 | 1,861,000 | .73 ^d |
| 1974-qtr. to Dec. 31 | 12,836,000 | 735,000 | .45 ^d |
| 3M | | | |
| 1975-year to Dec. 31 | 3,127,000,000 | 261,600,000 | 2.29 |
| 1974-year to Dec. 31 | 2,936,000,000 | 301,700,000 | 2.66 |
| 1975-qtr. to Dec. 31 | 780,800,000 | 76,800,000 | .67 |
| 1974-qtr. to Dec. 31 | 728,300,000 | 63,900,000 | .56 |
| Raytheon | | | |
| 1975-year to Dec. 31 ^a | 2,245,445,000 | 70,973,000 | 4.69 |
| 1974-year to Dec. 31 | 1,928,855,000 | 57,751,000 | 3.85 |
| 1975-qtr. to Dec. 31 | 595,196,000 | 16,809,000 | 1.11 |
| 1974-qtr. to Dec. 31 | 531,999,000 | 14,453,000 | .96 |
| Technical Operations | | | |
| 1975-qtr. to Dec. 27 | 22,795,000 | 46,000 | .03 |
| 1974-qtr. to Dec. 28 | 29,215,000 | 320,000 | .24 |
| 20th Century-Fox | | | |
| 1975-year to Dec. 27 | 342,730,000 | 22,680,000 ^b | 3.00 |
| 1974-year to Dec. 28 | 280,136,000 | 10,952,000 ^b | 1.39 |
| 1975-qtr. to Dec. 27 | 83,580,000 | 3,763,000 ^b | .50 |
| 1974-qtr. to Dec. 28 | 76,060,000 | 6,110,000 ^b | .79 |
| UA-Columbia Cablevision | | | |
| 1975-qtr. to Dec. 31 | 4,679,000 | 458,000 | .27 |
| 1974-qtr. to Dec. 31 ^c | 3,798,000 | 310,000 | .18 |
| Wells, Rich, Greene | | | |
| 1975-year to Oct. 31 | 28,200,559 | 1,007,728 | 2.17 |
| 1974-year to Oct. 31 | 29,129,351 | 3,211,145 | 1.97 |

Notes: ^aRecord. ^bIncludes special credit. ^cRestated. ^dAdjusted.

Glen Ronk, pres. of Sola Basic's Sola Electric Div., adds post as head of new Electronics & Communications Group, consisting of SED, Dielectric Communications & Warren G-V Communications Divs... **J. Robert Roe** named Litton corporate communications vp.

Import adjustment assistance eligibility investigations have been launched by Labor Dept. for semiconductor workers at plants of RCA, Mountaintop, Pa., and Motorola, Phoenix & Mesa, Ariz.

WEEKLY

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FEBRUARY 9, 1976

VOL. 16, NO. 6

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

EGER-DOMESTIC & FOREIGN POLICY: Likes 5-year renewals, less FCC involvement in programming, more station-cable cross-ownership. Presses for govt.-industry cooperation in dealing with foreign countries. (P. 1)

UNLEASH PAY CABLE, JD tells court. Says FCC restrictions unsupported by evidence. Broadcasters oppose on several fronts. NCTA elects unopposed slate. Kinley favors House staff report except in federal/state area, also pushes rate inquiry. (P. 2)

TV OF HOUSE PROCEEDINGS clears Rules Subcommittee. Albert threatens to block any legislation which doesn't give Speaker control. (P. 4)

MORE HILL QUESTIONS FOR FCC: Senate Commerce Committee wants 5-year record of all travel, cost, days out of Washington, 'transportation services or other items of value' not paid by govt. (P. 5)

TV & CHILDREN DEBATE switches to Utah as Sen. Moss plans hearing in home state. Panel of religious leaders to testify. (P. 5)

Consumer Electronics

JAN. COLOR SALES to dealers up 24% from 1975, with final week showing 31.3% gain. Monochrome

EGER'S POLICIES-DOMESTIC & INTERNATIONAL: Red tape and over-regulation remain major bugaboos to John Eger, OTP acting dir. Just back from South American trip, he covered number of issues in interview last week. Among his positions:

(1) "There's no magic in 3-year renewals. It's a burden on many stations and should be shifted to 5 years."

(2) "Networks want a certain insulation from the regulatory process, and I have to agree with that. FCC is too much involved with networks and the larger stations. It's making judgments about programs. As we come into an 'abundance economy,' FCC should get out of program percentages... Family viewing is a noble but misdirected endeavor."

(3) "Cable cross-ownership ought to go to Congress for debate. There should be more cross-ownership with stations. I can't see a broadcaster trying to thwart cable in his town if he has ownership. I reject out of hand the argument that he would kill cable if he owned it. Broadcasters come to me and say they're not against cable—but ask why they must be excluded, why can they own cable only in other cities. Maybe they should be quasi-common-carriers. I think networks should own cable—but only as common carriers, and not in their o-&o markets."

"I know that makes the Justice Dept. antitrust people unhappy—but I want Congress to get a

figures reflect 21% increase over Jan. 1975. (P. 7)

EXPANSION OF CB to 50 channels won't sail through FCC unchallenged. Opposition at Commission staff level will push for more study and creation of new service to replace Class D. (P. 7)

COLOR IMPORTS UP 56% in 4th quarter, as Dec. shipments rose 43% to 105,000, although full-year imports slipped to 5-year low of 1.21 million. Japan's Dec. color exports to U.S. tripled, putting 1975 total at 1.22 million, up 21%. (P. 8)

PUERTO RICO, MEXICO preparing drives to attract more U.S. industry. PR study urges more tax breaks, controls on wages & fringes. Mexico cuts red tape, plans investment seminars in several U.S. cities. (P. 9)

COMMERCE DEPT. FORECASTS 1976 consumer electronics sales rising 12% to \$4.35 billion, growth to \$8.7 billion in 1985. Electronics industry 1976 sales seen at \$28.3 billion. (P. 9)

NEW GAME CHIP will be offered in volume next Aug. by National Semiconductor, with major TV maker as possible customer. (P. 9)

ZENTH'S NEW COLOR TUBE, as gleaned from patents, features more economical shadow mask, faceplate alignment technique, phosphor coating procedure and aluminizing process. (P. 10)

crack at the issue. FCC is not malicious about cable, but it has no direction from Congress. I don't want to see a single station go dark, and I wouldn't want to divest FCC of power so that it can't take action in an emergency."

(4) House staff cable report (Vol. 16:5 p2) "contains, in substantial part, some aspects of OTP legislation. Chief Counsel Shooshan coordinated with us; we laid open our files to them." Subcommittee staff is wrong in stating the industry consensus was illegal. "It was not a legal-binding document. It was good political sense."

* * * *

Another major Eger arena is international front, a subject which has taken 25% of his time for last 6 months. Concerned about our lessening leadership overseas, he recently sparked start of Pacific Telecommunications Conference, seeks similar results in South America, elsewhere later. Here's how he puts it:

"The U.S. has a continuing disadvantage internationally, because most communications activities in other countries are controlled by govt., and each can speak with one voice. In the Atlantic basin, they're whipsawing us with standards. In the Pacific basin, we need to get Japan to compete on a little fairer basis.

"We need to strengthen the ITU, but we also need to deal with countries on an individual basis. They want to be treated as equals, but they also want our technology—in domestic satellites, mobile communications, etc. We hope to get some of their business.

"I've talked to all the major companies. They all say we should reduce govt. red tape, but they need govt. help on the international front. OTP is suggesting that govt. & industry lay out 5-10-year programs, set specific goals. We've been talking about tax incentives, reduced tariff barriers, waiving antitrust restrictions to permit more joint ventures, assistance with banking, clearing the way with embassies, and so forth."

Eger summarized situation, speaking to EIA board recently: "The major telecommunications industries abroad...are almost all of them nationalized. This means foreign govt. procurement, with its inevitable bias against an international free market system, and it means that international facility planning for the U.S. is rendered particularly difficult since, on our side there is a need for the private sector and the U.S. govt., with their sometimes different perspectives and goals, to deal with the unified, national administrations on the other side."

Eger reports encouraging response from industry and govt. House Communications Subcommittee Chmn. Macdonald (D-Mass.) commented: "I certainly would welcome such a dialog... Telecommunications technology is fast outpacing the planning and decision-making apparatus needed to ensure that proper steps are taken toward effectively integrating telecommunications into our economic and social institutions." Sen. Pastore (D-R.I.), chmn. of Senate Communications Subcommittee: "I think the concept of a Pacific telecommunications forum is excellent..."

Treasury Secy. William Simon: "Identical conferences could be initiated for the African and South American regions. The task of developing 3 conferences simultaneously would appear to be out of the question, but if the Pacific Conference achieves success, it may be useful and in the best interests of the U.S. to pursue similar goals in other areas of the world."

Frederick Dent, President Ford's special representative for trade negotiations: "I fully agree that the holding of such a conference is a timely and substantive method of approaching the complex technical, economic and political problems... International telecommunications is very big business and an area in which U.S. manufacturers have some technological superiority and should have export advantages. This technologically based trade advantage is lessened, however, to the extent foreign govts. use tariff and non-tariff barriers to restrict our exports, subsidize their domestic telecommunications industries, and/or require U.S. companies to make investment offsets in these countries in order to sell equipment."

UNLEASH PAY CABLE, JD TELLS COURT: Although not unexpected, Justice Dept.'s (JD) attack last week on FCC pay-cable rules—in brief before U.S. Appeals Court—dismayed toll-TV

opponents, heartened cablemen and program producers. Move could have substantial impact. It recalls another major issue in which FCC & JD parted company in court—when Commission approved ABC-ITT merger but JD blocked it in courts until deal fell through. JD brief stated:

"We urge this Court to vacate the Commission's rules not because the Commission rejected our competitive policy suggestions, but because the Commission failed adequately to consider the role of competition under the Communications Act and reached a decision as to the public interest which is arbitrary, unsupported by evidence, and based on legal error."

JD called for elimination of all pay-cable restrictions, said FCC has no evidence that public would be hurt. It said public can benefit by getting movies without commercials and getting them earlier than on stations, more sports, more minority-taste programs. JD said that FCC never specified evidence of public dangers on which it based restrictions; that rules have "significant anticompetitive effect on program suppliers"; that "the Commission's attempt to find a middle ground between the conflicting claim of broadcasters and pay-cable entrepreneurs has caused it to lose sight of the public interest."

Meanwhile, in speech to Va. Assn. of Bcstrs. (see p. 5), NAB Pres. Wasilewski made pitch for radio to "involve itself to the hilt" in fight against relaxation of cable rules. Calling House Communications Subcommittee staff report (Vol. 16:5 p2) "a reckless congressional document," he said TV-radio must "stand shoulder to shoulder and repel those who would destroy us," adding: "Can a huge chunk of broadcasting's body [TV] be ripped & torn asunder... without having a serious & malignant effect upon the other part of the body—the 7,000 radio stations..?"

On Capitol Hill, broadcasters told Senate Antitrust Subcommittee that FCC cable regulation isn't question of hobbling competition, but of best serving public. Panel of John Schneider (CBS), Leo Beranek (WCVB-TV Boston), Samuel Carey (WBOC-TV Salisbury, Md.) & Willard Schroeder (WOTV Grand Rapids) testified on bill to require govt. agencies to consider anticompetitive impact of their rulemakings & legislative proposals; cable panel testified in favor of bill in Dec. (Vol. 15:50 p3).

Schneider argued that removing "what few [FCC] protections are left would serve to penalize those who have come to rely on a free broadcast service," criticized producer-actor Warren Beatty's contention—in Dec. hearing—that FCC rules hurt film industry by depriving producers & actors of choice of selling movies to pay TV to avoid commercial interruptions. "Mr. Beatty's considerable talent is his to market as he sees fit," Schneider said. "But that's not true," replied Chmn. Kennedy (D-Mass.). Schneider added: "He can choose not to sell to free TV [or] he'll have to accept the insertion of commercials."

"We don't need to run the experiment of adding new unregulated video channels to the TV market to see what will happen," Beranek argued. "We already have before us the failure of the addition of the UHF TV channels to improve our viewing fare." Kennedy suggested cable could help UHF by improving signal quality, noted that bill doesn't try to expand pay cable or deregulate it. "It just attempts to promote competition," he said. Carey told Kennedy his station is first in nation to show damage from cable, concluded: "Small market stations which serve rural America will be first to feel the bite, and eventually will be forced to close because they will not be able to pay their way."

NCTA board meeting in L.A. hailed House staff report, issued resolution: "We are pleased to see that the basic premise... is that cable TV should be treated as an independent communications medium of its own right..." It heard Harry (Chip) Shooshan, chief counsel of House Communications Subcommittee, assert that report's purpose is to "raise issues, not to promote cable... Copyright legislation is the sine qua non." He said hearings will run at least 2 weeks.

Board also heard FCC Cable Bureau Chief David Kinley explain Commission's proposed legislation on forfeitures. Kinley said reception was "cool... They're afraid broadcasters will use it to harass them." NCTA board also:

(1) Elected unopposed slate, as expected—chmn., Burt Harris; vice chmn., Daniel Aaron; treas., Ralph Baruch; secy., Henry Harris. (2) Recommended \$1.2 million budget, subject

to membership approval at convention. (3) Established committees on Rural Cable and Cable Legislation, members not yet appointed. (4) Rejected by-law amendment which would have allowed election of chmn. for 2nd year by 3/4 of board.

Speaking at "Tsai Forum" in N.Y. last week, Kinley said House staff report "is a solid, worthwhile document...extensive research...thought-provoking analysis." However, report was "major disappointment" regarding federal-state relations, he said: "The report ignores the mounting evidence of arbitrary delay, overlap and duplication at the state and local levels... It finds 'no basis for the enactment of legislation proscribing 3-tier regulation'... Yet there is little evidence, if any, that state and local entities are motivated by the desire to foster a nationwide broadband communications system." He cited "numerous examples of revenue-hungry franchising authorities and state commissions setting up elaborate duplicative review procedures..."

Kinley also pressed for FCC inquiry into cable rate-making. "The Commission cannot simply back away from the matter, as it could have in 1972. Rather, the Commission must accept a major responsibility for present methods of subscriber rate regulation. As a result, it should begin to undertake some kind of systematic examination of this area." FCC rate study is particularly needed in leased-channel area, he said, because states are beginning "subtle" efforts to avoid FCC pre-emption.

Broadcasting of House proceedings took big step forward last week, gaining approval of House Rules Bestg. Subcommittee, but it has run into opposition from House Speaker Albert (D-Okla.). He told Bestg. Subcommittee Chmn. Sisk (D-Cal.) he'll block any resolution which doesn't make clear Speaker maintains final control over House chamber and most technical aspects of system. One House proponent said Speaker's suggestions amounted to "gutting" Bestg. Subcommittee resolution. Commented Albert spokesman: "I think it will be worked out. The Speaker wants this resolution passed very badly." If & when Albert & Sisk reach accord, resolution next must pass full Rules Committee; one count puts vote at 8-6, 3 undecided.

Largest contribution of both NAB PAC & NCTPAC during latest Federal Election Commission filing period was to Sen. Kennedy (D-Mass.)—NAB giving \$500, NCTA \$250. NAB also reported that William Putnam, WWLP Springfield, Mass., was largest donor for period, giving \$500 in 1975. For mid-Sept.-Jan., NAB handed out \$2,575—\$1,975 to Democrats, \$600 to Republicans, while NCTA gave \$1,845—\$1,425 to Democrats, \$420 to Republicans.

As part of short radio renewal form—due for FCC consideration soon—FCC's Best. Bureau will present plan to divorce technical problems from renewal process as long as standards are being met. Spokesman said about 1/3 of renewal deferrals are for engineering reasons.

Request for contributions to All-Industry Radio License Committee—first since 1971-72—has been sent stations, along with 4-page questionnaire on relations with ASCAP, BMI & SESAC. Committee is preparing to start negotiations with ASCAP; current contract expires Feb. 1977.

KROC-TV Rochester, Minn. has been sold for \$4.25 million to Quincy Newspapers. Seller Southern Minn. Bestg. retains KROC-AM-FM. Buyer owns WGEM-TV-AM-FM Quincy, Ill. and WSJV Elkhart-South Bend. Broker: Blackburn & Co.

"Family viewing" (FV) got endorsement from Sens. Scott (R-Pa.) & Hatfield (R-Ore.), criticism from Sen. Allen (D-Ala.), in recent statements on Senate floor. Scott lauded FCC Chmn. Wiley, Sen. Pastore (D-R. I.) & broadcasters for initiating FV, said policy "will provide both peace of mind & a valuable aid to parents." Hatfield called concept "no final answer, but...at least a manifestation of good intent, and I am glad of it." Allen criticized FCC as "unwilling to recognize the dimensions & impact of TV violence [and] unlikely to institute reasonable guidelines or controls." He called FV concept "slick promotional gimmick," warned: "Unless there is positive movement within the very near future to reduce the senseless & endless TV violence, it is my considered opinion that Congress will be forced to take action to deal with the problem."

TV captioning for deaf has been proposed by FCC, in response to PBS petition (Vol. 16:1 p3). "We believe the public interest requires that we promptly consider the adoption" of closed caption system, FCC said in unanimous decision, unless "compelling arguments" are offered for using other system. Comments are due March 10, replies March 24. Rep. Frey (R-Fla.) called FCC proposal "a victory for the 13.4 million Americans who have hearing impairment," said he hoped commercial networks would follow PBS lead.

Deadline is March 19 for TV-radio stations to file with House Radio-TV Gallery (U.S. Capitol, Washington 20515) for credentials to cover Democratic & Republican conventions this summer. Committee warned that there's "very limited work space available," asked all organizations to list number of people & TV crews to be accredited. Requests for housing should go direct to Republican & Democratic National Committees.

Latest satellite cable starts: Galveston was due Feb. 6, Des Moines Feb. 19. Since Jan. 1, dishes have been activated in Gadsden, Ala.; Bryan, Tex.; W. Palm Beach, Fla.; Rock Island, Ill.; Great Falls, Mont.; Rochester, Minn.

MORE HILL QUESTIONS OF FCC: At instigation of Sens. Weicker (R-Conn.) & Beall (R-Md.), Senate Commerce Committee has become interested in travel (over last 5 years) of members of FCC, FTC and 6 other agencies under its jurisdiction. Committee authorized inquiry Nov. 13; questionnaire went to commissioners Jan. 16 with unsigned covering letter from Commerce Chmn. Magnuson (D-Wash.). Responses are due Feb. 15.

FCC members plan meeting this week—although Comr. Quello already has responded—to coordinate answers to question asking: "Have you accepted any transportation, services or other items of value from representatives of any company or organization subject to your agency's jurisdiction?" Commissioners assume this includes transportation to & from airport and free meals, have kept no records. Among other questions:

(1) Identify each trip, date, purpose, sponsoring group, points of travel, cost, "honorarium or other emoluments." (2) Total travel expenses for each year between 1971-75. (3) Total days out of town for same years. (4) Number of regular & special FCC meetings for each year. "At how many such meetings were you physically present?" Participate by proxy?

Separate letter to each chairman (also unsigned) asks for agency's regulations on travel, conflicts of interest, stock ownership, outside income and acceptance of favors, procedures for authorizing travel by commissioners, requirements for personal financial disclosure statements.

Gov. Brendan Byrne (D-N.J.) has recommended cutting back state funding of public broadcasting from current \$3.7 million to only \$1 million for fiscal 1977. As reason, he cited general shortage of state funds. N.J. Public Bcstg. Authority spokesman said cutbacks "would virtually eliminate the kinds of things we're all about," including state news (N.J. PTV features sole N.J.-only news show in state), public affairs & local sports. Authority also is considering shutting down 2 of 4 transmitters, laying off "substantial number" of employees, cutting back hours, dropping instructional programming.

Judges with "cultural aspirations" have been very responsive to arguments that new owners of radio stations shouldn't be allowed to change formats, NAB Pres. Wasilewski told Va. Assn. of Bcstrs. last week. Noting FCC has issued inquiry (Vol. 15:52 p1), he said industry must provide Commission with evidence that will convince courts that "freezing program formats is a clear violation of the First Amendment and would constitute a bureaucratic nightmare [and] may lead the broadcaster straight toward bankruptcy." Wasilewski also urged radio to support TV in fight against pay cable (see p. 3).

"Field hearing" on "impact of TV on children" will be held Feb. 13 in Salt Lake City by Senate Commerce Committee. Consumer Subcommittee Chmn. Moss (D-Utah)—who is up for re-election this year—chairs hearing. All witnesses will be from Utah, including panel of religious leaders, Salt Lake County Attorney Paul Van Dam, representatives of Utah Assn. of Bcstrs. & Utah board of education.

"What do you think about going into executive session?" Rep. Railsback (R-Ill.) whispered to Rep. Wiggins (R-Cal.) as markup of general copyright revision bill was begun by House Judiciary Subcommittee. "This bill is laden with special interests." However, Chmn. Kastenmeier (D-Wis.) noted that only other times Subcommittee had gone into closed session was when discussions concerned CIA, FBI, etc. Members decided to keep meetings open last week, though reserving option to close them later if pressure got too great. Kastenmeier noted he's "convinced that with Senate passage in the offing, that we can reach agreement this session on a decent bill." Senate has scheduled bill for action on floor Feb. 16. In re-introducing measure last week, Senate Copyright Subcommittee Chmn. McClellan (D-Ark.) said that bill doesn't determine regulatory scheme for cable—leaving this to FCC—but does impose "reasonable" copyright liability on cable. He concluded 8-page statement by repeating earlier warning to colleagues that "it is impossible to satisfy everyone," but that bill's passage would fulfill Congress' Constitutional obligation to protect copyright owners.

FTC's proposed nutritional ad rule is still alive, according to Consumer Protection Bureau Acting Dir. Joan Bernstein. She told us that hearing has been set tentatively for late April or May, dispelling rumor that proposal died with departure of Chmn. Lewis Engman. Meanwhile, Engman told House Consumer Subcommittee last week that FTC would recommend corrective advertising if "it is quite clear that there is a substantial and lingering viewpoint on the part of the public" that corresponds to false ad claim. He took ribbing from Chmn. Van Deerlin (D-Cal.) & counsel Peter Kinzler for conducting weekly meetings "entirely in secret," agreed that one remedy to public's dissatisfaction with govt. is to open up regulatory agency meetings. Van Deerlin also was critical of lack of FTC action on children's TV ad regulation. In response, Engman noted "healthy improvement" in self-regulation by NAB.

Transmittal letter accompanying House Communications Subcommittee staff cable report (Vol. 16:5 p2) "was couched in very truthful terms," Chmn. Macdonald (D-Mass.) told us. "The only cooperation I got from the FCC was when I waved a subpoena in their faces on Sec. 315 [Vol. 15:45 p4]... I'm sick of hearing that my staff is being criticized for something I told them to do. They didn't zing anybody. They wrote a truthful report." Macdonald was responding to criticism by FCC Chmn. Wiley.

FULL TEXT OF CABLE STUDY

We have reprinted full text of study by staff of House Communications Subcommittee (Vol. 16:5 p2). Copies of 117-page document are available at \$5 for single copy, \$4.50 each for 2-10, \$4.25 for 11-24, \$4 each for 25 or more. Call 202-872-9200 or write to 1836 Jefferson Pl. NW, Washington, D.C. 20036.

Personals

Rep. **W. Henson Moore** (R-La.), newly-appointed Commerce Committee member (Vol. 16:5 p6), joins Communications & Investigations Subcommittees, succeeding Rep. **Edward Madigan** (R-Ill.), who joins Health & Transportation Subcommittees... Gov. **Philip Noel** (D-R. I.) will run for seat to be vacated by Communications Subcommittee Chmn. **John Pastore** (D-R. I.).

John Klermaier promoted to CBS vp-corp. responsibility; **John Manion** advanced to vp-development; **Gene Jankowski**, CBS-TV Stations Div. vp-finance & planning, appointed CBS vp-controller; **J. Grandel Jones** named vp-CBS-Columbia Group, with special responsibility for acquisitions; **Nathan Snyder**, ex-BanCal Tri-State Corp., succeeds Jones as vp-dept. of acquisitions.

Alan Levin promoted to sports business affairs dir., CBS-TV; **George Sproul**, ex-KNXT L.A., appointed mktg. & development dir., CBS-TV Stations Div. retail sales staff... **Eileen Furey** promoted to NBC-TV daytime casting mgr.

Elizabeth Stiliz promoted to WLWT Cincinnati communications dir., succeeding **Steven Fisher**, now WJRT-TV Flint program mgr... **Sallie Forman** advanced to administrator, govt. relations, NBC Washington... **Ron Tindiglia**, ex-WPVI-TV Philadelphia, named news & public affairs dir., WABC-TV N. Y.

Joseph Russin, ex-KQED San Francisco, named news dir., KPIX San Francisco... **Larry Pickard** promoted to vp-public affairs, WCVB-TV Boston... **Roger Field** promoted to NAB Code Authority Hollywood office mgr., succeeding late **Frank Morris**; **Virginia (Ginger) Carnahan** joins NAB Radio Information Office as writer, new post... ABC sports commentator **Howard Cosell** speaks to Hollywood RTS luncheon Feb. 10, Beverly Wilshire Hotel.

Arthur Bernstone, chief of FCC Rules & Standards Div., retires March 1; **Laura Bazell**, Detroit attorney, named advisor to FCC judges, new post... **Aaron I. Fleischman**, ex-Warner Cable vp-gen. counsel, and **Charles F. Walsh**, ex-NCTA gen. counsel, establish Washington law firm **Fleischman & Walsh**, address not yet selected.

Jon Baumgarten, ex-Linden & Deutsch, N. Y. law firm, named U.S. Copyright Office gen. counsel, succeeding **Dorothy Schrader**, resigned to pursue singing career... **Richard Kleindienst**, attorney gen. under ex-President Nixon, joins Welch, Morgan & Kleindienst, Washington law firm... **Paul Kretschmann** joins Viacom International as attorney.

F. Lynn May, White House Domestic Council assoc. dir.-telecommunications policy, adds duties of assoc. dir.-housing & community development, remains member of cable task force... **Sandra Landau** advanced to Viacom International assoc. gen. counsel... **Wallace (Dee) Miller**, ex-Teleprompter, appointed gen. mgr., Theta Cable, L.A.

Burt Rosenburgh, ex-Gold Key Entertainment, appointed CATV programming dir., Telemation Program Services; **B. Michael Klein**, ex-Ralmar Pro-

ductions, joins Telemation Program Services as national sales dir.

Joseph Friedman, ex-American Film Theatre, appointed vp-advertising & PR, ITC Motion Picture Div... **Lee Polk**, ex-ABC-TV, joins King Features Syndicate as film & TV dir... **Philip Semisch**, ex-GE TV Operations & Audio Electronics Divs., named Jerrold Electronics vp-mfg. operations... **Ronald Wilkes** named Data Communications systems & programming mgr.

Thomas Strauss, joins Me. Public Bcstg. Network as gen. mgr... **William Hennessey** promoted to vp-development, Conn. PTV... **Robert Miss** appointed network dir., N.C. ETV Network, Chapel Hill... **James Ritter**, ex-WCBS-TV N.Y., named senior news analyst, TelCom Assoc.

Joseph Assenheim advanced to AP broadcast exec. for western states; **John Bennitt** promoted to broadcast special projects dir.

Converter to permit per-program payments at home TV set reportedly is under joint development by Pioneer Communications of America (subsidiary of Pioneer Electronics, Tokyo) and Warner Communications. Box is expected to be ready next year, sell for about \$60. Pioneer of America Pres. **Robert Beachler** refused to confirm or deny report. "What I'm doing and what I'm involved in is under wraps," he told us. "We can discuss nothing at this time until released to do so by our parent corporation... in Tokyo." Warner officials had no comment.

Quantity is goal of NAB for Feb. 17 en banc meeting with FCC to protest relaxation of CATV rules. Over 100 broadcasters will be in audience. Spokesmen will be NAB Chmn. **Wilson Wearn**; **Wrede Petersmeyer**, **Corinthian**; **Lawrence Rogers**, **Taft**; **Donald Curran**, **Kaiser**; **Samuel Carey**, **WBOC-TV Salisbury, Md.**; **Robert Rice**, **WRAU-TV Peoria**; **William Bengtson**, **KOAM-TV Pittsburg, Kan.** NAB will have hour, followed by MPAA Pres. **Jack Valenti** and National Black Media Coalition Chmn. **Pluria Marshall**, each 30 min.

"Dial your own discount" commercial for Washington clothing chain has been ruled lottery by FCC, which as result fined 7 area radio stations—all of which are expected to appeal. Commission said lottery was present because promotion permitted purchaser of slacks to dial "roulette-type wheel" to determine discount. Fined \$3,000 each were **WEEL(AM)**, **WHFS(FM)**, **WMAL(FM)**, **WASH(FM)**; \$2,000 was assessed against **WEAM(AM)** & **WPGC(AM-FM)**.

FCC has asked D. C. Appeals Court to order Albany, Ga. Dist. Court not to prosecute civil suit against commissioners brought by **Gray Communications** because of FCC divestiture order (Vol. 15:42 p4). Gray owns **WALB-TV** & **Albany Herald**, was ordered by FCC to sell one. Gray also has sought review by D. C. Appeals Court—where Commission maintains case belongs. However, Ga. judge denied govt. motion to dismiss suit in his court, but stayed trial until Appeals Court rules on jurisdiction.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Jan. 23 (3rd week of 1976):

| | Jan. 17-23 | 1975 week | % change | Jan. 3-16 (2 weeks) | 1976 to date | 1975 to date | % change |
|----------------------------|---------------|--------------|-------------|------------------------|-----------------|-----------------|-------------|
| Total TV. | 214,263 | 188,242 | +13.8 | 355,976 | 570,239 | 472,281 | +20.7 |
| color | 130,532 | 102,871 | +26.9 | 212,182 | 342,714 | 284,045 | +20.7 |
| monochrome | 83,731 | 85,371 | -1.9 | 143,794 | 227,525 | 188,236 | +20.9 |
| Total radio | 733,191 | 378,946 | +93.5 | 872,346 | 1,605,537 | 1,068,486 | +50.3 |
| home, portable | 480,661 | 234,085 | +105.3 | 430,143 | 910,804 | 634,382 | +43.6 |
| AM-only | 121,252 | 72,034 | +68.3 | 67,616 | 188,868 | 216,862 | -12.9 |
| FM & FM-AM | 359,409 | 162,051 | +121.8 | 362,527 | 721,936 | 417,520 | +72.9 |
| auto | 252,530 | 144,861 | +74.3 | 442,203 | 694,733 | 434,104 | +60.0 |
| Port.-comp. phono. | 49,023 | 34,535 | +42.0 | 87,942 | 136,965 | 87,820 | +56.0 |

Color TV 5-week moving average: 1975-76—119,518; 1974-75—94,510 (up 26.5%).

JAN. COLOR SALES UP 24% FROM 1975: Jan. sales showed solid advances over depressed first month of 1975, color gaining momentum weekly in sales-to-dealers—up 17% first 2 weeks, 26.9% third week (see State of the Industry), ending with healthy 31.3% rise for final week in figures to be released by EIA—for full-month increase of almost 24%.

Jan. color TV sales to dealers totaled about 496,300, up from 401,000 in same 1975 month, but still well below 550,300 registered in 1974. Final week saw dealers buying healthy 153,600 color sets vs. 117,000 in same 1975 week. Monochrome also had upbeat month, with sales of 344,500 up nearly 21% from 1975, final week's sales of 117,000 also up 21%. Increases apparently represent dealer reordering to fill holes in stocks depleted by Christmas selling. How well consumer buying held up in Jan. should be delineated in our next Early Warning Report, to be mailed to EWR subscribers in about a week.

CB EXPANSION—TROUBLE AHEAD? Expansion of Class D CB service to 50-channel range isn't foregone conclusion industry generally believes it is. Influential FCC official told us several staffers will urge commissioners to veto expansion, move on creation of entirely new CB service.

"This is only a Band-Aid," he said of proposal to expand Class D 27 MHz service from current 23 channels. "If the Commission goes ahead with it, the problem will only get worse and delay action on a new CB service even further. The main goal should be a completely new allocation."

FCC doesn't have resources at present to deal with inevitable increase in license applications and interference problems expansion to 50 channels will bring, he said. "With twice as many channels everything will be twice as bad. The Commission has to look at the long-range implications of this and realize that immediate expansion is not the answer."

What are chances of halting expansion once Safety & Special Bureau Chief Charles Higginbotham lays final proposal before FCC? "Charley's the guy the Commission has chosen to manage CB. He's the guy who has to answer the telephone and make the speeches, and if he wants expansion, he's in a pretty good position to get it. But it's not going to be the clear sailing everyone thinks it is."

FCC has moved on another aspect of CB. Staff was given go-ahead last week to implement

temporary-permit procedure in conjunction with installation of high-speed license application system, expected to take at least 6 months. Permit may be tear-off card attached to license application, authorizing owner to operate CB for specific period—possibly up to 60 days (Vol. 16:5 p10). Commission also approved series of studies by Office of Plans & Policy on long-term needs of public for radio communications.

COLOR IMPORTS SET 4TH QUARTER RECORD: Color TV importers closed out 1975 on strong upbeat, registering 5th consecutive monthly increase, hitting new 4th-quarter high, although full-year total was off from 1974, Commerce Dept. figures show.

Dec. saw import of 374,200 TVs, down 14.2% from same 1974 month, as 25.8% decline in b&w to 268,900 offset impact of color's solid 42.9% jump to 105,300. Closing-quarter surge accounted for 448,700 color sets, up 56% from preceding year, eclipsing old record of 422,000 set in 1971.

Full 1975 totals show TV imports off 29.5% to just under 4.19 million, a 6-year low, color at 5-year low of 1.21 million (off 5.3%), b&w down 36.1% to 2.97 million, lowest since 1968. Value of 12-month TV imports was at 5-year low of \$401.5 million, down 22.8%. Value of color imports, \$220.7 million, was off just 8.9%, while b&w imports were worth \$180.7 million, down 34.9%.

Japan suffered only moderately from declining U.S. demand for TV. Dec. imports were up 17.5% to 157,000, color up 41.6% to 90,500, b&w down 4.5% to 66,500, for 12-month grand total of 1.68 million, down just 6.5%, as color rose 13.9% to 1.04 million and b&w slipped 27.8% from depressed 1974 level to 638,900.

From Taiwan, Dec. total imports were off 30.9% to 189,600, as color rose 41% to 11,300, b&w sank 33.1% to 178,300. Taiwan's 1975 total of 2.24 million TVs was down 38.8%, with color off 57.2% to 143,400, b&w down 37% to 2.1 million. Imports from Korea totaled 27,100 in month, off 1.7%, bringing full year to 240,800, off 37%. Results for color: Month 3,200 (up 102.1%), year 22,000 (off 1.9%). B&w: Month 23,900 (off 8%), year 218,800 (off 45.7%). Taiwan is expected to make strong color comeback this year when Admiral resumes production there following year-long experiment with Mexican chassis plant (Vol. 16:5 p11). Recovery in b&w hinges on bounceback in U.S. market demand.

Days when TV imports made inroads in U.S. market by filling small-screen demand ignored by domestic producers are over, figures indicate. Only screen size category showing unit increase over 1974 was 19", where U.S. & foreign makes meet head to head. Imports of 19" color leaped 62.1% to 548,300, took 45% share of total color imports, up from 26% in 1974—bulk of gain represented for by increased shipments to Sears by Sanyo & Toshiba of Japan.

Results for other color sizes: Under-11", 67,600, down 52.2% for 6% share (down from 11%); 11-12", 192,700, down 9.7% for 16% share (down from 17%); 13-17", 376,400, down 29.9% for 31% share (down from 42%); 18", 29,800, down 42.9% for 2% share (down from 4%). Screen-size breakouts available only for 1975 show 13" color at 194,000 for 16% share, 14-15" at 125,100 for 10%, 16-17" at 57,300 for 5%.

B&w results: Under-11", 637,600, down 21.9% for 21% share (up from 18%); 11-12", 1,764,100, down 34.6% for 59% share (up from 58%); 13-17", 233,100, down 52.3% for 8% (down from 10%); 18", 119,300, down 34.9% for 4% (unchanged); 19", 220,600, down 53.2% for 7% share (down from 10%).

* * * *

Japan's U.S. market push continued at least through Jan. Finance ministry reported Dec. record exports of 131,400 color sets to U.S., more than triple those of same 1974 month, while b&w shipments jumped 168.3% to just under 63,000 for combined 194,400 total, up 211.8%.

Full-year TV exports to U.S. from Japan were up just 4.8% to 1.86 million, with color up 21.3% to 1.22 million, b&w down 16.6% to 646,600. But grand total doesn't give picture of Japan's awesome last-half color export push, when record 836,400 sets were shipped to U.S., up 70% from 1974. All-time record for any quarter was set in July-Sept. when exports jumped

55% to 448,800 and Japanese followed that with record 4th-quarter color exports of 387,600, up 91%.

Japanese expect long-term continuation of boom in color export to U.S. & other countries and are expanding accordingly. Sanyo is gearing for 20% export increase to 600,000, Toshiba looks for 66% jump to 500,000. General, selling private-label sets in U.S. to Midland and others while its Teknika-brand sets are being offered through Itoh, is modernizing 2 color plants to boost capacity 80% to 860,000 annually. Hitachi is looking to increase total output 15% to 1.5 million, boost exports to U.S. some 50% with help of increased capacity at Taiwan & Singapore which now respectively produce about 15,000 & 5,000 sets monthly.

WANTED—U.S. INDUSTRY: Both Puerto Rico & Mexico are working on new incentive programs to attract more investments by U.S. manufacturers.

In Puerto Rico, special report by island's business leaders for Economic Development Administration recommends: (1) Income & property taxes be phased in over period of years, rather than imposed all at once, after new firm's exemption expires. (2) Reduction in tax rates for exporting companies. (3) General exemption of P.R. from federal minimum wage rates. (4) Industrial loan guarantees for plant construction & modernization. To hold down costs, study suggests reduction of legislated fringe benefits, tying wages to productivity with wage subsidies for needy companies and establishment of tax-free zone where U.S. companies could locate R&D operations.

Mexico is becoming aware that rising wage rates are scaring U.S. manufacturers away from free-trade border zone; unions there are expected to push for 11% boosts this year. Recently, govt. moved to cut red tape, speed up approvals for imports of raw materials, equipment & financing as well as for temporary work permits for necessary technicians. Reduction in employer contributions to Social Security is being considered. Through series of seminars in major U.S. cities later this year by private In-Bond Industry Coordinating Council, govt. hopes to respark interest in Mexico by U.S. manufacturers seeking foreign export assembly plant locations. Meetings will emphasize desirability of siting plants in Mexico's interior states where unemployment is higher, wages lower, than in more easily accessible border zone.

Foreign ventures: Unitrex forms calculator assembly venture in Brazil with Electra Radio (no relation to ERC of U.S.) as local partner. Company will produce for Latin American markets... Hitachi will be 20% partner in Finnish color tube plant with govt. owning 60%, TV maker Salora Oy remaining 20%. Capitalized at \$52 million, plant will have initial capacity for 300,000 tubes, most being used by Salora, rest marketed to European OEM by Hitachi.

New sets: Admiral drops in new 19" leader at \$430, stepups at \$450 & \$470 (previous leader was \$460) and 23" console at \$600... Quasar introduces its first 12" color set—line leader at \$330, same price as 13" before \$20 increase last Nov. (Vol. 15:46 p11).

COMMERCE DEPT. FORECASTS: After 12% decline in consumer electronics shipments for 1975, industry will snap back to 1974 level in 1976, with sales rising to \$4.35 billion, up from \$3.9 billion in 1975, and continue to grow at annual 8.4% rate to \$8.7 billion in 1985. That's Commerce Dept. forecast in 500-page "U.S. Industrial Outlook 1976."

Total electronic equipment shipments dropped 6% to \$25.52 billion in 1975, Commerce estimates, but should grow 11% in 1976 to \$28.3 billion, then increase at annual 7.5% rate to \$52.7 billion in 1985. "There is every reason to expect that consumer electronics will resume its growth," says forecast, "though probably at a pace somewhat slower than has characterized its earlier decades. However, if videodiscs become popular, industry growth could accelerate considerably."

In 1975, Commerce estimates some 600 U.S. consumer electronics manufacturers employed 73,000. In component area, Commerce expects picture tube shipments to rise 12% to \$715 million this year. It estimates 1975 calculator sales at 16-20 million made by 79 firms with 20,000 employees.

NEW VIDEO GAME CHIP: National Semiconductor is joining video game market as supplier, will begin volume production of 3-game chip at under \$9 by Aug. Subsidiary Novus—which hopes to introduce game by June—will be first customer, but NS Consumer Systems Mktg. Mgr. Steven Field says firm is talking to other companies now in game business, importers & U.S. TV manufacturers. One major TV producer reportedly is shooting for June introduction of set incorporating NS chip. LSI chip has necessary logic to play tennis, handball & hockey, all in color. Other features: Automatic ball speed increase, adjustable paddle size, automatic on-screen digital scoring (blanked out during actual play), sectioned paddles for "spin" or "English" effect. Field says firm will run check on initial production in April, begin sampling customers in May & June. Other major supplier is General Instruments, now marketing \$5-\$6 game chip.

Bohsei dropped plans to market video game after its supplier, LTA, decided to enter field under own name with cocktail-table & portable home units (Vol. 16:4 p11).

Erie Technological sells U.K. capacitor & resistor manufacturing subsidiary to ITT, terms undisclosed.

THAT ZENITH TUBE: Spate of recent patents issued to Zenith sheds some light on new color picture tube development, which is understood to comprise re-engineering all aspects of tube for optimum cost savings without sacrifice in performance (Vol. 16:5 p7). Most of applications were filed in late 1973 or early 1974 and involve various aspects of tube with skirtless sheet-glass faceplate. Most of them claim savings in production or improvement in yield, with some claims of better performance or uniformity. Although it doesn't necessarily follow that all principles in all patents will be used in upcoming tube—and some new features obviously aren't covered by them—here are highlights of major Zenith developments as gleaned from patents:

New tube's most obvious difference from conventional types is that faceplate has no flange or skirt and can be made of sheet, rather than molded glass. Tube is designed for "minimized cost of manufacture," according to patent. Companion to new faceplate is lightweight, flexible, frameless shadow mask which is mounted directly on faceplate, secured to studs on 4 corners. Mask has integral electron shield to protect screen from stray or overscanned electrons, eliminating need for separate shield.

Mask-mounting studs may be precision-located and cemented to inside face of tube by automated process, claimed to be far simpler than stud-mounting & alignment system currently in use. Same mounting studs may be used for automatic precision alignment of faceplate to funnel, eliminating requirement for precision alignment fixtures now used during tube-sealing operation, and claimed to increase alignment accuracy and improve production yields.

New method of coating faceplate with phosphor is claimed to permit conveyerizing of coating process. Current slurry method of depositing phosphors involves dispensing slurry into inverted front panel, which is spun to provide uniform coating. Zenith's proposed system uses "curtain-coating" spray process, which passes faceplate under "liquid curtain" of slurry. Claimed advantages: Each coating application (3 or 4 required per tube) may be completed in one sec. or less vs. 1-2 min. by conventional process; substantial improvement in coating uniformity; easy recycling of reclaimed slurry.

Application of aluminum reflective-conductive material over phosphors on faceplate, under 2 Zenith patents, eliminates use of slow & expensive vacuum-chamber technique, replacing it with method in which metal layer is attached directly to screen as part of decal-like layer, followed by other steps to leave only microscopic coating of metal. Zenith calls this method "vastly more simple & economical" than vacuum evaporation and says it results in greater brightness.

RCA & Timex won't comment on Home Furnishing Daily report that Timex is negotiating to buy RCA's LCD plant in Franklin Twp., N.J. Acquisition of RCA facility would be clear sign of Timex determination to become major factor in digital field. Spokesman for RCA acknowledged firm now produces LCDs for two \$50 digital watches marketed by Timex.

JAPAN'S NOV. EXPORTS: Japanese exports to U.S. of audio products showed signs of strong pickup in Nov., though not to extent enjoyed by TV (Vol. 15:52 p8), Finance Ministry totals show. On product classification basis, increases from shipments of 1974 month were posted by cassette & cartridge tape recorders & players, tape combinations, monaural radio-phonos, AM-only & auto radios, as well as more expected sizable gain reported for higher-power transceivers.

Despite selective increases, total radio exports to U.S. for month were down 15.8% to 320,300, as home radios fell 35% to 183,400, offsetting 39.6% growth for auto radios. In phonos, total shipments were down 8.9% to just under 18,000, with radio-phonos dropping 14% to about 17,000. Total audio tape hardware exports rose 25.3% to 1.17 million, as home & combination units rose 42.4% to 1.02 million, while automotive players slipped 31.4%. Tripling of high-power unit shipments pushed total transceiver exports up 129.4% to 546,100.

JAPANESE EXPORTS TO U.S.

| | Nov. 1975 | | Nov. 1974 | |
|---|-----------|------------|-----------|------------|
| | Units | Value \$ | Units | Value \$ |
| Total TV | 190,813 | 24,471,347 | 134,478 | 18,657,263 |
| color | 113,493 | 19,749,354 | 76,051 | 15,254,013 |
| b&w | 77,320 | 4,721,993 | 58,427 | 3,403,250 |
| Radio-phono, stereo . | 9,839 | 970,115 | 17,636 | 1,924,210 |
| Radio-phono, mono . . | 7,150 | 166,619 | 2,117 | 41,007 |
| Radio-rdrds. & other comb. | 550,143 | 22,981,701 | 315,052 | 14,273,057 |
| Clock radios | 32,235 | 808,940 | 94,843 | 2,330,493 |
| Tr. radios w/FM . . . | 127,286 | 10,929,685 | 176,131 | 12,973,717 |
| Tr. radios, other . . . | 23,896 | 175,311 | 11,224 | 103,940 |
| Auto radios | 136,875 | 3,500,155 | 98,055 | 2,374,113 |
| Trcvrs., under 100mw | 6,927 | 63,076 | 57,694 | 269,803 |
| Trcvrs., other | 539,183 | 28,478,447 | 180,349 | 9,301,033 |
| Phonos | 1,000 | 8,735 | — | — |
| Tape players, auto . . | 147,758 | 2,391,794 | 215,461 | 4,174,613 |
| Tape rcrdrs., reel . . | 1,189 | 133,503 | 2,071 | 133,820 |
| Tape rcrdrs., cass. . . | 288,189 | 7,052,258 | 240,520 | 6,246,080 |
| Other cart., rcrdrs. & players | 97,215 | 2,030,066 | 62,020 | 1,367,830 |
| Tape decks | 81,533 | 6,846,105 | 95,308 | 6,927,647 |

Antitrust suits against Japan's TV manufacturers by Zenith & National Union Electric will go to trial either in first Dec. week or at start of 1977, Philadelphia Federal Court Judge Higginbotham told attorneys at Jan. 30 pre-trial hearing. He set Feb. 12 deadline for submission of written argument by defendants on request that NUE suit be returned to Newark court where action was first filed, and on motion that issues surrounding Matsushita's acquisition of Motorola TV business (now Quasar) be considered as separate case. He said decisions on all pre-trial issues would be made week of Feb. 23, gave Zenith & NUE until Feb. 27, Japanese to March 26, to file first trial briefs.

RCA selected Leo Burnett Co., Chicago, to handle color TV advertising, replacing J. Walter Thompson. Nation's 4th largest ad agency, Burnett once represented Motorola TV, now has such accounts as Maytag, Oldsmobile, United Airlines, Allstate Insurance, Marlboro & Virginia Slims.

1975 AT-A-GLANCE: Here are EIA's official monthly sales-to-dealers figures for major consumer electronics products in 1975 & 1974. In these statistics, 1975 consists of 52 complete weeks while 1974 has 53.

TELEVISION SALES TO DEALERS

| Month | Total | | Color | | Monochrome | |
|-----------------|-------------------|-------------------|------------------|------------------|------------------|------------------|
| | 1975 | 1974 | 1975 | 1974 | 1975 | 1974 |
| January | 685,979 | 929,549 | 401,029 | 550,309 | 284,950 | 379,240 |
| February | 745,645 | 1,109,226 | 407,332 | 597,322 | 338,313 | 511,904 |
| March (5 weeks) | 987,436 | 1,446,601 | 549,905 | 833,342 | 437,531 | 613,259 |
| April | 766,879 | 785,857 | 420,511 | 488,133 | 346,368 | 297,724 |
| May | 781,169 | 867,872 | 441,800 | 497,126 | 339,369 | 370,746 |
| June | 1,088,107 | 1,377,838 | 617,937 | 784,644 | 470,170 | 593,194 |
| July | 842,972 | 1,011,162 | 441,540 | 586,780 | 401,432 | 424,382 |
| August | 913,932 | 1,078,764 | 507,707 | 579,489 | 406,225 | 499,275 |
| Sept. (5 weeks) | 1,262,749 | 1,570,104 | 745,119 | 885,861 | 517,630 | 684,243 |
| October | 1,145,337 | 1,129,829 | 646,981 | 663,739 | 498,356 | 466,090 |
| November | 1,074,530 | 1,131,382 | 623,252 | 628,382 | 451,278 | 503,000 |
| Dec. (5 weeks)* | 1,158,165 | 1,332,193 | 682,184 | 734,427 | 475,981 | 597,766 |
| TOTAL | 11,452,900 | 13,770,377 | 6,485,297 | 7,829,554 | 4,967,603 | 5,940,823 |

PORTABLE-COMPACT PHONO SALES TO DEALERS

| Month | 1975 | 1974 | Month | 1975 | 1974 |
|-----------------|---------|---------|-----------------|------------------|------------------|
| | | | | | |
| January | 155,126 | 108,678 | July | 236,187 | 316,341 |
| February | 216,082 | 216,309 | August | 285,476 | 348,102 |
| March (5 weeks) | 301,387 | 295,182 | Sept. (5 weeks) | 356,405 | 828,970 |
| April | 267,876 | 159,094 | October | 317,232 | 370,865 |
| May | 239,089 | 157,721 | November | 330,704 | 506,702 |
| June | 369,071 | 527,251 | Dec. (5 weeks)* | 346,830 | 593,096 |
| | | | TOTAL | 3,421,465 | 4,428,311 |

RADIO SALES TO DEALERS

| Month | Home* | | FM** | | Auto | |
|-----------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| | 1975 | 1974 | 1975 | 1974 | 1975 | 1974 |
| January | 1,010,727 | 1,052,623 | 681,423 | 616,258 | 573,025 | 816,057 |
| February | 1,235,855 | 1,827,332 | 859,946 | 1,173,209 | 586,025 | 841,709 |
| March (5 weeks) | 1,658,254 | 2,541,188 | 1,116,598 | 1,498,660 | 774,318 | 912,685 |
| April | 1,286,434 | 1,371,457 | 867,921 | 794,780 | 755,638 | 786,009 |
| May | 1,225,318 | 1,894,535 | 880,654 | 1,074,259 | 651,592 | 785,442 |
| June | 3,532,106 | 4,010,547 | 2,575,170 | 2,508,986 | 766,384 | 829,631 |
| July | 3,080,414 | 2,519,957 | 2,310,037 | 1,715,809 | 564,015 | 679,100 |
| August | 2,788,605 | 2,660,726 | 2,067,547 | 1,743,145 | 690,057 | 750,920 |
| Sept. (5 weeks) | 2,235,435 | 5,271,288 | 1,700,163 | 3,334,210 | 1,027,325 | 1,278,414 |
| October | 2,300,993 | 2,347,302 | 1,704,787 | 1,255,228 | 952,834 | 1,073,671 |
| November | 2,450,867 | 2,806,011 | 1,772,007 | 1,707,490 | 928,224 | 941,877 |
| Dec. (5 weeks)* | 2,651,308 | 4,655,807 | 1,909,585 | 2,633,448 | 970,267 | 1,066,245 |
| TOTAL | 25,456,316 | 32,958,773 | 18,445,838 | 20,055,482 | 9,239,704 | 10,761,760 |

* Includes table, clock & portable.

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

*Dec. 1974 had 6 weeks.

Many activities of EIA Consumer Electronics Group (CEG)—including industry promotion, service technician development, consumer affairs—are due to be shifted to aegis of Consumer Electronics Show (CES). Emphasis in these areas will change from representing CEG members to industrywide approach. Behind policy shift are new IRS guidelines which, in effect, eliminate non-profit status (and therefore tax exemption) from that portion of revenues received from exhibitors who take orders at trade shows. It also has been learned that CES plans to take over own show management after next summer's show, establishing office in Chicago and ending 10-year association with show-managing Snitow Organization.

Admiral was one of 26 new members joining ITA since start of year. Among others: Rotel America, Muntz Canada, Nord-Video (Sweden), Scand-Video (Norway), Trans American Video, RKO Sound, Dow Chemical, U.S. Labor Dept.

CTS will build CB crystal plant near Fairbury, Ill., expects to start production in May with 150 employees. Also planned is similar-sized electronic parts plant at Bentonville, Ark.

Trade Personals

Leo Hahn promoted at Capehart from DuMont Div. sales vp to corp. senior vp-mktg. & sales, with responsibility for Capehart & DuMont lines, post vacant since last Feb. when **Jack Sauter** resigned to rejoin RCA Consumer Electronics Div. . . **Kenneth Jaeggli** promoted to Zenith mfg./material financial control dir. . . **Nicolay Johannsen**, ex-General Tire, appointed Superscope vp-chief financial officer.

Donald Mitchell, ex-Rockwell Microelectronics Group pres., named pres. & chief operating officer of Plessey (U.S.). . . **Jerry Roth**, ex-BSR, joins Onkyo Corp. as national mktg. mgr., succeeding **Charles Ray**, resigned. . . **William McPhetridge**, ex-Superscope Marantz mktg. & product mgr., and **Richard Hultine**, ex-Electro Music (CBS) Leslie speaker mktg. mgr., join Cal. rep firm Elliot Davis & Assoc.

Dennis Burke advanced at RCA Distributor & Special Products Div. from Cleveland sales district mgr. to autosound & specialty products msg. mgr. . . **Arnold Thaler**, Topp Electronics product design & development dir., named vp. . . **Jack Wenrich**, ex-Kelvinator, named Quasar eastern sales mgr. . . **Dennis Telfer** appointed Sylvania east zone audio products mgr.; **Harry Etches** named for west.

William Weakland, ex-assoc. mgr. of Hughes Microelectronic Products Div., named to head new Solid State Products Div. formed to handle watch module & MOS operations; **Richard Bellardi** named assoc. mgr. of SSPD; **Karl Reissmueller** succeeds Weakland at MPD. . . **Don Pruett** named Electronic Components Group vp in restructuring of Globe-Union Centralab Electronics Div.; **Ronald Merritt**, ex-gen. mgr. of Taiwan & Hong Kong operations, returns to U.S. as mktg. mgr. . . **George Wells** advanced at Fairchild Semiconductor to vp-gen. mgr. of new Domestic Components Group responsible for logic, analog, digital, discrete & automotive products; Vp **Thomas Longo** named to new post of chief technical officer.

Robert Bragassa, ex-Raytheon Semiconductor, joins Motorola Data Products as sales mgr. . . **Gerald Heller**, ex-ILC Data Device Corp., joins Optel as pres.-chief exec., succeeding **Zoltan Kiss**, who continues as chmn. . . **Jerry Crowley**, ex-Sigetics, joins National Semiconductor as head of new automotive electronics operation. . . **Robert Wyler**, Litronix corp. counsel, adds post of secy.

Jack Bondus appointed commercial & educational mktg. mgr., 3M Magnetics Audio/Video Products Div.; **John Miller** named sales supervisor. . . **William Dawson**, ex-Audio Magnetics sales vp, joins Columbia Magnetics as general sales exec. . . **George Avery**, vp-gen. mgr. of American Microsystems Custom Products Div., adds responsibility for Standard Product Div., succeeding **Norman Grannis**, now corp. systems engineering vp. . . **Dennis Israel**, ex-RCA International (London), joins Straus Communications (N. Y.) as managing dir.

EIA Medal of Honor won't be awarded this year. **Robert Sarnoff**, designated as recipient of award to be presented March 24, bowed out following his resignation as RCA chmn.

WEEKLY Television Digest

with
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

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Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & CATV Addenda*, *CATV Atlas* and other special publications

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STRENGTHENING MAGNAVOX: Third high official from Philips of Eindhoven has been named to serve in major Magnavox post. Named to new office of senior vp-business development of Magnavox Consumer Electronics Co. is D. P. van de Merwe, whose most recent assignment has been deputy dir. of Dutch Philips' Video Main Industry Group in charge of color TV activities in NTSC countries. An 18-year Philips veteran, he served earlier as vp-gen. mgr. of Philips-Canada's Consumer Products Div. and in similar post with Philips-Mexico.

Van de Merwe's broad responsibilities include strategic business planning by product line, supervision of videodisc project, product management, design & styling, R&D & engineering, international operations. Magnavox Consumer Electronics also announced appointment of 2 other senior vps—John Fauth, operations, and Kenneth Ingram, sales & mktg., both previously vps.

Since sale to North American Philips, Magnavox has named Pieter Vink as pres. and Cees Bruynes as exec. vp—both holding same posts at NAP. Bruynes is former chmn.-pres. of Philips-Canada, where he worked with van de Merwe. Magnavox Consumer Electronics Pres. Alfred di Scipio, commenting on latest changes, said action was part of program to reach "primary objective of restoring Magnavox to its rightful place as a profitable leader in the consumer electronics industry."

Registration for ITA's 6th annual video-audio seminar Feb. 29-March 3 in Tucson has almost reached 400 limit... **International Industrial TV Assn.** will hold 8th annual conference March 27-30 in Anaheim, Cal... **Singapore** is seeking participants & registrants for first international electronic/electric exhibition Oct. 6-10.

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 | | | |
| 1975-year to Dec. 31 | 28,957,241,000 | 3,147,722,000 | 5.13 |
| 1974-year to Dec. 31 ^a | 26,174,412,000 | 3,174,464,000 | 5.28 |
| Automatic Radio | | | |
| 1975-qtr. to Dec. 31 | 18,311,000 | 1,865,000 ^b | .77 |
| 1974-qtr. to Dec. 31 | 10,814,000 | (163,000) | -- |
| Capital Cities Communications | | | |
| 1975-year to Dec. 31 | 174,886,000 | 25,402,000 | 3.28 |
| 1974-year to Dec. 31 | 138,585,000 | 22,025,000 | 2.86 |
| 1975-qtr. to Dec. 31 | 49,492,000 | 7,935,000 | 1.02 |
| 1974-qtr. to Dec. 31 | 41,636,000 | 6,679,000 | .87 |
| Conrac | | | |
| 1975-year to Dec. 31 | 90,427,000 | 3,503,000 | 2.60 |
| 1974-year to Dec. 31 | 81,129,000 | 3,093,000 | 2.32 |
| 1975-qtr. to Dec. 31 | 25,698,000 | 1,050,000 | .78 |
| 1974-qtr. to Dec. 31 | 20,621,000 | 912,000 | .69 |
| Lafayette Radio & Electronics | | | |
| 1975-6 mo. to Dec. 31 | 49,151,129 | 1,325,466 | .60 |
| 1974-6 mo. to Dec. 31 | 47,022,846 | 1,139,646 | .49 |
| 1975-qtr. to Dec. 31 | 28,891,466 | 919,295 | .42 |
| 1974-qtr. to Dec. 31 | 27,007,439 | 541,662 | .23 |
| Koss | | | |
| 1975-6 mo. to Dec. 31 | 9,843,675 ^c | 706,557 | .42 |
| 1974-6 mo. to Dec. 31 ^a | 8,044,763 ^c | 467,767 | .28 |
| 1975-qtr. to Dec. 31 | 5,347,539 ^c | 325,293 | .19 |
| 1974-qtr. to Dec. 31 ^a | 4,429,497 ^c | 133,250 | .08 |
| Lloyd's Electronics | | | |
| 1975-9 mo. to Dec. 31 | 80,537,000 | 1,657,100 ^b | .88 |
| 1974-9 mo. to Dec. 31 | 70,912,900 | (451,800) | -- |
| 1975-qtr. to Dec. 31 | 34,409,400 | 850,900 ^b | .45 |
| 1974-qtr. to Dec. 31 | 29,544,500 | (661,300) | -- |
| Multimedia | | | |
| 1975-year to Dec. 31 | 57,629,000 | 6,945,000 | 1.58 |
| 1974-year to Dec. 31 | 55,654,000 | 6,822,000 | 1.55 |
| 1975-qtr. to Dec. 31 | 16,646,000 | 2,221,000 | .50 |
| 1974-qtr. to Dec. 31 | 14,526,000 | 1,902,000 | .43 |
| Owens-Illinois | | | |
| 1975-year to Dec. 31 | 2,273,173,000 ^d | 87,336,000 | 6.02 |
| 1974-year to Dec. 31 | 2,116,436,000 ^d | 83,472,000 | 5.74 |
| 1975-qtr. to Dec. 31 | 607,352,000 ^d | 22,563,000 | 1.56 |
| 1974-qtr. to Dec. 31 | 515,837,000 ^d | 16,400,000 | 1.11 |
| Pemcor | | | |
| 1975-9 mo. to Dec. 31 | 71,589,235 | 1,251,398 ^b | .76 |
| 1974-9 mo. to Dec. 31 | 77,725,234 | 816,966 ^b | .49 |
| 1975-qtr. to Dec. 31 | 27,831,656 | 709,479 ^b | .43 |
| 1974-qtr. to Dec. 31 | 25,396,920 | 48,760 ^b | .03 |
| Texas Instruments | | | |
| 1975-year to Dec. 31 | 1,367,621,000 ^d | 62,142,000 | 2.71 |
| 1974-year to Dec. 31 | 1,572,487,000 ^d | 89,621,000 | 3.92 |

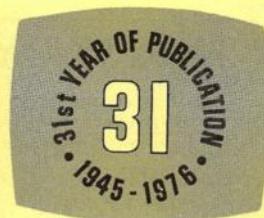
Notes: ^aRestated. ^bIncludes special credit. ^cShipments.
^dSales.

FCC collection of separate fees for certifying each model of consumer electronic devices, even when only difference between different models is color or type of cabinet, was hit by EIA in argument before U.S. Appeals Court (D.C.). EIA attorney J. Edward Day told 3-judge panel hearing appeal of FCC fee decision (Vol. 15:3 p4) that Commission certification added no value to products which already have undergone testing by manufacturers. Earlier Supreme Court ruling required that fees be based only on benefit of FCC rulings to manufacturer and not on benefit to public.

WEEKLY

Television Digest®

with
consumer
electronics®



The authoritative service for broadcasting, consumer electronics & allied fields

FEBRUARY 16, 1976

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 16, NO. 7

Broadcast

L.A. COURT KEEPS FV SUIT: Judge rejects broadcaster & FCC contentions that case belongs at agency, removes commissioners from personal liability threat, finds 'formal government regulation that could never be tolerated for newspapers.' (P. 1)

PTV SATELLITE STRUGGLE: Despite 'overwhelming' approval by stations, PBS-CPB differences remain roadblocks to satellite distribution plan. (P. 2)

ECONOMISTS' COPYRIGHT FORMULA: 'Owens Proposal' debated by de-regulation task force and film producers. Included: No payment for local stations; unlimited imports, with rates set by negotiations between stations & CATV systems. (P. 4)

COURT CURBS FCC ON CABLE: Says Commission can't regulate 2-way, intrastate non-video uses—because they aren't 'ancillary to broadcasting.' (P. 4)

CIA USE 'THREATENS' CREDIBILITY of press, House Intelligence Committee says in draft report. CIA refuses to release names of reporters it paid. (P. 5)

NEW RECORDS AT CBS: Bcst. Group largest contributor to 1975 net income of \$108.5 million, sales of \$1.938 billion. Storer reports drop in stations' profit. (P. 5)

L.A. COURT KEEPS FV SUIT: U.S. Dist. Court Judge Warren Ferguson last week denied motions by FCC, NAB & networks to dismiss suit against family viewing (FV) brought by producers, writers & actors, ordered that trial on First Amendment questions start April 6. Judge ordered separate trial on plaintiffs' charges that FV agreement violates antitrust laws "because the factual & legal issues apart from the antitrust issues are so complex that it would not serve the court or the parties that the matters be tried at the same time... The antitrust issues will have to await their turn."

Ferguson also removed commissioners from personal liability, sought in original complaints. "Nothing... suggests that the Congress intended to open the federal treasury for any lawsuit against a public official or that the officials could be subjected to lawsuits affecting their personal finances in every federal court in the country," he said.

Broadcasters & Commission had claimed that L.A. court didn't have jurisdiction, that FCC or D.C. Appeals Court is proper forum to seek reconsideration (Vol. 16:2 p3). Judge disagreed: "Nothing would be served by an FCC hearing directed to the question of whether the FCC had coerced the networks into adopting the family viewing policy... This court has jurisdiction to decide the merits of the claim." He said plaintiffs' charge that commissioners "used their authority & resources actually to interfere with the private licensees' independence in making

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ZENITH PICTURE TUBE debut expected in Aug. with 19" size in limited quantity, majority of production switching to new tube in year. (P. 7)

JAPAN COLOR PRICING attacked in Sylvania complaint. (P. 7)

COLOR IMPORTS took record 19.5% share of 1975 market, 26% in 4th quarter, as U.S. production sank to 14-year low. (P. 8)

FIRST HOME VIDEOCASSETTE deck enters U.S. market this week as Sony starts Betamax stand-alone sales in N.Y. at \$1,300. (P. 9)

COLOR INVENTORIES up slightly in Jan. after good sales month. All major consumer electronic products showed increases over 1977. (P. 10)

'HIGH-SPEED' TV, making possible simultaneous tape playback of 30 still-picture-&-sound courses, to debut this fall. (P. 11)

JAPAN COLOR TUBE producers plan production hikes in anticipation of continued set export boom. Output seen at 11-12 million in 1976. (P. 11)

MAGNAVOX PROFITABLE in 4th quarter, but showed net loss for year. Sylvania net set 4th-quarter record. (P. 11)

program decisions... is a serious one because it suggests that the broadcasters' status as public trustees has been compromised by the FCC."

Ferguson said it's clear that broadcasters "bear the primary responsibility to decide what shall be on the air," and at same time they have power to confer with govt. officials about program matters. "Nonetheless," judge added, "the peculiar status of broadcasters has permitted some formal governmental regulation that could never be tolerated for newspapers... Whether or not the independence of the broadcasters has been compromised by the government defendants' actions in this case cannot be decided on a motion to dismiss."

FCC was ordered to provide plaintiffs with internal documents (notes, speech drafts, etc.) because they "clearly are relevant" and because defendants had "not properly invoked" attorney-client privilege. Ferguson also permitted NCCB, ACT & MPAA to participate amicus "with the right only to submit written memorandum and not to produce witnesses or participate orally."

* * * *

Speaking at Abe Lincoln Awards Dinner in Ft. Worth Feb. 12, CBS Pres. Arthur Taylor called FV "the most dramatic and far-reaching step in self-regulation in our industry's history." He said changes in TV Code to embody FV have "been quite effective so far," hit "some people who are out to destroy family viewing... Contrary to the assertions of its critics, I do not believe that it stifles creativity. Rather, I feel that it stimulates talented individuals to even greater heights because it closes off such easy plot-solving gimmicks as brutality."

PTV SATELLITE STRUGGLE: PBS-CPB differences over key aspects of proposed PTV satellite distribution system raised concern over system's prospects last week. Though "major catastrophe was avoided" at last minute at PBS annual meeting in L.A.—according to public broadcasting official—and despite approval of basic principle by PBS member stations, substantial disagreements remain.

Unofficial tally of stations taken last week showed 116 for, 4 opposed, 30 abstaining or not represented at meeting, and officials of both PBS & CPB agreed this constituted sufficient margin of approval; CPB board had required that "overwhelming number" of stations approve proposal (Vol. 16:3 p4). However, "up until the last minutes before the meeting, there appeared to be major differences" between PBS & CPB over plan, official said. "The crunch has not come," he continued, but "the potential remains."

At issue is whether satellite system can or should alter present power distribution between 2 organizations. Original PBS proposal to CPB board—which will be financially & legally responsible for much of system—called for PBS to own, manage & operate ground stations and negotiate all loans & contracts. At insistence of CPB board, PBS later modified proposal to allow stations to own & operate ground stations, but still is wrangling over power to negotiate loans and contracts.

"Our board feels strongly that it cannot delegate total responsibility for negotiating financing, since we are responsible for the loans," CPB Vice Chmn. Thomas Moore said in luncheon address. "PBS feels that its role as developer must include single responsibility for loan negotiation, and contractual negotiation with carriers, constructors & operations. We feel that shared responsibilities are possible and we will continue to negotiate with PBS to that end. However, if PBS elects not to go forward in a shared responsibility, CPB is prepared to move forward on the satellite, taking all the responsibility for financing & construction of the system. It is in the interest of the American public and of public broadcasting that this project be made a reality." Added CPB official privately: "CPB plans to retain the present power configuration."

Problem now goes to PBS & CPB staffs and committees to try to come up with middle ground. PBS & CPB boards have set joint meeting tentatively for May 11 in Washington.

Program funding level also was issue at PBS meeting. Resolution introduced by Robert Schenkkan, KLRN-TV San Antonio, requested that CPB increase current year's commitment to station program co-op to \$5 million, instead of \$2.5 million approved earlier by CPB board (Vol. 16:3 p4). PBS then sent delegation of Schenkkan & Phillip Heckman, Neb. ETV Network,

to relay request to CPB board, meeting at same time at nearby hotel. Delegation arrived just after CPB board passed resolution (10-1, Dr. Gloria Anderson opposed) increasing CPB commitment only \$500,000. Failing to get further increase, PBS then decided to delay start of program co-op 1-2 weeks, seek additional funds, cut back on program budgets, etc. CPB officials said additional funds were refused for co-op because money is needed to underwrite more minority programming.

Former Senate Communications Counsel Nicholas Zapple got standing ovation from station managers with exhortation to stop "petty bickering" and show Congress they merit recently-passed long-term funding bill; he was cited by PBS for "a most significant contribution in the establishment & growth of public broadcasting." New PBS Pres. Lawrence Grossman said his "first 3 priorities" at PBS will be "programming, programming & programming," though he disputed notion that PBS wants to become 4th network. "The fact is that PTV's network system is vastly & inherently different from the CBS, NBC or ABC version of networking," he said, adding that PBS role should be to "stimulate, encourage, select, schedule, distribute & promote," and not to produce.

Nationally coordinated minority-&-women job opportunity program was proposed by PBS Vice Chmn. Hartford Gunn. It includes fellowships, job training programs, counseling, placement & research. He noted that funding for program hasn't yet been arranged.

Elected PBS officers: John Ryan, WTIU Bloomington, Ind., & George Piercy, WNET N. Y., were named first & 2nd chmn. pro tem of PBS board of governors; Robert Ellis, KAET Phoenix, chmn., board of managers; David Ives, WGBH-TV Boston, vice chmn. Charles Lichenstein was promoted to vp under Gunn. A. A. Heckman, KTCA-TV St. Paul, William Frates, WPBT Miami, & Alex Mercure, KNME-TV Albuquerque, were elected to board of governors while Schenckan, Frederick Breitenfeld, Md. Center for Public Bcstg., & Charles Vaughan, WCET Cincinnati, were elected to board of managers. Honorary Chmn. James Killian received Ralph Lowell Award for contribution to PTV programming; Caroline Charles, KQED San Francisco, received PBS Distinguished Citizen Award.

"The free broadcasting system in each of our countries [U.S. & England] is a national resource and can be a countervailing force against the concentrated power of government and the pressure of organized special interest," NBC Pres. Herbert Schlosser told BBC in London last week. "I do not mean to present us as the last bastions against public or private tyranny. . . But we do represent a vital communications force and a means for informing the public of its fears, its hopes, its needs and its controversies. . . And if it were to be dispersed, the government and other self-serving interests. . . could dominate the resulting fragments."

Spots for X-rated "Emanuelle, the Joys of a Woman," have been accepted by several cable systems, according to Paul Ross, pres. of Tandar Four, N. Y. promotional outfit. He said he had called 40 systems, found "8 of 10" willing to carry spots "provided the spots themselves are clean." To date, he said, spots have been accepted by Mission Cable, El Cajon, Cal.; Theta, L. A.; Viacom, San Francisco, "and I expect to do more." Ross also spoke of putting 2-min. trailers for the film—"perfectly clean"—on cable. Paramount is film's distributor.

Master plan for L. A. cable communication is being prepared for city's Dept. of Public Utilities & Transportation by USC researcher Herbert Dordick, assisted by 5 citizen task forces, city officials and USC student researchers. L. A. franchises expire at end of 1976.

Firestone has agreed to spend \$750,000 in advertising—including \$650,000 on TV—to correct ads which allegedly violated FTC order, according to Justice Dept. Ads must stress that safety depends on maintenance as well as manufacture. Consent agreement also requires Firestone to pay \$50,000 civil penalty. In separate case, FTC launched inquiry to determine if toy advertisers "are engaged in unfair or deceptive acts or practices" through misrepresentation and/or "use of oversized containers & pictures. . . which create a false & misleading impression of the contents."

Up to \$1.5 million has been earmarked by National Science Foundation for research on: (1) TV viewer behavior and (2) summary of previous research "so as to make it useful to policymakers, industry and the public." In "program solicitation," NSF said up to 15 grants or contracts will be awarded, based on proposals to be submitted by April 15. About 75% of funds will be allocated to behavioral research. Details: Central Processing Section, Rm. 223, National Science Foundation, 1800 G St. NW, Washington 20550, Attn: RANN 76-6.

Entire INTV board has become ad hoc program committee—under chairmanship of John Reynolds, KTLA L. A.—to explore "possibilities & problems of stimulating first-run programming for independents." Committee was authorized during INTV convention in Jan. (Vol. 16:3 p1), meets Feb. 23 at NATPE seminar in San Francisco.

ECONOMISTS' COPYRIGHT FORMULA: Copyright recommendations of group of academic economists were focus of meeting last week between White House de-regulation task force and film producers led by MPAA Pres. Jack Valenti. Called by Paul MacAvoy of task force, group discussed "Owens Proposal." This was summary prepared by Bruce Owens, ex-OTP, now with Stanford U., reflecting consensus of himself, Stanley Besen, Rice U.; Robert Crandall, Council on Wage & Price Stability; Bridger Mitchell & R. E. Park, Rand Corp.; Roger Noll, Caltech.

It's understood last week's meeting produced good deal of give-&-take—nothing conclusive—with producers generally opposing proposal but differing among themselves. Here's essence of proposal:

(1) Cable should carry all local signals without copyright payment. (2) Cable should have unlimited importation of distant signals, "subject to full copyright liability at rates to be negotiated between the station and the cable system." Cable would pay for station's entire schedule of programs. "Copyright owners must be denied the right to restrict the station's ability to enter into such arrangements." (3) Abolish all exclusivity except for "simultaneous non-duplication of local station programs."

The economists said foregoing will cause independents to compete for cable carriage, increase earnings, pay copyright owners more. They believe each independent would become a "network," having same relation to CATV systems and copyright owners that TV networks now have with affiliates & program producers. Economists said their copyright proposal "allows maximum latitude for competitive free market resource allocation... It seems most unlikely that any statutory provision for fees and/or compulsory licenses will result in a satisfactory solution to the problem; that is, such schemes are very likely to leave consumers worse off than they would be in a market environment, by fixing an inappropriate price for program material."

Economists concluded there's "remote possibility" stations would refuse to bargain with cable systems; if that happens, they said, it can be handled as "a clear antitrust violation."

TV's impact on children—subject of Utah hearing by Sen. Moss (D-Utah) last week—is more dangerous in area of violence than in sex, witnesses from religious groups & state govt. agreed last week. TV may be understating role of sex, stressing violence to unrealistic extreme, Salt Lake County Attorney Paul Van Dam told Moss. State of Utah Episcopal Bishop Otis Charles, Utah PTA Conference Pres. Dixie Nelson, others, agreed. Panel of 5 Utah broadcasters stressed TV's pro-social potential, noted studies showing that TV violence level is lower this year than last, said they screen programming carefully.

FCC has searched files, found 103 of 107 "missing" responses in conglomerate inquiry and made most public under FOI request by NCCB. Commission, however, continues to withhold minutes of board meetings, financial, contract & loan information, policy statements and programming or operating procedures of respondents.

COURT CURBS FCC ON CABLE: FCC's authority over cable was shaken a bit last week when D. C. Appeals Court ruled that Commission can't pre-empt state regulation of leased access channels for 2-way, point-to-point, non-video, intrastate communications. Court said FCC can't control such uses because they're not "ancillary to broadcasting." Heretofore, courts have upheld FCC jurisdiction on the "ancillary" theory—but latest decision found no connection with broadcasting. Situation is much like telephone, Court said—and states have long regulated intrastate telephone while FCC controlled interstate phone.

Suit was brought against FCC by National Assn. of Regulatory Utility Commissioners (NARUC). Decision was written by Judge Wilkey, Lumbard concurring, Wright dissenting. Manhattan Cable & NCTA supported Commission. NCTA Vp Stuart Feldstein said decision "could be potentially very important." He said judges in other pending cases may be influenced by last week's decision—in Oakland & Johnstown franchising cases, equipment requirements, etc. Other aspects of FCC rules that may be involved, he said, are franchise guidelines, non-broadcast channel capacity. More remote, he thought, is impact on pay-cable appeal.

FCC Cable Bureau Chief David Kinley said: "It sort of gives ammunition to those who want to restrict FCC control. But the opinion is complicated, in a sense weak, because there are 3 separate opinions." He said he hadn't decided whether to recommend that FCC seek en banc reconsideration or review by U. S. Supreme Court. FCC appeal is unlikely.

One cable attorney said: "If I were on a city council with a 7-8% franchise fee, I'd feel pretty good about the chances of keeping that fee—after reading the decision."

Judge Lumbard reinforced Wilkey's "ancillary" theory, while dissenter Wright said FCC has properly taken over-all control of cable in absence of congressional direction to contrary.

FCC has ignored recent technological developments to increase efficiency of use of spectrum, concludes ex-FCC aide Alan Pearce in paper prepared for House Communications Subcommittee hearing (Vol. 15:28 p5). In broadcasting, for example, he said frequency bands are too wide because of FCC's "status quo thinking and significant industry lobbying designed to prevent the development of newer technology and to stifle competition." Paper is one of 14 available from Subcommittee as background for hearing. Also included: "Future of Communications & the Law," by Douglass Cater; "Should Govt. Be Involved in Telecommunications?" by Peter Goldmark.

Pending Senate copyright bill was again endorsed by PBS board in annual meeting. Sec. 118 provides for compulsory license, at reasonable rates, for non-dramatic, musical, literary, photographic and art works. Delegates also previewed 6 TV spots designed to educate public on UHF reception, while Vp Daniel Wells discussed techniques for saving UHF transmitter power costs, summarized UHF lead-in & antenna developments.

CIA USE 'THREATENS' PRESS: "The free flow of information, vital to a responsible and credible press, has been threatened as a result of CIA's use of the world media for cover and for clandestine information gathering," according to first draft of House Intelligence report published last week by Village Voice. Report found that CIA manipulated media, caused false articles to be published, has "long prized journalists as informants and identity covers."

In unusual move, White House offered Congress help of Exec. Branch & FBI in uncovering source of leak—identified by Washington Post as CBS Washington correspondent Daniel Schorr. CBS News official told us Schorr denied this "and we accept Schorr's denial."

Among other developments in continuing story (Vol. 16:4 p5): (1) CIA said it will quit any paid relationships with any full or part-time reporters accredited to any U. S. media "as soon as feasible." (2) N. Y. Times FOI request for names of reporters paid by CIA was refused. (3) CBS & Times officials denied published report that they support CIA's refusal to make names public. (4) Sen. Huddleston (D-Ky.), chmn. of Senate Intelligence Committee, said he'll meet with CIA Dir. George Bush this week in effort to get names released to his Committee. (5) SDX said that "if any journalists have worked for investigatory agencies of the government, they are guilty of unprofessional conduct that erodes public confidence."

News media are raising \$80,000 for legal fees to fight Neb. judge's gag order—partially upheld by Supreme Court Justice Blackmun—in U. S. Supreme Court. Neb. Bcstrs. Assn. is taking lead, has \$9,000 goal. Meanwhile, SDX asked American Bar Assn. to wait until Supreme Court acts before considering new guidelines that would further limit press coverage of trials. ABA House of Delegates will consider guides Feb. 16-17 in Philadelphia. In another development, National News Council called for joint committee of lawyers & journalists to examine practices involving free press-fair trial. "Such a committee could strengthen the credibility of the press and bolster public confidence in our judicial process," News Council said. Proposal was endorsed by SDX.

Rep. Waxman (D-Cal.) favors suit filed by his opponent—actor Jerry Fogel—challenging equal-time rule as it applies to Fogel's appearances on TV in old programs & ads. Waxman, member of Communications Subcommittee, said he's considering filing "friend of court" brief because he favors liberalization of rule. Fogel sued FCC, CBS & Metromedia in federal court, charging he is denied ability to make living as actor while running for office because of equal time. Commented Waxman: "Applying the equal-time rule to Jerry Fogel's appearance as a candidate is perfectly reasonable. Applying the rule to his appearances as an entertainer is foolish & unfair."

FCC oversight hearing has been set tentatively for next week by House Communications Subcommittee. Hearing will cover everything except international satellites, common carrier, cable & family viewing—all reserved for later hearings.

NEW RECORDS AT CBS: With Bcst. Group by far largest contributor, CBS reported record sales & net income (after taxes) in 1975 for 4th straight year. Each of 4 groups (Bcst., Records, Columbia, Publishing) had record sales and increased income.

Net income for 1975 was \$122.9 million (\$4.30 per share), up 13% from \$108.5 million in 1974; sales in 1975 were \$1.93 billion, up 11% from \$1.75 billion preceding year. CBS's 4th-quarter net income of \$35.6 million (\$1.25) was up 10% from \$32.4 million in 1974; sales were \$574.4 million, compared with \$501.2 million in 1974. Bcst. Group sales for 1975 were \$869 million, net income \$172.2 million (before taxes); 1974 figures were \$813.9 million and \$163.8 million.

Storer Bcstg. reported 1975 profit from TV-radio stations of \$16.9 million (compared with \$18.1 million in 1974) on revenue of \$86.8 million (up from \$80.5 million in 1974). Cable operations had 1975 revenue of \$11.2 million, profit \$1.8 million; 1974 figures were \$9.3 million & \$1 million. Post-Newsweek Stations reported 1975 profits of \$8.28 million, revenues of \$43 million; in 1974, stations had \$7.2 million profit on \$38.7 million revenues.

American communications policy agenda should be developed by Sen. Pastore (D-R. I.) & Rep. Macdonald (D-Mass.) before Pastore's retirement from Senate, Sen. Kennedy (D-Mass.) told New England Bcstg. Assn. meeting in Boston. Kennedy said agenda should concentrate on: (1) Improving "maximum free flow of ideas" over "development of techniques that may increase the flow of profits but impair the flow of ideas." (2) Finding "better ways to allow new technologies to fit smoothly into our present communications system, with the least possible disruption to the technology we now have." (3) Solving "the growing problems of competition & economic concentration & govt. regulation within the field of communications." He also called family viewing concept (FV) "a start in the right direction but it is only a timid step... More must be done about the massive, gratuitous & unnecessary violence on TV. I do not believe that the govt. ought to be the one to do it. But... if others do not... then I can assure you there will be even greater pressure in the future for govt. to step in." He cited Kojak, Cannon, Rockford, Baretta, Starsky & Hutch, Police Woman, Bronk "and all the others" for violent content.

"We're going to go ahead with [license renewal legislation] and get it on our schedule as soon as possible," House Communications Subcommittee Chmn. Macdonald (D-Mass.) told us, though he said no hearing date has been set. Macdonald & ranking Republican Rep. Frey (Fla.) recently met to discuss possibility of setting different renewal terms & requirements for different classes of licensees, such as radio & TV, but reportedly rejected radio-only renewal legislation.

WRET-TV Charlotte has repaid 3,600 viewers \$25,000—plus 6% interest—they "loaned" station in 1972 to keep Ch. 36 on air. New owner Ted Turner appealed at that time for public support, received loans ranging from \$1.50 to \$200.

Personals

Ray Adam, NL Industries pres. & chief exec. officer, elected an ABC dir.; **John Healy** elected ABC vp-corp. planning; **Ronald Sappenfield** vp-corp. development... **Raymond O'Connell** advanced to vp-station relations administration, NBC-TV, new post... **J.A. Mancini** elected a Nielsen vp.

White House TV advisor **Robert Mead** has been added to NATPE convention program in San Francisco as Feb. 24 luncheon speaker... Deputy Asst. Atty. Gen. **Jonathan Rose** will discuss cable de-regulation at Feb. 23 FCBA lunch, Army-Navy Club... **Alan McKie**, FCC Common Carrier Bureau, named deputy exec. dir., succeeding **Stanley McKinley**, retired.

Diana Dougan, one-time Manhattan Cable & chmn. of Friends of KUED (ETV) Salt Lake City, nominated by President Ford for CPB board seat sought unsuccessfully by brewer **Joseph Coors** (Vol. 15:44 p4).

George Gray, Avco Bcstg. Washington vp, joins NAB govt. relations dept. April 1 as "100-plus TV market specialist"... **John Chafee**, ex-R.I. Republican gov., will seek seat of retiring Sen. **John Pastore** (D-R.I.)... **Gloria Prager**, ex-Ruth Jones Ltd., N.Y. political media buyer, named NBC-TV children's program sales mgr.

Benjamin McKeel, WCMH-TV (ex-WLWC) Columbus, O. gen. mgr., appointed a vp, parent Outlet Bcstg.; **Michael McGivern**, ex-WJAR-TV Providence, named WCMH-TV business mgr... **Kenneth MacDonald**, ex-Westinghouse Bcstg., appointed gen. mgr., WKBS-TV Philadelphia.

James Miller WCVB-TV Boston business mgr., promoted to vp... **James Freeman** named national sales mgr., KMEX-TV L.A., and southern Cal. sales rep for SIN TV Network... **Bill Andrews** appointed promotion mgr., KAKE-TV-AM Wichita... **Frank Gardner**, ex-WQED (ETV) Pittsburgh, appointed special projects dir., WMC-TV Memphis... **William Kemple**, ex-Ted Bates, appointed gen. sales mgr., WRDW-TV Augusta, Ga.

John Connally, ex-Treasury & Navy Secy., speaks at NCTA April 7 luncheon during convention in Dallas... **Dr. Ira Jacobs**, Bell Telephone Digital Transmission Lab. dir., addresses Bcst. Engineering Conference in Chicago March 23 (during NAB convention) on fiber optics.

Richard Anderson, Doubleday Bcstg. vp, appointed gen. mgr. of subsidiary Doubleday Media; **Daniel Hayslett**, ex-Hamilton-Landis, named national sales mgr.; **Robert Magruder**, ex-Sovran Assoc., regional sales mgr... **Donald Barrabee** promoted to sales mgr., Katz TV Capital Team, N.Y... **Richard Jungers**, ex-WGN-TV Chicago, named sales development dir., WGN Continental Productions.

Dr. Jeffrey Krauss, ex-American Satellite, joins FCC Office of Plans & Policy... **Steven Blackwell**, ex-asst. to former Tenn. Gov. Winfield Dunn, joins OTP public affairs staff.

Thomas Otwell, ex-FCC information office, named NCTA public information mgr.; **Kathryn Hilton** promoted to NCTA research dir.

WEEKLY Television Digest

with
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

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Also publishers of annual *Television Factbook* and weekly TV, AM-FM & CATV *Addenda*, CATV *Atlas* and other special publications

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Charging FCC has prejudged radio format inquiry (Vol. 15:52 p1), Citizens Communications Center—on behalf of several local groups which oppose format changes—asked Commission to rescind inquiry. In its place, Center asked FCC to contract outside study of format diversity and competition in broadcasting on a market-by-market basis. "Only on completion of such a study can the public have meaningful & intelligent data upon which to comment." Center said under current inquiry "the FCC looks solely to undercut the public's First Amendment and statutory rights by negating the court's clear interpretation" in WEFM(FM) Chicago case.

Senate Commerce Committee has asked each FCC member—plus commissioners of other agencies—to submit by Feb. 23 "a paragraph concerning each of the 25 most significant steps you have taken during the past 10 years to enhance the lot of the consumer." Committee said information was needed—as part of oversight investigations—to determine agency actions that "have had a significant tangible benefit." Committee also has asked agencies for 5-year travel record, including "transportation services or other items of value" paid by regulated industries (Vol. 16:6 p5).

VHF drop-ins, UHF taboos, TV receiver characteristics and planning for 1977 WARC conference are among subjects at Feb. 23-24 MST engineering committee meeting in Washington.

NBC Chmn. Julian Goodman said company spent \$100 million in 1975 "to run the world's largest broadcast news organization"—in Palm Springs speech to International Franchise Assn.

Guide to state cable regulation has been updated by FCC Cable Bureau, copies available to public.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Jan. 30 (4th week of 1976):

| | Jan. 24-30 | 1975 week | % change | Jan. 17-23 | Jan. 1976 | Jan. 1975 | % change |
|-----------------------|---------------|--------------|-------------|---------------|--------------|--------------|-------------|
| Total TV. | 263,795 | 213,698 | +23.4 | 214,263 | 834,034 | 685,979 | +21.6 |
| color | 153,600 | 116,984 | +31.3 | 130,532 | 496,314 | 401,029 | +23.8 |
| monochrome | 110,195 | 96,714 | +13.9 | 83,731 | 337,720 | 284,950 | +18.5 |
| Total radio | 688,447 | 515,266 | +33.6 | 733,191 | 2,293,984 | 1,583,752 | +44.8 |
| home, portable . . | 435,418 | 376,345 | +15.7 | 480,661 | 1,346,222 | 1,010,727 | +33.2 |
| AM-only | 107,462 | 112,442 | -4.4 | 121,252 | 296,330 | 329,304 | -10.0 |
| FM & FM-AM . . | 327,956 | 263,903 | +24.3 | 359,409 | 1,049,892 | 681,423 | +54.1 |
| auto | 253,029 | 138,921 | +82.1 | 252,530 | 947,762 | 573,025 | +65.4 |
| Port.-comp. phono . | 59,082 | 67,306 | -12.2 | 49,023 | 196,047 | 155,126 | +26.4 |

Color TV 5-week moving average: 1975-76-123,223; 1974-75-100,446 (up 22.7%).

ZENITH TUBE DEBUT SEEN IN AUG.: First sets incorporating Zenith mystery tube (Vol. 16:5 p7, 16:6 p10) probably will be introduced in Aug., and new tube will spread to majority of company's production during following year. This appears to be Zenith's tentative timetable for phasing new color tube into line, first in 19", then 17" & 25" sizes.

May distributor meeting, originally scheduled for Las Vegas, has been changed to principals-only get-together in Chicago, presumably to be followed by bigger meeting in Aug., when new 19" models will be unveiled. Change in meeting plans, effected some time ago, may indicate some slippage in preparation for production of new, radically different color tube.

Project of "reinventing" picture tube started about 4 years ago, was given top priority in last 2 years, and is believed to be one of biggest R&D programs ever undertaken by Zenith in terms of money & manpower—far eclipsing its videodisc program. Zenith officials repeatedly have stressed that their principal business in foreseeable future will be TV receivers—not videoplayers—and tube program shows Zenith is putting money where its mouth is.

Primary objective of entire program has been reducing costs all along line without cutting performance or reliability, and it's known Zenith is counting on new tube as means of improving profits and as major weapon in its battle against imports. Characteristics & cost-effectiveness of new tube are still mystery to just about everybody except Zenith—but there's plenty of conjecture in industry. If Zenith indeed will start putting new tube in sets this summer, it should be close to pre-production stage now.

Financial community is enthused about development, and Zenith stock climbed 5-1/8 points, or more than 17%, since our first report on new tube Feb. 2, closing week at new 1975-76 high of 34-3/4. Competitors, however, warn that start-up costs will be extremely high, and, as one put it: "Nobody in this industry can afford to make a mistake."

SYLVANIA HITS JAPAN COLOR PRICING: Japanese are underpricing color sets here in attempt to dominate U. S. market, Sylvania alleges in unfair import competition complaint it filed with International Trade Commission (Vol. 16:5 p8).

Operating from safety of protected home-market base, Sylvania says, Japanese color producers are selling sets at or below cost here in effort to prevent U. S. manufacturers from sell-

ing at profitable level. Aim is to force domestics out of business, leaving U. S. market dominated by "a cartel consisting of Japanese TV manufacturers."

Sanyo was singled out as example of how Japanese allegedly are undermining price structure. Sylvania says Sears is marketing at \$295 a 19" color set it buys FOB from Sanyo for \$175. Sylvania says set costs Sanyo about \$159.67 to build, questions whether \$15.33 gross profit covers overhead costs.

In U. S., Sylvania charges, Sanyo America (SA) is actually losing money on some sets it sells, markets others at little or no profit. Sylvania claims SA 19" model listing at \$380 is sold to smaller dealers at \$261, leaving SA less-than-breakeven profit of \$17 after \$188 landed cost plus \$56 for warranty, shipping, finance & commission. Same set is sold to major dealers at \$239, Sylvania says, complaining transaction is \$3 less than SA's cost (including \$54 for expenses). Expenses of \$56 & \$54 don't provide for ad or other promotional allowances or any discounts, Sylvania says. Sylvania notes it loses money when it sells similar 19" at its lowest price, which is "substantially higher than \$239." Other Japanese companies specified in complaint are Hitachi, Mitsubishi, Sharp & Toshiba.

In attempt to combat Japanese, Sylvania says it has invested \$8 million in foreign manufacturing facilities since 1973, including \$3.5 million for color production, causing loss of about 400 U. S. jobs. Sylvania says 20% of its color chassis are now made in Juarez, Mexico plant, and share is expected to climb this year. Entertainment Products Group now employs 3,800 in U. S., had 1975 sales of about \$200 million.

Despite shift to low-wage plants, Sylvania's earnings from color "have been sporadic—incurring loss for 4 of the past 6 years with the largest loss occurring in this current year." While color console business shows profit, Sylvania has lost money in portables in each of last 3 years. Company blames situation on inability to raise prices in face of unfair Japanese competition over past 5 years while labor costs have risen 20%, material prices (except picture tubes) 6%, taxes & utilities 23%.

Sylvania claims it held 4.7% share of U. S. color market at factory sales level, as of Oct. 1975, down from 4.9% in 1974, though somewhat better than 4.3% of 1972-3 & 4.1% of 1971. Sylvania's peak share, 5.4%, came in 1970. Sylvania's Philco brand, acquired from Ford last year, held 1.8% in 10-month 1975 period.

Japanese haven't commented on allegations, aren't expected to unless ITC decides to accept case for formal investigation. That decision is due March 1. If case ends in victory for Sylvania, President, acting on ITC findings & recommendations, would order Japanese to halt unfair practices, and could even ban color imports from both guilty & non-guilty Japanese companies.

IMPORT COLOR SHARE SOARED IN '75: Imports' participation in American color TV market approached full-partnership level last year, as domestic output resumed nosedive in 4th quarter while imports soared, our analysis of available Commerce Dept. & EIA data indicates.

Last year saw all kinds of downbeat records, with impact falling hardest on domestic manufacturers. On U. S. production front, 1975 was poorest total TV year since 1961, marked lowest color output since 1965, worst for b&w since 1948. On total-market basis (domestic production plus imports), you would have to go back to 1964 for lower total TV figures, to 1966 for color, and 1949—when there were no imports—for b&w.

After bouncing back in 3rd quarter from sharp first-half slide (Vol. 15:46 p8), domestic color production dipped steeply in Oct.-Dec., while imports picked up steam. As result, imports closed out year with record 19.5% color market share, up from 15% in 1974. In b&w, import share dropped one point to 67%, giving imports over-all unchanged 39% TV market share.

But it's 4th quarter, not full-year totals, which is causing most concern among U. S. industry executives who worry that closing 1975 period may set 1976 pace. In those 3 months, color imports, virtually all from Japan, snatched staggering 26% of market, a record for any quarter—achieved during period when imports traditionally slip a notch or two. In b&w, im-

port share dropped to 67% from 70%, giving imports 43% total TV market share for period, up from 40%.

And that's the bright side. In portable-table color, where imports meet U.S.-made sets head-to-head, foreign sets captured 29% of full-year market, up from 22%—and grabbed off 38% in 4th quarter, up from 24.5%. Not included in imports, of course, is U.S. color output of Sony & Matsushita's Quasar. Add that, plus production by Dutch Philips-controlled Magnavox, and 35% of 1975's total new color supply either was imported or made in foreign-owned U.S. factories; in 4th quarter, that share topped 40%. Penetration easily could exceed 50% this year if Admiral completes transfer of all but console color production to Taiwan and Japanese plans for increased sales here succeed.

Don't read hope for domestics in declining import share of b&w. Situation is temporary, caused mainly by closing of Motorola's Taiwan plant, slowdown at Philco plant there before Sylvania's acquisition of it from Ford. Philco plant is picking up steam, now making both Philco & Sylvania b&w. Quasar, which was using sets from Motorola Taiwan and now is supplied in part from Matsushita's Puerto Rico facility, is expected to resume sourcing in Far East.

Here's how domestic vs. import TV picture looked for full year & final quarter of 1975:

U.S. TV SUPPLY—1975 VS. 1974

| | U.S. Produced | % change | Imports | % change | Total Market | % change |
|-------------------------|------------------|-------------|-----------|-------------|-----------------|-------------|
| Total TV, 1975. | 6,447,000 | -31.0 | 4,190,000 | -29.5 | 10,637,000 | -30.4 |
| 1974. | 9,338,000 | | 5,941,000 | | 15,279,000 | |
| color, 1975. | 5,004,000 | -29.8 | 1,215,000 | -5.2 | 6,219,000 | -26.1 |
| 1974. | 7,129,000 | | 1,282,000 | | 8,411,000 | |
| b&w, 1975. | 1,443,000 | -34.7 | 2,975,000 | -36.1 | 4,418,000 | -35.7 |
| 1974. | 2,209,000 | | 4,659,000 | | 6,868,000 | |

4TH QUARTER

| | | | | | | |
|-------------------------|-----------|-------|-----------|-------|-----------|-------|
| Total TV, 1975. | 1,677,000 | -22.4 | 1,249,000 | -12.5 | 2,926,000 | -18.4 |
| 1974. | 2,160,000 | | 1,427,000 | | 3,587,000 | |
| color, 1975. | 1,285,000 | -22.9 | 449,000 | +57.5 | 1,734,000 | -11.2 |
| 1974. | 1,666,000 | | 285,000 | | 1,953,000 | |
| b&w, 1975. | 392,000 | -20.6 | 800,000 | -29.9 | 1,192,000 | -27.1 |
| 1974. | 494,000 | | 1,142,000 | | 1,636,000 | |

* * * *

U.S. total market for home & auto radios in 1975 joined TV in dropping to levels not seen in past 11 years, as domestic production & imports totaled 34.5 million, down 21.5% from 1974. Total home radios fell 23.9% to 25.2 million, auto radios 14.1% to 9.2 million. Within home category, table radios were off 18.5% to 2.3 million, clock 27.5% to 6.6 million, portables 23% to 16.4 million. Home AM-only radios dropped 39.7% to 6.3 million, while FM declined 16.6% to 18.9 million. FM captured 74.9% of total home radio market, up from 68.3%, including 80.6% of table models (down from 81.7%), 89.1% of clocks (up from 79.1%), 68.4% of portables (up from 61.9%). In auto radios, FM took 37.6% share, up from 31.8%, for over-all 64.9% of total radios, up from 59.3%.

FIRST HOME VTR DECK ON U.S. MARKET: Sony's Betamax home videocassette deck goes on market in N.Y. this week. Officially this is a first—Cartrivision never went through with its plans for home deck; Sony Betamax has been available in U.S. in TV console form only for about 4 months. Sony's new move will help determine U.S. market demand for home VTR attachment.

Deck was launched at press demonstration last week in N.Y. chaired by Sony Chmn. Akio

Morita. Attractive unit is priced at \$1,300 including separate digital timer (but will be available without it for \$1,260). It's being plugged only as "video time-shift machine" for recording & playback of broadcast programs. It doesn't have camera input, and possibility of near-future pre-recorded programming was minimized. Unit does have own tuner to permit recording of one show while viewing another. Picture quality at demonstration was good, at best indistinguishable from original signal recorded from cable TV feed—although Sony officials pointed out several times that quality was not equal to picture from higher-priced U-Matic.

Unit will be phased into U.S. market gradually in same area where \$2,295 console is being sold (currently 13 markets). Acceptance in Japan has prompted Sony to step up production to 10,000 units monthly starting in April, Morita said, adding that 20,000 decks & consoles had been sold in Japan in 6 months—at ratio of about 5 decks to one console.

Sony is prepared to license other manufacturers to make Betamax, but is disinclined to enter OEM market—"Sony is not an OEM manufacturer," we were told. Machine can be made without royalty payments by Matsushita, JVC, NEC & 3M—members with Sony of cross-licensing home videoplayer consortium. It's likely, however, that industry will let Sony do the pioneering, sitting on sidelines for year or so to see how well Sony does.

Most controversial aspect of Betamax deck is 60-min. playing time of pocket-book-sized \$15.95 cassette—RCA's in-home MagTape tests indicated that 2 hours was minimum acceptable cartridge playing time. Morita said 60-min. maximum was chosen at start to minimize costs, said work is proceeding on longer-playing tape as well as changer accessory to permit stacking of number of cassettes atop deck for several hours of automatic recording or play. Future models are in works, Morita indicating prices eventually would come down.

Introduction of Betamax console & deck will facilitate Sony's entry into large-screen TV market—establishment of home service network for videocassette unit now makes it practical to introduce receivers which must be serviced in home. Company now plans introduction of 21" Trinitron near year's end, about a year late—and presumably marketing will be restricted to areas where home service is available.

JAN. LOOKED GOOD: Compared with 1975, everything was up in Jan. 1976, according to EIA sales-to-dealer figures (see State of the Industry). All major products showed increases, with color TV up 23.8%, monochrome up 18.5%. Based on seasonal trends of last 5 years, dealers bought color sets in Jan. at annualized rate of 7.3 million, best since May 1975.

Jan. color production (516,700) was slightly higher than sales (496,300). Inventories at factory-plus-distributor levels were virtually unchanged from Nov.—rising 4.3% at factory, dropping 3% at distributor level—but they continued to run well below pace of year earlier. Combined factory-distributor stocks at end of month totaled about 1,743,000, down 19% from end of Jan. 1975; factory inventories of 864,000 were down 34%, distributor inventories of 879,000 up less than 5%.

EIA's retail sales report to underwriting subscribers indicated color TV retail sales last year were off only 3.3% from 1974 level—vs. 17.2% drop in sales to dealers. With production continuing low and retailers playing conservative game, forecasts of shortages are beginning to be heard again in the land. Drexel, Burnham analyst James Magid said last week: "Because retailers have inadequate inventories and are, for the most part, unprepared for the volume of business we forecast for the first half, shortages of sets at retail seem to us to be the major industry problem for the first half." With most manufacturers unable to sense major recovery in air, that is one problem they'd be happy to face.

Confidential EIA retail sales report says Dec. unit sales of color TV rose 27.4%, b&w sales 20.9%, above Dec. 1974 sales (Our Early Warning Report retail survey showed color sales up 7%, b&w sales up 6.5% in Dec.). EIA poll, based on reports from panel of over 500 dealers, says full year 1975 color sales were 2.5% below 1974 total, b&w sales were down 3.8%. Retail color inventories in Dec. were 1.6% below Dec. 1975 level, b&w inventories were down 22.3%, report says.

TV energy consumption cutting schedule should be proposed by Federal Energy Administration by April 15, with final schedule out June 15, agency told industry representatives at meeting last week. FEA said it would propose test procedures by May 15, with July 30 set for final version. FEA, which has authority to regulate over-all 20% reduction in appliance energy consumption by 1980 ordered in Energy Act, said it would work with Bureau of Standards in developing rules.

Broadmoor has financial problems but isn't quitting TV business. Pres. Robert Moore told us company notified major accounts & suppliers it's in default to its major lender—understood to be U.K. corporation—but situation is being worked out.

Sharp showed prototype of solar-powered digital watch in Japan, joint development with Orient Watch. New watch will be put on market in year at about \$300.

'HIGH-SPEED' TV: Video learning system which makes possible simultaneous playback of 30 programs from single 1" VTR or broadcast of 30-min. telecourse in 12 sec. for home storage and later playback has been developed by Goldmark Communications (GCC). Designed especially to meet needs of education, Rapid Transmission & Storage (RTS) system provides high-resolution still color pictures with continuous sound, supplying motion "when needed for clarity or emphasis."

RTS Mark I system will be introduced this fall in 6 community college districts across country. Course material will be recorded on modified IVC-100 videocassette recorder costing less than \$20,000. Significance of Mark I development, GCC Pres. Peter Goldmark told us, is that it marks "first time educators & technical people have designed something together." System uses multiplex & compression techniques, according to Goldmark, with special encoding to trigger switch from still picture to motion when required.

Second system, RTS Mark II, is subject of recent Goldmark patent. This is designed for transmission of speeded-up telecourse material directly to homes during periods when TV stations are normally off air. VTR at home would be set to record preselected course for later playback. Single 30-min. program could be recorded in 12 sec. at high speed for slow-speed playback. GCC estimates home TV attachment would cost about \$300; Mark II would make it possible to transmit 2,800 half-hour lessons over standard TV channel during 8-hour period.

To develop courses for Mark I system, GCC has formed subsidiary Electronic Publishing Inc., headed by Wilbur Edwards, ex-exec. vp of Encyclopaedia Britannica Educational Corp.; 6 courses are being prepared in cooperation with the participating colleges. Dr. Goldmark stressed that Mark II home system, like Mark I, is educational tool and "is not a competitor to the videodisc."

JAPAN'S GROWTH PLANS: With most Japanese color TV manufacturers expecting this year's exports to increase 50-100% over 1975, color tube makers there are making expansion plans accordingly.

Hitachi says it will boost tube production about 11% starting in June to 300,000 monthly, while Toshiba, Japan's largest producer, indicates it will hit 350,000 monthly in March. Nippon Electric is scheduling 40% increase to 70,000 monthly, Mitsubishi a 22% hike to about 60,000 monthly. In all, Japan could turn out 11-12 million color tubes this year, about half world's output.

Meanwhile, Sanyo, seeking to be Japan's biggest over-all consumer electronics exporter, says it's building new color plant in Osaka, plans to build 1.2 million sets this year, up from 940,000 in fiscal 1975 (through Nov.). Subsidiary Tokyo Sanyo is adding b&w assembly line to increase output 20-30%, says it plans to build 800,000 sets, 90% for export, vs. 1975 output of 654,000, including 480,000 exported. Tokyo Sanyo is also expanding audio production lines.

MAGNAVOX POSTS PROFIT: Magnavox showed profit in 4th quarter, going into black for first time since it was acquired by North American Philips in Oct. 1974, though it showed loss for full year, parent company reports. Magnavox sales for year rose 4.9% to \$544.6 million; in 2nd half, sales were indicated \$304.8 million, up 16.3%.

Sylvania posted record 4th quarter earnings of \$18 million on 3.9% sales gain to \$341.7 million, but closed out year with net down 27.8% to \$45.1 million, sales off 2.1% to \$1.22 billion. Parent GTE attributed bulk of decline to poor market for consumer electronics & components. GTE-International showed \$9.58-million profit in quarter, against \$3.3 million, as sales rose 15.7% to \$350.6 million, closed year with sales up 7.5% to \$1.04 billion, loss of \$2.86 million, including \$8 million write-off of Brazilian TV operation destroyed in fire early last year. GTEI earned \$2 million in 1974.

Major Electronics sales doubled in fiscal 3rd quarter & 9-month periods, and firm showed profit, against year-earlier losses (see financial table). Pres. Steve Lane said improvement was attributable mainly to Emerson line which company started shipping last June, adding firm's private-label business picked up as well. He said company, which has discontinued Major-brand products, expects sales of \$35-\$45 million in next fiscal year.

Motorola said Automotive Products Div. had 12% sales decline, loss for year, though it was profitable in 2nd half. Semiconductor Products Group, with sales down 23%, also posted loss for year & 4th quarter. SPG sales were up in quarter and turned profitable at year's end.

IMPORT IMPACT AID: In recent worker import adjustment assistance actions, Labor Dept. opened 2 new TV-related cases, 3 component cases, approved eligibility of GE tube workers, rejected bid by former International Resistance employees.

In TV area, Labor is investigating eligibility of former production workers at Quincy, Ill. plant formerly owned by Motorola, now by Quasar. Plant was one of 3 included in TV business package Motorola sold to Quasar's parent Matsushita, provided 3,000 jobs, mainly in TV. Force is now down to several hundred, all employees of Motorola Data Products, which is leasing space under agreement expiring next May. Former employees at Sarkes Tarzian TV tuner plants in Bloomington & Jasper, Ind. & Brownsville, Tenn. are also seeking aid. ST has shifted much of output to Taiwan.

GE Owensboro, Ky. receiving tube plant employees have been declared eligible for aid for 2nd time. New finding covers those laid off since Feb. 1974 when first notice was issued. Labor blamed layoffs on increase in GE's Singapore plant production. In IR case, agency ruled workers making carbon-alloy & metal film resistors at Burlington, Ia. lost jobs because of poor economic conditions, not imports. New component cases: RCA, Camden, N.J., receiving tubes; Skottie Electronics, Archbald, Pa., ceramic capacitors; Allen-Bradley, Milwaukee, electronic components & motor controls.

Financial Reports of TV-Electronics Companies

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

| Company & Period | Revenues | Net Earnings | Per Share |
|-------------------------------------|----------------------------|-------------------------|-----------|
| Andrea Radio | | | |
| 1975-year to Dec. 31 | 2,368,952 | 222,615 | .44 |
| 1974-year to Dec. 31 | 2,040,499 | 65,713 | .13 |
| 1975-qtr. to Dec. 31 | 510,566 | 15,558 | .03 |
| 1974-qtr. to Dec. 31 | 662,184 | 46,253 | .09 |
| CBS | | | |
| 1975-year to Dec. 31 ^a | 1,938,867,000 | 122,903,000 | 4.30 |
| 1974-year to Dec. 31 | 1,751,341,000 | 108,557,000 | 3.80 |
| 1975-qtr. to Dec. 31 | 574,722,000 | 35,668,000 | 1.25 |
| 1974-qtr. to Dec. 31 | 501,267,000 | 32,454,000 | 1.14 |
| Columbia Pictures Industries | | | |
| 1975-6 mo. to Dec. 27 | 179,562,000 | 9,116,000 ^b | 1.10 |
| 1974-6 mo. to Dec. 28 | 147,015,000 | 1,527,000 | .20 |
| 1975-qtr. to Dec. 27 | 88,379,000 | 6,382,000 ^b | .77 |
| 1974-qtr. to Dec. 28 | 73,572,000 | 739,000 | .10 |
| Communications Properties | | | |
| 1975-year to Oct. 31 | 17,597,930 | (953,615) | -- |
| 1974-year to Oct. 31 ^c | 13,082,787 | (394,460) | -- |
| CTS | | | |
| 1975-year to Dec. 31 | 121,000,362 | 8,281,477 | 1.78 |
| 1974-year to Dec. 31 | 134,111,237 | 9,079,699 | 1.91 |
| GTE | | | |
| 1975-year to Dec. 31 | 5,948,395,000 | 388,157,000 | 2.88 |
| 1974-year to Dec. 31 ^c | 5,661,510,000 | 260,167,000 | 2.02 |
| 1975-qtr. to Dec. 31 | 1,652,210,000 | 123,452,000 | .92 |
| 1974-qtr. to Dec. 31 | 1,509,642,000 | 96,985,000 | .77 |
| Interpublic Group | | | |
| 1975-year to Dec. 31 | 177,991,000 | 7,918,000 | 3.45 |
| 1974-year to Dec. 31 | 156,894,000 | 6,955,000 | 2.93 |
| 1975-qtr. to Dec. 31 | 53,384,000 | 3,573,000 | 1.55 |
| 1974-qtr. to Dec. 31 | 44,090,000 | 2,748,000 | 1.17 |
| LIN Bcstg. | | | |
| 1975-year to Dec. 31 | 31,347,000 ^d | 4,210,000 ^e | 1.77 |
| 1974-year to Dec. 31 ^c | 20,850,000 ^d | 2,175,000 | .95 |
| 1975-qtr. to Dec. 31 | 8,664,000 ^d | 1,607,000 | .67 |
| 1974-qtr. to Dec. 31 ^c | 6,548,000 ^d | 560,000 | .24 |
| Major Electronics | | | |
| 1975-9 mo. to Dec. 31 | 19,479,000 | 399,000 ^b | .51 |
| 1974-9 mo. to Dec. 31 | 9,690,000 | (391,000) | -- |
| 1975-qtr. to Dec. 31 | 9,833,000 | 394,000 ^b | .50 |
| 1974-qtr. to Dec. 31 | 4,126,000 | (75,000) | -- |
| Motorola | | | |
| 1975-year to Dec. 31 | 1,311,771,000 ^d | 41,127,000 | 1.46 |
| 1974-year to Dec. 31 | 1,367,171,000 ^d | 70,728,000 | 2.52 |
| 1975-qtr. to Dec. 31 | 356,006,000 ^d | 12,140,000 | .43 |
| 1974-qtr. to Dec. 31 | 325,210,000 ^d | 4,199,000 | .15 |
| North American Philips | | | |
| 1975-year to Dec. 31 | 1,409,842,000 | 31,363,000 ^b | 2.81 |
| 1974-year to Dec. 31 | 994,579,000 | 29,741,000 ^b | 2.83 |
| 1975-qtr. to Dec. 31 | 392,761,000 | 14,327,000 ^b | 1.18 |
| 1974-qtr. to Dec. 31 | 338,035,000 | 3,414,000 | .32 |
| Storer Bcstg. | | | |
| 1975-year to Dec. 31 | 101,146,000 | 13,113,000 | 2.88 |
| 1974-year to Dec. 31 ^c | 92,723,000 | 9,369,000 | 1.99 |
| 1975-qtr. to Dec. 31 | 30,932,000 | 4,538,000 | 1.00 |
| 1974-qtr. to Dec. 31 ^c | 28,158,000 | (806,000) | -- |
| Times Mirror | | | |
| 1975-year to Dec. 31 | 806,966,000 | 47,240,000 | 1.40 |
| 1974-year to Dec. 31 | 751,113,000 | 58,521,000 | 1.73 |
| 1975-qtr. to Dec. 31 | 217,784,000 | 12,165,000 | .36 |
| 1974-qtr. to Dec. 31 | 185,325,000 | 12,850,000 | .38 |
| Viacom International | | | |
| 1976-year to Jan. 3 | 39,376,000 | 3,097,000 ^a | .85 |
| 1974-year to Dec. 28 | 36,166,000 | 2,708,000 | .72 |
| 1976-qtr. to Jan. 3 ^a | 10,098,000 | 858,000 | .24 |
| 1974-qtr. to Dec. 28 | 9,403,000 | 810,000 | .22 |

| Company & Period | Revenues | Net Earnings | Per Share |
|----------------------------|-------------|--------------|-----------|
| Washington Post | | | |
| 1975-year to Dec. 28 | 309,335,000 | 12,042,000 | 2.55 |
| 1974-year to Dec. 29 | 287,579,000 | 14,441,000 | 3.04 |
| 1975-qtr. to Dec. 28 | 86,107,000 | 5,540,000 | 1.19 |
| 1974-qtr. to Dec. 29 | 84,663,000 | 5,388,000 | 1.14 |
| Wometco Enterprises | | | |
| 1976-53 wk. to Jan. 3 | 181,000,000 | 11,600,000 | 2.02 |
| 1974-52 wk. to Dec. 28 | 161,000,000 | 9,000,000 | 1.51 |
| 1976-17 wk. to Jan. 3 | 59,000,000 | 3,900,000 | .69 |
| 1974-16 wk. to Dec. 28 | 51,000,000 | 3,100,000 | .53 |

Notes: ^aRecord. ^bIncludes special credit. ^cRestated. ^dFrom continuing operations. ^eAfter special items.

Trade Personals

Laurence Farley, RCA financial resources vp, elected treas., succeeding **Warren Hendrickson**, retiring after 34 years with RCA. . . **Robert Miller**, ex-Panasonic, appointed Sharp Audio Div. product mgr., with development responsibility for hi-fi, stereo compacts & CB. . . **W. Clay Matthews** resigns as Bell & Howell pres. to accept post with unidentified West Coast firm; Chmn. **Donald Frey** assumes presidency; **Wilson Slick**, ex-Allen Group, joins as exec. vp for finance, administration & planning. . . **Stuart Meyer**, RCA, appointed E.F. Johnson govt. & industry relations mgr., new post.

Michael Melvin, ex-GE Semiconductor, joins FMC as national sales mgr., semiconductor products. . . **Douglas Fridley** appointed Gusdorf district mgr. (Mo., Kan. & southern Ill.).

Daniel Nagler, Sylvania N. Y. Metro region mgr., adds responsibility for new Conn. region; **Herbert Hoffman** advanced from Philadelphia mgr. to Great Lakes mgr.; **Ruth Johnson** appointed mid-Fla. mgr.; **Ronald Aron** named northern N.J. field sales mgr.

Ad notes: RCA fall color TV ad campaign, through its new agency Leo Burnett (Vol. 16:6 p10), will be keyed exclusively to ColorTrak. Top Burnett officials lost no time familiarizing themselves with new account, spending 8 days at Indianapolis consumer electronics hq. RCA has assigned supporting retail advertising & sales promotion to Keller-Crescent, Evansville, Ind., succeeding J. Walter Thompson's Indianapolis office. . . **Magnavox** appoints Quinn & Johnson, Boston, for N.Y. & New England dealer ads & promotions. . . **Akai** to promote audio on ABC-FM.

Correction: Japan's General is expanding color capacity this year 80% to 480,000 annually. In earlier report, we incorrectly indicated 480,000 as current capacity (Vol. 16:6 p9).

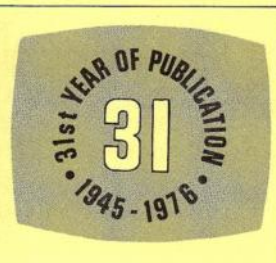
Early Warning Report No. 14

Early Warning Report, covering retail sales of color & monochrome TV and stereo for Jan., is being mailed to all EWR subscribers Feb. 17. For information on EWR subscriptions, contact our Washington or N. Y. office.

WEEKLY

Television Digest®

with
consumer
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FEBRUARY 23, 1976

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VOL. 16, NO. 8

Broadcast

NATPE GIVES FV VISIBILITY. Defendant Wiley and plaintiff Lear appear back-to-back. SAG strikes back at Pastore. (P. 1)

HOUSE INVESTIGATES INVESTIGATOR: Schorr brings 296-115 vote for Ethics Committee hearing, is taken off intelligence beat. (P. 2)

WILEY FD EXPERIMENT LOSES: Commissioners vote 4-3 to reject plan to suspend fairness doctrine on radio in major markets. (P. 3)

CABLE SESSION EFFECTIVE: FCC & NAB say en banc session worthwhile. Smaller-market stations make largest impact. (P. 3)

SENATE OKAYS COPYRIGHT by 97-0 vote. Hathaway change eases burden for small cable systems. (P. 4)

HOUSE HEARING AGENDA for March 2-3 FCC 'oversight' includes children's TV ads, political TV, VHF, etc. Commerce Committees okay budgets. (P. 5)

NAB INCUMBENTS RE-ELECTED: 9 more to join Board for first time after Chicago convention. (P. 5)

ABC 4th-QUARTER LOSS due partly to higher TV network costs & lower unit prices. Broadcasting accounts for 72% of 1975 revenues. (P. 6)

NATPE GIVES FV HIGH VISIBILITY: By design or otherwise, controversial family viewing (FV) concept will play major role in Feb. 23-25 NATPE convention in San Francisco. Appearing back-to-back—although not together—will be a major defendant (FCC Chmn. Wiley) & plaintiff (producer Norman Lear) in antitrust & First Amendment suit to be tried April 6 in L. A.

Govt. lawyers have much concern about Wiley's appearance in Cal. (some advised him not to go)—along with Comr. Abbott Washburn, who spoke in L. A. Feb. 22 (see below), was to be at NATPE today—because of fear plaintiffs may attempt to subpoena commissioners while they're in Cal. In freeing them of personal liability 2 weeks ago (Vol. 16:7 p1), L. A. Dist. Judge Warren Ferguson said "a district court in the Central Dist. of Cal. does not yet have jurisdiction over them [govt. officials]." Some feel such jurisdiction might apply while commissioners are in Cal. (Comr. Quello added fuel to controversy last week when he referred to FV as "an example of a voluntary response to regulation by raised eyebrow" [see p. 6].)

Last week, Wiley made what many in Washington consider his strongest defense yet of FV, before high school principals. In NATPE keynote speech today, he'll just touch lightly on family viewing, stress his view that govt. doesn't belong in TV programming, tell programmers to quit seeking FCC involvement—theme he used in Nov. HRTS speech (Vol. 15:47 p5). Wiley will return to FV as theme for Feb. 24 speech in Washington before religious broadcasters.

Consumer Electronics

NEW COLOR TUBE to be offered to industry next week in showings by Zenith & Corning. Television Digest reports confirmed in statements by both companies. Glass savings to be \$5 in 19" size. (P. 7)

PRE-RECORDED PROGRAMMING for Betamax, including feature films, offered by Teletronics. Time-Life shipping Betamax telecourses. 'Dry run' for videodiscs? (P. 8)

MORE VIDEO GAMES hit market this week at N. Y. Toy Fair, including model which could break \$30 retail price point. Magnavox in Fair for first time with Odyssey. (P. 9)

SONY CLAIMS 7.5% of U.S. 1975 color market, says share topped 10% in Jan., shies away from CB and TV game fields. Admiral claims 10% share. (P. 10)

WARWICK'S LARGER LOSS in 1975 attributed to increased Sears buying of low-cost color imports. Capehart shows 3rd-quarter profits. (P. 10)

CANADA'S TV MARKET dropped in first 9 months of 1975 as domestic output fell 46.5%, imports slipped 32.8%. (P. 11)

CB TRANSCEIVERS set growth pace for Japan's exports to U.S. last year, as units rose 80.5%, while other major audio product categories declined. (P. 11)

Noting that "my lawyers might object," Wiley answered FV critics in speech to principals: "First of all, family viewing is not government censorship. True enough... I suggested the adoption of self-regulatory reforms... But it does not violate anyone's First Amendment rights for concerned public officials to encourage voluntary action and to make suggestions for improvements in programming practices... As a father of 3 young children, there is no issue within our jurisdiction on which I am more sincere. It is time, it is overtime, for reform in this area. I have done what I thought proper to do."

Speaking to United Church of Christ workshop in L.A., Washburn said his views are based on "considerable personal TV viewing" with 10-year-old daughter. He called FV "the first positive action to counter a serious danger which was brought to light over 20 years ago by the Kefauver crime investigations." Washburn also discussed improvements in children's TV across-the-board, mentioning several desirable network programs by name. He found "big gap" in quality children's shows weekday afternoons.

Attack on FV came last week from SAG—also plaintiff in L.A. suit—in letter to Senate Communications Subcommittee Chmn. Pastore (D-R.I.), whose repeated criticism of televised sex & violence was motivating factor in FV adoption by NAB TV Code. In Senate floor speech, Pastore had attacked FV critics, accused Hollywood unions of "peddling violence for profit" (Vol. 15:51 p4). SAG responded that it condemned TV violence "10 months before the family viewing hour came into existence," that it opposes FV because both it and violence "are inherently wrong. Our opposition... is based upon fundamental considerations of freedom and abhorrence of government censorship and interference... The answer to excessive violence is not a family viewing hour fostered and engineered by a government agency..."

HOUSE INVESTIGATES INVESTIGATOR SCHORR: Series of climaxes came last week—and you can expect more this week—following admission by CBS's Daniel Schorr that he gave Village Voice the House Intelligence Committee report it printed (Vol. 16:7 p5):

(1) CBS on Feb. 18 took Schorr off intelligence beat on grounds he was personally involved in controversy, said he would continue in other assignments. CBS also repeated that it would give Schorr legal help if it's needed to protect his sources. There was strong speculation at week end, however, that Schorr might be suspended altogether—or fired.

(2) House voted Feb. 19, 296-115, for resolution directing its Ethics Committee (Committee on Standards of Official Conduct) to conduct investigation. Chmn. Flynt (D-Ga.) of Committee told us open hearing would start Feb. 24. "We are in the preliminary, preliminary stages," he told us. "There will be a thorough investigation." Resolution was introduced by Rep. Stratton (D-N.Y.), former broadcast newsman, who thought proceedings could result in citing Schorr for contempt of Congress or rescinding his right to cover Hill.

(3) CBS Radio Affiliates Exec. Committee, after conference call Feb. 17, wired CBS News Pres. Richard Salant urging him to take Schorr off air pending investigation and to "seriously consider" dismissing him. Wire said Schorr had committed a "serious breach of newsman's ethics" and "damaged his credibility." Salant hadn't responded by week's end. Charles Brakefield, WREG-TV Memphis, head of CBS TV Affiliates, wrote Salant criticizing Schorr; Brakefield said that he didn't suggest what CBS should do, that "it would be presumptuous to do so."

(4) Attorney Gen. Levi ordered FBI to investigate leak of Intelligence Committee report to Schorr.

(5) Sen. Huddleston (D-Ky.), chmn. of Foreign Intelligence Subcommittee, said group would discontinue seeking names of correspondents who had worked for CIA, because it would receive "certain files" from CIA and names weren't essential.

Though CBS said Schorr was relieved only of covering intelligence beat, he didn't appear on air thereafter last week. William Small, CBS senior vp & news dir., said he presumed Schorr was busy preparing for Ethics Committee hearing. William Headline, CBS Washington asst. news dir., said Schorr was tired, taking couple days off.

After House vote, Schorr himself would only say: "This is too serious for me to comment on lightly, and I think this is a good time for me to shut up."

Meanwhile, President Ford sent Congress recommendations for new secrecy legislation. Under one provision, Congress could release classified information only by vote of full Senate & House.

WILEY FD EXPERIMENT LOSES 4-3: After very brief discussion, FCC Chmn. Wiley's proposal that fairness doctrine (FD) be suspended—on experimental basis—for radio stations in largest markets (Vol. 15:38 p1) was rejected 4-3 (Comrs. Reid & Robinson voting with Wiley). Plan had drawn open hostility of Senate Communications Subcommittee Chmn. Pastore (D-R.I.) and other members of Congress who argued FCC didn't have authority (Vol. 15:46 11).

Wiley took position that FCC has authority to suspend FD in selected markets under "snowmobile" and other cases, asked colleagues to start inquiry into desirability of experiment, appropriate size & scope, and to solicit comments on FCC's authority. "As a practical matter, I do not believe that a legislative approach would be likely to succeed in the near future," he told other commissioners. FCC never reached question of authority, rejecting proposed inquiry on 4-3 vote.

Some on Commission majority (Lee, Hooks, Quello, Washburn) felt election year isn't time to experiment with doctrine—even though inquiry undoubtedly would have taken actual tests into 1977, at earliest. We're told question will arise again after Nov. elections.

Meanwhile, another major FD decision is before FCC this week—reconsideration of May 1974 policy statement. At that time, Commission curtailed future use of Banzhaf cigaret ruling, rejected proposals that counter-ads be required under FD and said doctrine shouldn't be used to correct false & misleading ads (Vol. 14:20 p5). Commission is expected to follow staff recommendations and refuse to make major changes in 1974 policy statement.

CABLE SESSION EFFECTIVE—FCC & NAB: Although FCC members said very little new was presented, they (with one exception) and some 180 out-of-town broadcasters expressed satisfaction with last week's en banc session on telecasters' unhappiness with cable rules relaxation. Lone FCC exception was Comr. Robinson who, along with Chmn. Wiley, also asked toughest questions. But, Robinson added, "it may have been worthwhile for them to blow off steam."

If there are any tangible results, chief beneficiaries are likely to be smaller-market stations, who made biggest impact on commissioners. On other hand, FCCers said they got tired of hearing complaints that 1972 consensus agreement had been violated "and somehow or other that's our fault," as a commissioner put it.

From broadcaster: "Our biggest problem is that it's hard to go in there and cry poor mouth when TV is having its best year ever." Added another: "It's time we had a show of force to let them [commissioners] know that we won't stand idly by any longer and watch them continue to nibble away at us."

Commissioners agreed that NCTA has out-lobbied NAB in recent months, that many more cable people than broadcasters have pleaded cases in person. "The broadcasters were being out-lobbied all right and I think they woke up to that fact," Comr. Quello said. "It was time for them to come in and state their case." (Incidentally, NCTA already has asked for "equal time," and Wiley said they'd get it in April or May.)

"I was delighted," said NAB Vp William Carlisle, who motor-manned huge turnout of broadcasters. "They got a good education of how the commissioners are thinking... It was a constructive exercise in citizens coming to Washington to seek redress." They signed a "declaration of purpose" to be presented to FCC this week stating: "The undersigned broadcasters have come to Washington... to express our concern to the FCC over continuing & damaging dilution of the FCC rules governing cable TV... Our concern springs from the damage that further dilution of the cable rules will do to local, over-the-air TV service and consequently to the millions of Americans it serves."

NAB Chmn. Wilson Wearn—after presentations by 8 telecasters representing large & small markets, UHF's & VHF's, independents & affiliates—summed up presentations: (1) "We signed the consensus agreement in good faith but we feel this agreement has not been implemented in

the manner intended. (2) We feel CATV in its present form represents unfair competition... (3) The inhibitions on faster growth of cable are neither regulatory nor technological; they are financial. (4) The net effect of cable TV on independent TV stations is harmful... (5) The impact of cable on commercial TV operations, especially on the small-market stations, is now being evidenced. And finally [the courts] have repeatedly mandated that you have a responsibility to see that the public continues to enjoy the benefits of broadcasting."

Commissioners' comments on session: Quipster Lee—"Very helpful and well oriented... I have a simple test—I didn't fall asleep." Reid—"I was impressed by the large number of broadcasters... It showed they are really concerned." Washburn—"They presented some strong arguments, particularly on the small markets." Not impressed by numbers; "they wasted their resources." Hooks—"The arguments were presented in an effective manner but I'm not sure I heard anything new... Most past rules changes have been resolved in favor of cable." Quello—"The small guys got the idea across that they could be in jeopardy." Wiley—Small markets made biggest impact; exclusivity rules didn't pay enough attention to their concerns.

Robinson—"I had a lot more questions but I restrained myself... Instead of overwhelming the place with warm bodies, it would have been better to have brought in a handful with some new information... They were all hard-liners, just digging in their heels and defying everything." He said small-market arguments of William Bengston, KOAM-TV Pittsburg, Kan., and Samuel Carey, WBOC-TV Salisbury, Md., fell on "deaf ears" because their profits have gone up every year since cable has penetrated their markets.

MPA Pres. Jack Valenti preceded broadcasters, argued that relaxation of distant signal rules would "erode and eventually destroy the syndication market." He said it would place "every UHF in serious trouble and the independent Vs would be backed into a corner." He also sought protection for copyright owners.

National Black Media Coalition Chmn. Pluria Marshall concluded session by discussing EEO upgrading, clear-channel rulemaking ("it may represent the last chance blacks have to acquire substantial numbers of new AM stations"), license renewal policy, minority programming & employment and UHF assignments in major markets. He also pointed out Coalition had filed 62-point rulemaking in Nov. 1973 "encompassing all areas of broadcast & cable regulation," was told Rules & Standards Div. has 2 attorneys working on case and will make recommendations to FCC "very soon."

SENATE OKAYS COPYRIGHT: General copyright revision bill was passed by Senate last week 97-0, with only one change affecting broadcast-cable sections. Sen. Hathaway (D-Me.) offered amendment—adopted unanimously—which would give break to small cable systems. It provides that systems with less than \$40,000 gross quarterly revenues are exempted from copyright liability for amount of revenues equal to difference between \$40,000 and actual revenues. (For example, if system receives \$30,000 for quarter, \$10,000 is exempt from liability.) Amendment also sets minimum quarterly gross of \$1,500 so that any system with \$20,000 or less in quarterly revenues pays copyright on \$1,500—\$7.50 quarterly, under current scale.

In other votes, Senate: (1) Rejected, 28-23, amendment by Sen. Tunney (D-Cal.) to allow 7-year review of rates by copyright tribunal—instead of 10-year period specified in current bill—and rejected, 56-32, 2nd Tunney amendment seeking 8-year period. (2) Defeated, 61-22, attempt by Sens. Humphrey (D-Minn.), Cranston (D-Cal.), & Huddleston (D-Ky.) to treat public broadcasters practically same as commercial by exempting non-dramatic literary works, music & photographs from public broadcasting's compulsory license. Pastore amendment adopted unan-

imously as substitute merely asks public broadcasters & copyright owners to "negotiate in good faith & cooperate fully with the Copyright Royalty Tribunal in establishing reasonable royalty fees in an expeditious manner." (3) Rejected, 60-30, amendment by Sen. Hollings (D-S.C.) to exempt jukeboxes from review by tribunal. (4) Refused, 78-14, amendment by Sen. Abourezk (D-S. D.) to shorten duration of copyright from 50 years after author's death to 56 years or life of author, whichever is longer.

House Copyright Subcommittee Chmn. Kastenmeier (D-Wis.) said he estimates mark-up of House bill will be completed in 6 weeks, said he's "quite confident" House will complete action on bill by summer.

House Bcstg. Subcommittee meets with House Speaker Albert (D-Okla.) & Majority Leader O'Neill (D-Mass.) Feb. 24 in attempt to work out compromise on resolution to allow broadcast coverage of House proceedings (Vol. 16:6 p4). "We are somewhat optimistic," Subcommittee official told us. In addition to opposition of Speaker, resolution will still face hurdles of full Rules Committee & Rep. Brooks (D-Tex.)—whose Joint Committee on Congressional Operations last year mapped out different strategy for media coverage.

HOUSE HEARING AGENDA: House Communications Subcommittee's FCC "oversight" hearing March 2-3 will cover children's TV advertising, political broadcasting, EEO, procedural reforms, spectrum allocation ("specifically the availability of VHF frequencies for public broadcasting"), PTAR, license renewal, ascertainment, radio formats, CB, interference—according to letter written FCC Chmn. Wiley by Chmn. Macdonald (D-Mass.). Omitted from hearing will be cable, family viewing, international satellite policy & common carrier regulation—all to be covered later. All 7 FCC commissioners have been called, and asked not to prepare written statements in order to "go directly to questions."

Investigations Subcommittee also has set hearing on FCC—as well as FTC & other regulatory agencies—as part of study of regulatory reform. FTC hearing has been set tentatively for March 8, FCC for early April. Hearing will concentrate on agencies' impact on public & consumers, cost-benefit analysis of regulation, effect on competition & small business, independence from Executive Branch, quality of regulators, and need for additional legislation, congressional guidance or additional enforcement powers.

Commerce Committee last week approved 1976 budget for subcommittees & full Committee. Budget still must be approved by House Administration Committee and full House. For 2nd session, Communications Subcommittee will request \$266,800 (vs. \$223,000 last year), including \$188,000 for personnel, \$60,000 for consultants. Investigations Subcommittee will seek \$730,000 (vs. \$600,000 for 1975), surpassing full Committee's request of \$708,000 (vs. \$714,000 last year). Consumer Protection Subcommittee will seek \$240,750 (vs. \$231,000 year before).

Senate Commerce Committee has formulated 1976 budget request of \$2.23 million, which still must be approved by Rules Committee and full Senate. Of total, approximately \$200,000-\$250,000 will go to communications area, including professionals, support staff from full Committee, etc., according to staff estimate.

Calvin Collier, one-time FTC gen. counsel, now OMB gen. counsel, will be tapped by President Ford to be FTC chmn., succeeding Lewis Engman, according to White House staffers. President also is expected to name UCLA Economics Prof. Thomas Sewell (Vol. 16:1 p4) to seat vacated by Mayo Thompson last Sept. Meanwhile, FTC last week announced it has unanimously authorized staff to begin investigation of whether advertising self-regulatory codes "restrain the use of comparative advertising—advertising that names competing products when making comparative claims." NAB Code requires that comparative ads be factual, prohibits disparaging remarks about competitors.

C.G.W. has been formed to syndicate TV programs by Richard Colbert, ex-4-Star pres., Art Greenfield & Gene Wilkin, heads of own companies. Product includes Break the Bank, Celebrity Bowling, Fables of the Green Forest and Higher & Wilder. Address: 9255 Sunset Blvd., L.A. 90067. Phone 213-273-0418.

NAB INCUMBENTS RE-ELECTED: For first time in several years, all 9 incumbents seeking re-election to NAB TV & Radio Boards were successful in mail balloting results announced last week. Re-elected to TV Board were Charles Batson, Cosmos; Kathryn Broman, WWLP Springfield, Mass.; James Ebel, KOLN-TV Lincoln, Neb., & Daniel Pecaro, WGN Continental; new TV dirs., who take office at close of NAB convention March 24, are Forest Amsden, KGW-TV Portland, Ore., & Leonard Swanson, WIIC-TV Pittsburgh.

Re-elected to Radio Board: William O'Shaughnessy (Dist. 2), WVOX-AM-FM New Rochelle, N.Y.; Len Hensel (Dist. 6), WSM-AM-FM Nashville; John Anderson (Dist. 8), WCCW-AM-FM Traverse City, Mich.; Richard Painter (Class C), KYSM-AM-FM Mankato, Minn.; Jack Younts (Class D), WEEB Southern Pines, N. C. New to Radio Board: Carl Venters (Dist. 6), WPTF Raleigh; R. M. McKune (Dist. 10), KTTR Rolla, Mo.; Pat Murphy (Dist. 12), KCRC-AM-FM Enid, Okla.; Wayne Cornils (Dist. 14), KFXD-AM-FM Nampa, Ida.; Jack Willis (Dist. 16), KHEP-AM-FM Phoenix; David Scribner (Class A), KHOW-AM-FM Denver; Herbert Hobler (Class B), WHWH Princeton-Trenton, N. J.

Michael Curzan, exec. dir. of public broadcasting's Satellite Working Group (SWG), tendered resignation during PBS L.A. membership meeting 2 weeks ago (Vol. 16:7 p2) in policy dispute among SWG members Ford Foundation, PBS & CPB. Curzan declined to comment on resignation, invoking "attorney-client relationship," but said that he is "still available to work with SWG" and plans to continue to do so in immediate future. Curzan feels project "could be better done if the project were more centrally administered, rather than decentralized," according to public broadcaster close to Curzan. "The issue is who is going to construct this and who will be responsible for cost-overruns." Broadcaster noted that under CPB board resolutions, stations are given responsibility for cost overruns but PBS—which represents stations—doesn't have ability to administer project, oversee construction or negotiate loans, must cede these powers to CPB. PBS Vice Chmn. Hartford Gunn told us that though Curzan submitted resignation, "he will step back in, subject to the appropriate request. He does not want to be the overall director of the project any more, but has indicated his willingness to be available in another role."

Contract for \$208,000 has been awarded by National Science Foundation to U. of Mo. to investigate cable picture quality, under direction of Archer Taylor, Malarkey-Taylor & Assoc. Completion is due by Nov. 1977. KETC(ETV) St. Louis and PBS Washington will produce displays. Participants include Donald Fink, who had been major figure in creation of NTSC standards.

Archaic network radio rules will be examined in FCC inquiry, as expected (Vol. 16:4 p6)—role of AP & UPI service, temporary networks, option time, exclusivity, etc. Comments are due May 10, replies June 7.

Personals

FCC Comr. **Glen Robinson**, whose term expires June 30, has accepted law professorship at U. of Va., effective in Sept.; Robinson also is expected to play major communications role with Aspen Institute in Washington.

Richard Burdick promoted to senior vp, WCVB-TV Boston... **Bob Sutton**, ex-KYW-TV Philadelphia, appointed program & production mgr., WWJ-TV Detroit... **Gordon Acker**, ex-WCIV Charleston, S. C., appointed dir. of program operations & promotion, KERO-TV Bakersfield.

William Lord, ABC News vp-Washington News Bureau, promoted to vp-TV News, will be based in N. Y.; **George Watson** advanced to vp-Washington bureau chief; **Richard Stubbe** promoted to TV network operations mgr., ABC Bcst. Operations & Engineering; **Arnold Huberman**, ex-NBC, appointed ABC Entertainment feature films dir.; **Ronald Taylor** advanced to asst. dir., ABC Western Div. broadcast standards & practices; **Christine Warshaw** joins ABC-TV as West Coast program attorney.

Adele Greene, ex-Ruder & Finn, named CPB vp-public affairs... **Al Vecchione**, NPACT exec. dir.-public affairs programming, takes leave of absence to become Democratic National Committee TV-radio consultant.

James Mathews appointed western div. mgr., Cable Program Services; **Jacqueline Meyer** dir. of special programming... **Peter Fechheimer**, ex-Teleprompter, joins Optical Systems as Ch. 100 district mgr. for northern Cal.

FCC Comr. James Quello, speaking to 4-A's in Southfield, Mich.: "Advertising may well be the nation's principal guarantee against a government supported and controlled broadcast industry... The establishment of family viewing time is an example of a voluntary response to 'regulation by raised eyebrow'... The FCC was initially established as an engineering traffic cop... It has since added a vice & morals squad... There are influential groups in Washington that simply believe advertising—and particularly TV-radio advertising—is not only non-essential but socially harmful."

Syndicator Sandy Frank again is back before FCC seeking ban of stripping in access time. Similar request was turned down in 1974, although Commission said then it was "an interesting idea... which might appeal to numerous persons without an axe to grind." This encouraged Frank to file new petition, coupled with statistics showing that about 1/3 of access time is filled with strip shows. This, he said, has "both inhibited the healthy growth of the independent TV program industry and retarded the optimum use of access time."

N. C. broadcasters are questioning motive of Lt. Gov. **James Hunt** in calling conference to improve TV programming in state and to "deal with sex & violence." In letter to Hunt, NCAB Pres. **James Babb** said broadcasters are "troubled" that conference is planned for about same time Hunt is expected to become candidate for governor.

WEEKLY Television Digest

with
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

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Also publishers of annual *Television Factbook* and weekly TV, AM-FM & CATV Addenda, CATV Atlas and other special publications

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ABC's 4th QUARTER LOSS: Estimated loss of \$4 million on \$321.8 million revenues marked ABC's 4th quarter 1975 financial picture, compared with \$11.1 million earnings on \$298.5 million revenues in same period in 1974. For year, ABC earned estimated \$17.1 million on \$1.1 billion revenues, down from \$49.9 million on \$986 million year before. Broadcasting accounted for 72% of 1975 revenues, ABC said.

Decline in TV network profits because of higher costs and lower unit prices "due to the network's disappointing ratings performance" were partly to blame for 4th quarter loss, ABC reported, along with poor performance of Largo, Md. Wildlife Preserve and continued losses in domestic recorded music company. Largo preserve will be closed. New schedule introduced in Jan. along with 5 consecutive weeks of leading in network prime-time audience levels have put ABC "in excellent condition... well-positioned for a strong year in 1976," according to Chmn. Leonard Goldenson.

New satellite CPs (see CATV Addenda for details): Teleprompter—Santa Cruz, Cal.; South Shore, Ky.; Missoula, Mont. Others—Micro-Cable, Yuma, Ariz.; Hayward Cable, Hayward, Cal.; United Cable, Carpentersville, Ill.; Added Attractions, Grand Island, Neb.; Summit Communications, Winston-Salem, N. C.; TV Cable, Abilene, Tex.; Cox Cable, Lubbock, Tex. New applications: Louisville, River City Cable; Waco, Cablevision Investors.

Reconsideration of FCC's 1977 cable rebuild rules, scheduled Feb. 26, has been postponed to allow for more staff preparation. Major items up this week include cable carriage of specialty TV stations (Vol. 16:5 p6), TV-radio combination rates and fairness doctrine reconsideration (see p. 3).

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Feb. 6 (5th week of 1976):

| | Jan. 31- Feb. 6 | 1975 week | % change | Jan. 24-30 | 1976 to date | 1975 to date | % change |
|-----------------------------|--------------------|--------------|-------------|---------------|-----------------|-----------------|-------------|
| Total TV. | 199,875 | 155,891 | +28.2 | 263,795 | 1,033,909 | 841,870 | +22.8 |
| color | 118,604 | 86,433 | +37.2 | 153,600 | 614,918 | 487,462 | +26.1 |
| monochrome | 81,271 | 69,458 | +17.0 | 110,195 | 418,991 | 354,408 | +18.2 |
| Total radio | 441,815 | 312,443 | +41.4 | 688,447 | 2,735,799 | 1,896,195 | +44.3 |
| home, portable | 204,420 | 153,000 | +33.6 | 435,418 | 1,550,642 | 1,163,727 | +33.2 |
| AM-only | 23,326 | 47,038 | -50.4 | 107,462 | 319,656 | 376,342 | -15.1 |
| FM & FM-AM | 181,094 | 105,962 | +70.9 | 327,956 | 1,230,986 | 787,385 | +56.3 |
| auto | 237,395 | 159,443 | +48.9 | 253,029 | 1,185,157 | 732,468 | +61.8 |
| Port.-comp. phono | 45,654 | 40,976 | +11.4 | 59,082 | 241,701 | 196,102 | +23.3 |

Color TV 5-week moving average: 1976—122,984; 1975—97,492 (up 26.1%).

NEW COLOR TUBE OFFERED TO INDUSTRY: Television Digest's reports on completely new color tube (Vol. 16:5 p7 et seq.) were confirmed last week in separate statements by developers Zenith & Corning. Next week, Corning will distribute samples of bulb to its tube-making customers and Zenith will demonstrate finished tube to set & tube makers in hopes of establishing it as new industry standard.

Cost savings in new bulb alone are significant—estimated at about \$5 in 19" size. Tube, which can be built from bulb, involves wide choice of possible tradeoffs—higher performance vs. more cost savings. And it's believed that design of tube can make possible further economies in TV set chassis.

Zenith & Corning statements confirmed all basic facts reported here. Announcing March 2 industry demonstration, Zenith said tube had been developed over 4 years at "very substantial investment in manpower & money" and "offers opportunities to improve picture tube performance and reduce picture tube costs." Zenith will use new tube in "portion of its 19-in. color TV line to be introduced in the late summer of 1976," said Pres. John Nevin, stressing that use of tube would be limited at first and wouldn't have significant impact on company's costs, profits or revenues this year, but adding that Zenith was "optimistic with respect to the possible long-term impact of its efforts to improve the design of color picture tubes & other color TV components." He reiterated Zenith's goal of keeping U.S. TV manufacturing competitive with imports through technology.

Corning announced it had developed "new technique in the manufacture of glass parts used in the TV tube" under own patents in cooperation with Zenith. Project involves "completely new configuration of the funnel & faceplate...A major difference is the elimination of the skirt" on faceplate. Corning said process offers "economy both to glass & tube makers," promises higher-performance tube.

Glass production will start at midyear, but Corning is sampling customers as soon as it shows bulb next week so they can get started quickly on tube design. In 19" size, first to be offered, price of glass will be some \$5 below that of conventional bulb (which is about \$18). TV Products Business Mgr. John Gailey said timetable for other sizes will be revealed to tube makers next week.

Corning will give industry total engineering package, make bulbs available to all without

proprietary restrictions or license fee. "We want this to become the new industry standard. Standardization can bring about economies." Corning will license other glass makers to produce same bulb. Gailey said development "cost millions of dollars and years of effort" and was undertaken to prevent repetition of black-&-white debacle—move of most glass, tube & set production overseas.

Even though new glass will be available to entire tube industry this year, it may take as long as 1-1/2-2 years before Zenith's competitors can get into act—since manufacture of tube from Corning's glass apparently involves several new processes, considerable retooling. Zenith presumably will offer licenses to tube-making competitors and prepare to sell tubes to set makers. But it has headstart as set maker, too, since chassis & cabinet redesign are required to accommodate new 100° tube with unconventional configuration.

New tube's faceplate, Corning indicates, is pressed glass (not sheet glass as indicated in Zenith patent), and part of saving is result of higher-speed bulb manufacturing process. Appearance of new tube to viewer was said to be relatively conventional, except for "trimmer lines."

PRE-RECORDED PROGRAMMING FOR BETAMAX: Although Sony is pushing Betamax video-cassette recorder almost exclusively as device for recording & playback of home TV programming, Betamax owners soon will be offered pre-recorded programming of same type which eventually will be offered on videodiscs.

At least 2 programmers already are in act, readying rental programs, and it will be surprising if others don't join in. Teletronics International, big N.Y.-based tape production & duplication house, plans to offer range of recent movies & other programming by summer. Joint venture Sony-Teletronics (S-T) already has Betamax duplicating equipment and is making copies now.

Teletronics programming will be distributed by MGS Services, major TV station film-tape distributor owned jointly by Teletronics (60%) & Sonderling Bcstg. Teletronics Pres. George Gould told us that rental will be direct-to-consumer venture, with charges "comparable to a movie admission" covering unlimited plays over "fairly broad period"—not on one-day basis.

Time-Life Multimedia already is renting recorded Betamax cassettes by direct mail and Dir. Richard Kelly says response has been "on target" so far. Each Betamax unit comes equipped with what is in effect TLM "commercial"—demonstration cassette devotes 8 min. to introducing buyer to Betamax, 5 min. to TLM message on available programming, including sample speedreading lesson. Packed in carton is self-test in speedreading and direct-mail piece to order Dick Cavett speedreading course (8 one-hour lessons at \$75 a month plus \$20 for texts). Other courses being offered: Tennis, business negotiating (about \$50 each).

TLM cassettes are shipped in plastic box enclosed in shipping box designed for return mailing. Kelly says it's too early to tell how successful TLM's Betamax efforts will be. He notes that speedreading course didn't sell well in U-Matic format til about 50,000 players & recorders were in field; he estimates U.S. U-Matic census at about 150,000 instruments now. TLM hopes to add to rental library, stressing "enlightenment" rather than entertainment—same role it hopes to fill in videodisc market.

Betamax tapes could be dress-rehearsal for videodisc. One independent program supplier which has made careful study of disc field estimated these costs for V-disc movie: Disc in volume could be manufactured for \$1—or \$2 for 2-disc movie. Marketing expenses would add \$1-\$2. Royalties for new movie should come to \$2-\$3 per film, making total cost about \$7. This translates to \$7-\$15 retail. He estimated that disc player population of 1 million units would be required before there's any possibility of profit—and "if the industry doesn't make a million units in the first 3-4 years, it's going to die" from lack of programming.

Columbia Records has "full-blown embryonic team" looking into videodisc programming, CBS Pres. Arthur Taylor said last week in answer to our question at meeting of security analysts. "We believe there is a future," he added. "Our interest is in software and the manufacture & distribution of discs. We think it won't be until the end of the decade that we can tell whether it's a viable business. Right now it looks like a good small business, but will

it be a good big business? It interests us. It's our bag. If it's there and attractive, we'll be in it."

In meantime, experiments in Betamax programming will be watched closely for possible clues to public's taste in videodisc programs.

VIDEO GAMES SWEEPING TOY FIELD: Raft of new video games—one expected to hit retail discount price under \$30—will greet visitors to American Toy Fair in N. Y. this week. At least 4 toy firms will be taking orders for spring-summer delivery, and Magnavox will come into show for first time with Odyssey 100 & 200.

At same time, Fairchild has signed 2nd game-licensing agreement, this one with Alpex Computer Corp., Danbury, Conn. for development of console capable of playing "variety of video games." Fairchild signed similar deal with Phoenix-based Micro in Jan. (Vol. 16:4 p10).

Introducing games at Toy Fair are Coleco, Entex, Cardinal Industries & Jansa and industry generally believes other major toy/game companies will enter field within year.

New low price point in game market is being quoted by Cardinal on "Backhand II," which will carry suggested list in \$45-\$50 range but is expected to be discounted at \$29.95 by major chains. Game is basic table tennis, features variable speed & serve controls, random ball movement, lacks sound & on-screen scoring. Other Cardinal game—"Backhand I"—has sound, plays smash (1 player) or tennis (2), uses remote paddle controls set inside real tennis balls. Price is expected to be in \$70 range. Vp Joel Berger says new unit using audio cassette to change games will be introduced later in year. Both games are scheduled for June delivery.

Coleco game (Vol. 16:3 p9) is called "Telstar," will retail for \$70-80. Vp E. B. Hurwin said unit uses single game chip, plays tennis, hockey, one-player handball and features on-screen digital scoring, 3 different ball sounds, variable speed-control settings at "beginner," "intermediate" & "professional" levels. Deliveries begin in April; other games are planned.

Entex "Tele-Pong" is made in Japan, uses 8 chips, plays tennis, Ping Pong & squash, has variable speed control & "automatic-player" feature allowing user to play against game. Spokesman said deliveries will begin in April and game probably will be discounted at \$50 retail level.

Jansa, subsidiary of Brewster Industries, will market higher-end "Futurescope" featuring 2 remote-control panels and 6 games, including "Chance" which randomly blanks out half of playing field during game. Jansa Pres. Joseph Steinberg says game uses 30 chips, is assembled in firm's Brooklyn plant, will be delivered in June. Game using custom-made chip will be introduced in next 6 months and firm plans to introduce line of 10 video "action" games at beginning of 1977. "Futurescope" carries \$118 dealer price, will probably be discounted at \$180 level, Steinberg said.

Magnavox is "looking for additional customers" at Toy Fair, according to Electronic Games Product Mgr. John Helms, won't introduce lower-priced version of Odyssey (Vol. 16:4 p11).

Toy/game industry will make dramatic shift to video and other electronic games in next few years, many in field predict. Steinberg says his firm—which now specializes in air hockey, other family games—will have totally electronic line within next 5-10 years. "Space in the home is getting short," he told us, "and there isn't enough room for big games. But the consumer wants more games, and the answer is electronics." Video game market alone will hit 4.5 million in 1977, he believes.

"We feel the future of the game business is in electronics," commented Berger of Cardinal. In addition to video games, it's using Fair to introduce "Electronic Chess," handheld calculator-sized game programmed to challenge player on 8 different levels of expertise. Microprocessor pre-programmed with chess logic accepts player's move, analyzes position, displays countermove on LED readout. Price will be in \$100-\$120 range.

Other firm entering electronic games is Mego, which is introducing non-TV electronic "Phaser Battle" game simulating bridge of StarTrek Enterprise space ship. Game has variable speed control, range of interactive battle responses, uses LED for automatic scoring. Game uses TI chip, will be produced at firm's new Taiwan factory. Mego is now studying video game

field and discussing possibilities with major game-chip suppliers—"we're looking for something with new price points or new features," Mktg. Mgr. Michael McGaughey said.

Coming year probably will see entry of another leading toy company with game produced by Alpex. President Norman Alpert says in addition to Fairchild, licensing agreement also was signed "with a major toy company" for game which may be introduced during 1976. Alpert described Alpex as electronically-oriented R&D company engaged in development & production of "special computer terminal"—with game as one application. Under Fairchild deal, Fairchild will have exclusive marketing rights for first 4 years, will continue to market game on non-exclusive basis after that.

Note: FCC says 5 firms now have type approval under Class I TV Devices regulations, latest being Universal Research, which markets "Video Action" games. Others: Magnavox, Atari, First Dimension, Executive Games.

SONY'S OUTLOOK: Sony's U.S. color TV market share was "in excess of 10% in Jan.," should run about 8% this year, up from 7.5% in 1975, Sony America Pres. Harvey Schein told N.Y. security analysts last week. Share last year was significantly higher when only sizes where Sony competes are considered, he said, claiming company had 25-30% of 12" market, about 40% of 15". Figures indicate Sony sold about 480,000 color sets here last year, half in 12" & 15", other half, mostly assembled in San Diego plant, in 17" & 19", and that U.S. accounted for about 30% of Sony's worldwide sales of 1.65 million color sets.

Akio Morita, chmn. of Japanese parent, said Sony expected to report 9% sales gain, better than 10% profit increase in quarter to Jan. 31. Commenting on market plans, Morita said he felt CB was not Sony-type product, but indicated company may make token entry, expressed doubt "TV games will be very popular," said company was working on videodiscs in lab, but would stick with VTR until such time as software availability made disc more of mass market item.

* * * *

Admiral probably will take 4-5 years to produce adequate profits, Rockwell Pres. Robert Anderson told annual meeting in Beverly Hills last week—adding that there's no deadline for profitability. He said Admiral's share of U.S. TV market rose 1% or 1-1/2% in 1975 to 7%, and "we'd like to get it up to 10%." Admiral has no plans to drop any lines, "but we are taking a look at small radios." It was indicated that Rockwell's calculator operation would show moderate loss for fiscal 1976, ending Sept. 30.

Prohibitive \$5.37 duty rate would be imposed on imports of electronic digital watch modules from most countries (\$10.75 on imports from Communist nations) under bill (HR 10176) proposed by Rep. Mills (D-Ark.), scheduled for Ways & Means Committee hearing March 2. Rate is same as that applied to 17-jewel conventional movements, would replace current 75¢ levy, force retail price increase of \$15-\$20. There currently is no Tariff Schedule provision for electronic movements, so they are dutiable at lowest of watch rates; duties on cases & watchbands are assessed separately so wouldn't be affected by rate change.

WARWICK'S LOSSES: Warwick attributed larger loss in 1975 to production-rate cutbacks caused by Sears' increased purchases of low-priced Japanese color portables. Warwick sales were off 45% for year and loss more than doubled that of 1974. In closing quarter, sales dropped 33%, loss was cut by 1/3 (see financial table). Company said it sold former color plant in Covington, Tenn. to non-electronics firm, was adjusting operations to lower sales levels.

Whirlpool's negotiations to sell 57% of Warwick are still in preliminary stage, Warwick noted, said its ability to operate profitably, maintain adequate financing, will determine whether it will remain in TV business. Warwick didn't identify prospective customer, known to be Sanyo (Vol. 15:50 p7).

Capehart showed profit in fiscal 3rd quarter on 14% sales gain. Net loss for 9 months was after \$3.3-million credit stemming from debt refinancing.

Radio Shack store sales jumped 57% in Jan. to \$58.3 million, parent Tandy reported.

Watch watch: Fairchild expects to produce 1 million digital (LED & LCD) watches this year, indicated plans to match Texas Instruments' \$20 leader by year's end... National Semiconductor dropped prices on Exelar line; 3-function leader is now \$29 list, could be retailed below \$25... Elgin predicts digitals will account for only 12.5% of this year's 46-million-unit watch market... Texas Instruments says production of \$20 watch has started, first deliveries May 1.

Majority of nation's retailers apparently see profitable future in video game business. Nearly 80% of retailers participating in our monthly Early Warning Report sales survey say they either handle games now or plan to add them in near future. Answers to 4 questions on video games break down this way: Already carry them, 39%; plan to carry them, 39%; looking at market, but probably won't carry them, 11%; won't carry them, 11%.

Low-power unlicensed walkie-talkies will be moved out of congested 27-MHz CB band to 49.82-49.90 MHz, FCC ruled. Manufacture of unlicensed 27-MHz voice transceivers must be halted by March 18, 1977—year after ruling goes into effect—marketing by same date in 1978. Existing 27-MHz units may be operated until March 18, 1983.

CANADA'S 9 MONTHS: Canadian total-TV-market slide continued through 3rd quarter, though at slower rate than in first half, Statistics Canada reports. Total domestic factory TV production was off 46.5% for first 9 months, with color down 44.1%, b&w 58.9%. Imports dropped 32.8%, as color slipped 27.4%, b&w 40.6%.

In 3rd quarter, domestic TV production dropped 36.7% to 102,000, as color fell 37.5% to 89,600, b&w 30.5% to 12,500. Total TV imports in period were down 40% to 149,900, color down 36.3% to 98,500, b&w 45.9% to 51,400. Total TV market in July-Sept. dropped 38.7% to 252,100, with color off 36.9% to 188,200, b&w 43.4% to 63,900. For full 9 months, imports held record 55.6% of total Canadian TV market, up from 50%, including 48.1% of color (up from 41.7%) & 77.4% of b&w (up from 70.5%).

Factory sales of domestic TV fared somewhat better than production, an indication of producers' inventory reduction efforts. Total factory sales of 348,800 were off 29.4%, as color dropped 24% to 294,900, b&w 49.3% to just under 54,000. Depressed state of all segments of consumer electronics production in Canada is reflected in withholding of most domestic production & sales data on phonos—a move Statistics Canada makes when number of active companies drops to 2 or one holds at least 50% market share. Figures that were released show 9-month sales of Canada-made stereo phonos at 15,300, down from 45,700, while console radio-phono sales dropped to 61,600 from 76,100. Here's picture:

CANADIAN FACTORY PRODUCTION

| | 9 mo. 1975 | 9 mo. 1974 |
|--------------------|---------------|---------------|
| Total TV | 284,040 | 530,975 |
| color | 246,655 | 440,922 |
| monochrome | 37,385 | 90,053 |

CANADIAN IMPORTS

| | 9 mo. 1975 | 9 mo. 1974 |
|-----------------------|---------------|---------------|
| Total TV | 356,368 | 530,474 |
| color | 228,606 | 315,265 |
| monochrome | 127,762 | 215,209 |
| Home radio | 1,185,407 | 1,310,791 |
| Auto radio | 1,598,327 | 536,025 |
| Phono | 42,439 | 62,022 |
| Radio-phono | 341,954 | 521,293 |
| Tape rec. & players | 687,525 | 946,175 |

Era of TV showrooms for consumers ended in N.Y.C. this month with closing of Sony 5th Ave. & Regal Magnavox Rockefeller Center salons. Sony's was last manufacturer-owned display to close, preceded over last 6 years by those of Magnavox, National Union Electric (Emerson-DuMont), RCA, Sylvania & Zenith. Regal Magnavox was supported in part by Magnavox when it opened, later was run by N.J. retail chain.

Zenith introduced 4 monochrome sets originally scheduled for late-Feb. distributor meeting. Two 16" & two 19" sets, all open list, are priced same as models they replace. Zenith Sales Co. Pres. Walter Fisher said sets were introduced early because of high demand for 16" & 19" b&w.

JAPAN'S YEAR: Transceivers (CB) were stars for Japan's consumer electronics exports to U.S. last year, as value of shipments of higher-powered units rose to 3rd place in rankings, behind only color TV and radio-tape combinations, Finance Ministry totals show.

Total transceiver exports jumped 80.5% to 4.97 million units, on strength of nearly tripled shipments of over-100 milliwatt models. All other major audio product classifications showed decreases. Total radio exports were off 30.1% to 3.6 million, as home radios dropped 40.7% to 2.2 million, auto radios slipped 1.4%. Total phono was down 36.1% to 246,300, with radio-phonos off 37.5% to 231,400, phono-only off 3%. In tape hardware, total shipments fell 13.5% to 12.16 million, auto players were down 27.8%, and home recorders, players & combinations of all types slipped 10.1% to 10.2 million.

Growth in Japan's TV dollar earnings didn't keep up with 4.8% unit gain (Vol. 16:6 p8), rising just 3.9%—mainly due to \$20 decline in average color set export value to \$173.51 from \$193.87. B&w average edged up to \$59.63 from \$59.09. Here are 1975 totals for key products:

JAPANESE EXPORTS TO U.S.

| | 1975 | | 1974 | |
|---|-----------|-------------|-----------|-------------|
| | Units | Value \$ | Units | Value \$ |
| Total TV | 1,861,664 | 249,392,514 | 1,776,565 | 239,949,553 |
| color | 1,215,104 | 210,836,019 | 1,001,390 | 194,140,520 |
| b&w | 646,560 | 38,556,495 | 775,175 | 45,809,033 |
| Radio-phono, stereo | 130,937 | 11,397,006 | 299,875 | 29,245,543 |
| Radio-phono, mono. | 100,486 | 2,241,672 | 70,514 | 1,379,093 |
| Radio-recrdrs. & other comb. | 4,999,294 | 203,689,413 | 4,488,750 | 210,929,106 |
| Clock radios | 408,011 | 8,889,465 | 1,086,018 | 25,003,840 |
| Tr. radios w FM. . . | 1,618,717 | 116,677,986 | 2,397,698 | 160,866,856 |
| Tr. radios, AM. . . . | 220,940 | 1,709,321 | 308,204 | 2,707,846 |
| Auto radios. | 1,375,961 | 33,410,298 | 1,395,422 | 33,372,873 |
| Trcvrs., under 100mw | 1,209,841 | 5,004,960 | 1,435,384 | 5,832,736 |
| Trcvrs., other | 3,759,333 | 196,211,193 | 1,317,602 | 67,301,773 |
| Phonos. | 14,900 | 103,304 | 15,357 | 365,546 |
| Tape players, auto. . | 1,928,855 | 33,043,016 | 2,673,218 | 53,721,096 |
| Tape rcrdrs., reel. . | 31,672 | 2,868,636 | 34,656 | 3,035,230 |
| Tape rcrdrs., cass. . | 3,182,028 | 78,578,144 | 3,882,830 | 100,264,513 |
| Other cart., rcrdrs. & players | 894,700 | 17,983,114 | 837,261 | 19,473,266 |
| Tape decks. | 1,122,592 | 72,703,800 | 2,137,362 | 92,501,656 |

FCC postponed to May 1 start of program allowing direct connection to phone lines of non-telephone-company supplied devices. Rules, which were to be effective April 1 (Vol. 15:45 p13), permit use of answerers & automatic dialers which have been certified as harmless to phone network and registered with FCC. Devices needn't be equipped with protective couplers, which add \$30-\$50 to retail price. In rejecting phone companies' requests for reversal, FCC exempted their equipment from registration requirements until Jan. 1. Agency will meet with other federal & state regulatory bodies Feb. 25 to consider extending rule to telephones themselves.

Japan's Trio Electronics, best known in U.S. for Kenwood-brand hi-fi, has opened new U.S. subsidiary, Trio-Kenwood, to market amateur & CB radio equipment. While such Trio-made gear has been sold in U.S. for many years, bulk has been under private label.

Financial Reports of TV-Electronics Companies

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

| Company & Period | Revenues | Net Earnings | Per Share |
|-------------------------------------|--------------------------|-------------------------|-----------|
| Allied Artists | | | |
| 1976-40 wk. to Jan. 3 | 39,873,000 | (1,898,000) | -- |
| 1974-39 wk. to Dec. 28 ^a | 42,523,000 | (91,000) | -- |
| American Bcstg. Cos. | | | |
| 1975-year to Dec. 31 ^b | 1,064,648,000 | 17,096,000 | .99 |
| 1974-year to Dec. 31 | 986,040,000 | 49,945,000 | 2.92 |
| 1975-qtr. to Dec. 31 ^b | 321,752,000 | (3,953,000) | -- |
| 1974-qtr. to Dec. 31 | 298,453,000 | 11,091,000 | .61 |
| Ampex | | | |
| 1976-9 mo. to Jan. 31 | 190,492,000 | 7,188,000 ^C | .66 |
| 1975-9 mo. to Jan. 25 ^a | 180,798,000 | 16,184,000 ^C | 1.49 |
| 1976-qtr. to Jan. 31 | 60,802,000 | 2,029,000 ^C | .19 |
| 1975-qtr. to Jan. 25 ^a | 59,435,000 | 1,487,000 ^C | .14 |
| Arvin Industries | | | |
| 1975-year to Dec. 31 | 340,306,000 | 4,773,000 | .80 |
| 1974-year to Dec. 31 | 280,977,000 | 4,163,000 | .72 |
| 1975-qtr. to Dec. 31 | 101,217,000 | 3,734,000 | .63 |
| 1974-qtr. to Dec. 31 | 96,684,000 | 1,679,000 | .29 |
| Capehart | | | |
| 1975-9 mo. to Dec. 31 | 37,853,447 | (690,818) ^C | -- |
| 1974-9 mo. to Dec. 31 | 38,634,641 | (3,440,731) | -- |
| 1975-qtr. to Dec. 31 | 17,881,634 | 164,250 | .07 |
| 1974-qtr. to Dec. 31 | 15,728,633 | (2,066,445) | -- |
| Combined Communications | | | |
| 1975-year to Dec. 31 | 151,035,000 | 7,661,000 | 1.57 |
| 1974-year to Dec. 31 | 120,081,000 | 6,152,000 | 1.65 |
| 1975-qtr. to Dec. 31 | 50,694,000 | 3,004,000 | .54 |
| 1974-qtr. to Dec. 31 | 35,002,000 | 2,341,000 | .54 |
| Comsat | | | |
| 1975-year to Dec. 31 | 142,581,000 | 46,243,000 | 4.62 |
| 1974-year to Dec. 31 | 133,470,000 | 44,918,000 | 4.49 |
| 1975-qtr. to Dec. 31 | 36,400,000 | 10,086,000 | 1.01 |
| 1974-qtr. to Dec. 31 | 35,928,000 | 12,317,000 | 1.23 |
| Cowles Communications | | | |
| 1975-year to Dec. 31 ^a | 8,748,000 ^e | 3,280,000 ^C | .83 |
| 1974-year to Dec. 31 | 7,732,000 | 4,571,000 | 1.15 |
| 1975-qtr. to Dec. 31 | 2,604,000 ^e | 1,071,000 | .27 |
| 1974-qtr. to Dec. 31 ^a | 2,370,000 ^e | 2,182,000 | .55 |
| Foote Cone & Belding Communications | | | |
| 1975-year to Dec. 31 | 57,787,000 | 3,622,000 | 1.70 |
| 1974-year to Dec. 31 | 50,475,000 | 1,695,000 | .83 |
| 1975-qtr. to Dec. 31 | 16,341,000 | 1,323,000 | .62 |
| 1974-qtr. to Dec. 31 | 13,817,000 | 1,037,000 | .52 |
| Gray Communications Systems | | | |
| 1975-6 mo. to Dec. 31 | 5,867,545 | 353,672 | .74 |
| 1974-6 mo. to Dec. 31 | 4,802,932 | 345,456 | .73 |
| 1975-qtr. to Dec. 31 | 3,423,200 | 260,107 | .54 |
| 1974-qtr. to Dec. 31 | 2,469,080 | 207,262 | .44 |
| P.R. Mallory | | | |
| 1975-year to Dec. 31 | 233,123,000 ^e | 2,032,000 | .52 |
| 1974-year to Dec. 31 | 248,211,000 ^e | 8,244,000 ^C | 2.13 |
| 1975-qtr. to Dec. 31 | 68,410,000 ^e | 418,000 | .10 |
| 1974-qtr. to Dec. 31 | 62,032,000 ^e | 2,440,000 | .63 |
| Metromedia | | | |
| 1976-year to Jan. 3 | 212,979,563 | 14,081,508 | 2.15 |
| 1974-year to Dec. 28 | 202,155,050 | 6,681,795 | 1.02 |
| 1976-qtr. to Jan. 3 | 65,797,686 | 6,034,478 | .92 |
| 1974-qtr. to Dec. 28 | 59,600,194 | 3,278,651 | .50 |
| MPO Videotronics | | | |
| 1975-year to Oct. 31 | 13,716,827 | (367,404) | -- |
| 1974-year to Oct. 31 | 8,290,832 | (393,862) | -- |
| TRW | | | |
| 1975-year to Dec. 31 | 2,585,700,000 | 103,900,000 | 3.08 |
| 1974-year to Dec. 31 ^a | 2,486,000,000 | 93,000,000 | 2.76 |
| 1975-qtr. to Dec. 31 | 680,000,000 | 31,300,000 | .95 |
| 1974-qtr. to Dec. 31 ^a | 647,300,000 | 23,500,000 | .70 |
| Warwick Electronics | | | |
| 1975-year to Dec. 31 | 118,288,000 | (8,994,000) | -- |
| 1974-year to Dec. 31 | 215,291,000 | (3,830,000) | -- |

| Company & Period | Revenues | Net Earnings | Per Share |
|----------------------|------------|--------------|-----------|
| Warwick (continued) | | | |
| 1975-qtr. to Dec. 31 | 36,135,000 | (1,311,000) | -- |
| 1974-qtr. to Dec. 31 | 54,209,000 | (3,328,000) | -- |

Notes: ^aRestated. ^bEstimated. ^CIncludes special credit.
^dAdjusted. ^eFrom continuing operations.

Trade Personals

Albert Wells advanced from Wells-Gardner exec. vp to pres., succeeding late **Grant Gardner**. . . **Robert Pfannkuch**, ex-Bell & Howell Communications Div. vp, named pres. of new Video Div., centralizing all video activities. . . **Gerald Martin**, onetime Magnavox vp, resigns as Utah American pres. in policy dispute; **William McCumber**, pres. of parent Flint & Walling Co., temporarily assumes duties as head of speaker mfg. subsidiary.

Thomas Collins, RCA consumer affairs dir., named Consumer Electronics Div. vp; **Frank McCann**, RCA, elected chmn., EIA Consumer Electronics Group PR Committee; **Nathan Gordon** promoted from dir. to staff vp, RCA Systems Research Lab.

Robert Knox advanced at Rockwell Microelectronic Device Div. from electronics operations engineering vp to Div. engineering vp; **Robert Browning**, former microprocessor mktg. mgr., named OEM systems mktg. mgr., new post. . . **Prasad Vepa**, ex-Texas Instruments Time Products, joins Fairchild Consumer Products Group as watch product mktg. mgr. . . **David Wies** shifts from ITT Grinnell to ITT Semiconductors-Worldwide as admin. dir.

Robert Murphy, Corning International chmn., former head of disbanded Electronic Industry Committee for Fair International Trade, named by President Ford to chair board charged with monitoring U.S. intelligence-gathering activities. . . **W. Glenn Gordon**, ex-Studebaker-Worthington, named Allen-Bradley pres., succeeding **I. A. Rader**, who becomes chmn., retains post of chief exec.; **John Mason**, Systems Div. head, advanced from vp to senior vp, adds responsibility for field sales for all divs.

Emanuele Morici resigns as pres.-gen. mgr. of Italian TV-radio producer Autovox in dispute over reorganization & disposition plan by Motorola, 60% owner of Autovox. . . **Cal Garnica**, ex-Olson Sales, named Sonab field sales dir. . . **William Wilbur** appointed Wald Sound controller. . . **Philip Sharaf**, ex-Toshiba & Glenburn, forms Shardon Mktg., Chicago-area rep firm.

Leonard Brazus, ex-ITT, appointed business planning & development dir., Mallory Capacitor; **Robert Patrick**, ex-Allis-Chalmers, joins as mktg. mgr. . . **John Lunn** advanced at GC Electronics from production control mgr. to staff asst. to Exec. Vp **Henry Lackner**. . . **Charlton Dietz**, 3M gen. counsel, adds post as legal affairs vp, succeeding **Robert Tucker**, retiring May 1. . . **H. Andre Carron**, ex-GTI Tensor Electronics, joins Sprague as gen. mgr., Wichita Falls, Tex. capacitor plant.